

Forbes

The Republicans Must Stop Play Acting, And Force A Government Shutdown

Doug Bandow

9/30/2013

Washington is all agog over the GOP attempt to defund ObamaCare by holding the federal government hostage. Congressional Republicans say: Cut the spending or Uncle Sam will have to stay home.

Unfortunately, it's hard to roll back today's Leviathan state with control of just the House. Nor is the president likely to abandon his signature domestic initiative, accomplished at great political cost. And while the public doesn't favor his plan to nationalize American health care, people seem even less enthused about Republican attempts to govern like the monkey-wrench gang.

Better would be a threat to close down the government because the government should be shuttered. The GOP should seek to eliminate entire programs and agencies.

Federal control of health care is a good place to start. The U.S. medical system is a mess—because Washington already accounts for about half of the spending and directs much of the rest through tax preferences and regulations. But the government should not be deciding who gets how much health insurance in what form through whom. The president's system is likely to further inflate costs, encouraging Congress to ration care, giving politicians ultimate control over everyone's medical futures—a truly frightening prospect.

Corporate welfare should be another target. Republicans rightly worry about perverse incentives created by welfare for the poor since federal programs have wrecked families and communities while discouraging education and work. However, even less justified are a variety of payments to dependent businesses. Export subsidies, research grants, farm subsidies, housing aid, regulatory preferences, and more. Capitalists long have been among the worst enemies of capitalism, showing up in Washington only to announce "I'm for free enterprise, but"

Indeed, a serious assault on corporate welfare should involve closing the Agriculture, Commerce, Energy, and Housing Departments, to start. Any individual programs worth saving could be parked at one agency or another. There's no justification for Cabinet level bureaucracies dedicated to enriching influential businesses.

There's no better reason to underwrite smaller enterprises, through the Small Business Administration. Is there really a critical scarcity of liquor stores requiring taxpayers to pay for additional ones? Are Americans truly suffering from a debilitating dearth of laundries?

Some tasks just aren't Washington's job. The Department of Housing and Urban Development is an important fount of corporate welfare, enriching developers. Moreover, worrying about the construction of apartments and homes should be left to localities and states. Indeed, inadequate affordable housing is mostly the result of exclusionary zoning—cities and counties using regulations to hike costs. Washington should not effectively bail out these same communities by carpet-bombing them with money.

Another unnecessary bureaucracy is the Department of Education, which has two main responsibilities. The first is to subsidize, regulate, and micro-manage elementary and secondary education. The second is to underwrite universities through abundant student “aid.” While this money goes to students in the first instance, its ultimate destination is schools, which raise tuition to sop up the federal cash flood.

The national government shouldn't be trying to run local schools. That's what school boards, cities, and states are for. Shaking cash out of the hands of taxpayers across America, raking off administrative fees for Washington, and then sending the funds back makes little policy sense.

Subsidizing university education is even more foolish. If there is a broad social benefit to education, it occurs at the most basic levels. The economic value of college and especially professional studies is largely captured by students. Why should lower-income taxpayers subsidize middle-class kids who want to become lawyers?

Even where Uncle Sam can claim a legitimate role, he almost always goes too far. Grant the federal government authority to create parks involving uniquely scenic or otherwise special lands. There's still no reason for the Interior Department to own and manage hundreds of millions of acres of forest and range land. Uncle Sam typically does a poor job in maintaining its property while wasting taxpayer funds to promote environmentally harmful development. These lands would be better off in private hands: people without access to the federal treasury don't routinely waste their money developing property best left undisturbed.

The Department of Defense possesses—at the sufferance of foreign governments—hundreds of properties abroad. While there's a security argument for maintaining cooperative relationships with foreign militaries as well as access to some of their bases, the U.S. has no need for innumerable facilities and garrisons around the globe. Washington should have responded to the end of the Cold War by devolving defense responsibilities on its prosperous and populous allies.

The Europeans have ten times the GDP and three times the population of Russia. South Korea has 40 times the GDP and twice the population of North Korea. Until recently Japan had a larger GDP than China and remains far wealthier. The U.S. should act as a back-up against the rare hegemonic threat that friendly states could not handle rather than the guardian against every mundane controversy and conflict that normally arises.

Foreign facilities often are justified as logistical way stations for intervening in the Middle East or Central Asia. However, Europe should provide the troops as well as the bases to deal with such hot spots as Egypt and Syria, which are far closer to that continent. The U.S. has no substantial issue at stake to justify other interventions, such as years of nation-building in Afghanistan. It would not be isolationism for America to more humbly and prudently engage the world. A good starting point would be to trim its international military presence, especially where allied states are well able to fill the gap.

Foreign aid should go the way of military intervention. While even humanitarian assistance can have counterproductive impacts, economic assistance has been a grand failure, doing more to subsidize debilitating collectivism than promote economic reform and growth. Given the expansion of international capital markets, there's no need for U.S.-subsidized international organizations such as the World Bank and International Monetary Fund.

There's much at the Justice Department that should be eliminated. Federal criminal law has exploded. In some cases Congress creates offenses best left to localities and states. In others Washington makes crimes out of actions that should be left to civil punishment—environmental disputes, for instance. Some behavior, however discreditable, such as lying to federal officials when not under oath, shouldn't be treated as crimes. Federal lawyers also have become the vanguard of political correctness, enforcing a racial spoils system under the guise of promoting affirmative action, for instance.

The federal government's many other sacred cows also deserve challenge. In a world of instantaneous communication, why does the U.S. maintain an oversize fortified embassy in most nations? The Drug Enforcement Agency arrests people because they prefer to get intoxicated with drugs rather than alcohol. The Department of Labor interferes with private relations between employers and employees. There are scores of welfare and job training programs of dubious effectiveness; Uncle Sam always adds, but never ends, programs. The Department of Transportation increasingly mixes political pork with nanny-state regulation. If Washington moved from the income to a consumption tax, the IRS would be smaller and much less intrusive.

While many people are criticizing Republicans for threatening to close the government over ObamaCare, there actually is good reason to go to the brink on shrinking the American Leviathan. Washington meddles in Americans' lives far more than the Founders ever imagined—and circumstances ever justified. It's time to reverse the process and really shut down government.