



OP/ED

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## You Didn't Build That? Oh, Mr. Obama, You Can't Be Serious

Jim Powell | Contributor

As we know, [Barack Obama](#) believes that government deserves credit for your business, your career, your children and anything else you imagine you achieved during your life.

He talks as if government were a good neighbor, always around to give you a helping hand.

But that's not quite right. Government is actually a big bureaucracy run amuck, a vast tangle of contradictions that often have harmful consequences. For instance:

- Politicians scold citizens for consuming too much sugar, but the government provides subsidies for producing high fructose corn syrup that's widely used in sodas, cookies and other sweets.
- Taxes are higher because government subsidizes some farmers to grow crops and subsidizes other farmers not to grow crops.
- Government subsidizes home ownership and restricts the number of homes that can be built.
- Politicians criticize business executives who take on too much debt, but government encourages debt by providing tax deductions for interest (no deductions for equity capital), and of course the government itself is deeper in debt than anybody else.
- Politicians complain that companies invest so much money overseas, but the government imposes a 35 percent tax on earnings brought back to the United States.
- Politicians bemoan our dependence on foreign oil, while restricting oil drilling on public lands and offshore.
- Businesses can be prosecuted for (1) "predatory price cutting" if they charge too little, (2) "price gouging" if they charge too much or (3) "price fixing" if they charge the same as their competitors.
- By providing billions of dollars of federal aid for attending college, government subsidizes demand, which has had the effect of making college more expensive

and more difficult to pay for than it otherwise would be for everybody who doesn't get federal aid.

- Politicians promote the virtues of small, high-mileage cars, and they enforce laws that make it hard to produce such cars profitably in the United States.
- There are laws that make it harder for employers to hire people and laws that provide income for the unemployed.
- The government shuts off water in California, intensifying a drought and leading to higher unemployment, all to save small fish, while proposing thousands of square miles of windmills that kill birds.
- Politicians encourage more couples to get married, but there have been higher taxes on married people than on single people, providing incentives not to get married.
- Politicians say they want more doctors, while enforcing laws that limit the number of students who can enter medical schools.
- Government promotes health care inflation by channeling hundreds of billions of dollars a year into the health care sector, enabling people to bid up health care prices – and then the government tries to limit health care price increases with health care rationing, such as excluding more treatments from coverage.
- Government provides subsidies for growing tobacco and enforces prohibitions on smoking.

Amidst all this, our government requires people to fill out more bureaucratic forms. In 1978, when it was estimated that people spent almost a billion hours a year filling out federal forms, Congress passed the Government Paperwork Elimination Act. A new federal bureaucracy – the General Services Administration's Forms Policy & Management Team – was established just to deal with federal forms. Creating, changing or eliminating a form requires that somebody fill out a two-page SF152 form with 27 questions. For those who might have difficulty filling out the form, the government produced a 23-page booklet explaining how.

Unfortunately, things don't seem to have been going well with the Forms Policy & Management Team. It has been estimated that people now spend more than 10 billion hours a year filling out some 8,000 different federal forms.

Obama likes to suggest that your neighborly big government will help you for free, but of course you're already paying plenty of taxes. Lindy Paull, of the accountancy firm PricewaterhouseCoopers, summarized the bewildering complexity of tax forms that cost time and money to fill out: "The Internal Revenue Code consists of nearly 1.4 million words and includes 693 separate sections that impact individual taxpayers. The Treasury Department has issued some 20,000 pages of regulations containing over 8 million words. Individual taxpayers who file an annual Form 1040 must deal with its 79 lines, 144 pages of instructions and 11 schedules totaling 443 lines plus instructions to go with

them. There are 19 separate worksheets imbedded in the Form 1040 instructions, and the possibility of filing numerous other forms, depending on the circumstances.”

Obama has claimed that you owe your success to government roads. While we all need roads, the president neglected to mention that government road projects frequently fall behind schedule and go over-budget – costing us more money — because of bureaucratic snafus.

Remember [Boston](#)’s “Big Dig”? In 1985, it was estimated to cost \$2.6 billion, and it was scheduled to be finished by 1998. Speaker of the House Thomas P. “Tip” O’Neill helped out his home town by having taxpayers around the country pick up most of the tab. But the project, that re-routed eight-lane Interstate 93 through Boston underground in an effort to reduce traffic congestion, was years late, and costs soared over budget. Massachusetts’ legislature voted to bail out the Big Dig via drivers license fees and car registration fees. The project ended up costing \$14.6 billion. The Federal Highway Administration was responsible for the project, but in 2000 a federal task force reported that it “failed to achieve independent and critical oversight of the project. The Federal Highway Administration had available to it the information necessary to critically analyze the costs. The Federal Highway Administration exhibited a lack of diligence.”

Government doesn’t seem to manage the construction of airports any better. For example, although [Denver](#) has a population of only about 2 million, local politicians convinced themselves they needed to build the world’s largest commercial airport, and it covered 53 square miles of land – twice the size of [Manhattan](#). Denver International Airport opened on February 28, 1995, 16 months behind schedule. The airport was supposed to cost \$1.5 billion, but the tab turned out to be \$5.3 billion.

This was typical of megaprojects. In their study of big airports, Paul Stephen Dempsey, Andrew R. Goetz and Joseph S. Szyliowicz observed that megaprojects “possess the following characteristics: they are very expensive, very large and very complex. Such projects have historically encountered problems that lead to cost overruns, delayed openings, financial difficulties and an inability to meet original objectives. They can be found in all countries and all sectors.”

Obama believes the cutting-edge transportation of the future is railroads, and he has endorsed California’s plan for high-speed rail. To get a realistic idea what this would involve, one might recall the experience building the Bay Area Rapid Transit (BART). Back in 1953, many people around the San Francisco Bay Area thought that a

rapid transit system could get people where they need to go more efficiently. The New York engineering firm Parsons, Brinckerhoff, Hall and Macdonald proposed a 123-mile rail transit system and estimated that it could be built for \$716 million. Voters approved a \$500 million bond issue, and politicians claimed that additional funds would come from Bay Bridge tolls. Well, by 1961, the estimated cost of BART had climbed to \$1.3 billion. Plans were cut back, but by the time the project was finished, it cost \$1.6 billion. Far from saving money, though, operating costs per passenger turned out to be higher than for buses. Ridership was below the optimistic projections used to justify the amount of money spent. BART loses money every year, contributing to California's financial crisis.

Government ought to be able to handle something much more modest like a mail sorting facility, right? Consider this: customer complaints suggested that Chicago had perhaps the slowest mail delivery service in the nation, and around 1990 the U.S. Postal Service decided to do something about it. They approved a proposal to spend \$199.7 million for building a new Main Post Office. Including an annex renovation, this eventually cost \$332.9 million. The General Accounting Office attributed the overruns to "shortcomings in planning the construction project...[they] used a cost estimate that did not adequately reflect the complexity and cost of building."

Or look what happened when Congress authorized construction of a visitor center for tourists in Washington, D.C. This became a \$71 million project. It was a lot of money for a visitor center, but members of Congress began to embrace more grandiose ideas, and why not? They weren't spending their own money. The projected cost jumped to \$265 million. Revised estimates pegged the cost at \$368 million, including fountains, a spiral staircase, skylights, 93-foot marble walls and pink marble floors. By the time the center opened in December 2008, it had become a \$621 million, 580,000 square foot shrine that celebrated the wonders of the federal government in all its excess.

Government can't even be counted on to do a good job managing a zoo. A decade ago, the National Zoological Park, part of the Smithsonian Institution in Washington, D.C. became mired in scandal when it was revealed that a couple dozen animals – a lion, elephant, giraffe and monkey among others – died because of neglect and incompetence. Some animals were starved and left to die in the cold. Others were put to death after staff veterinarians mistakenly thought they had incurable diseases. Medical records were missing or altered.

National Zoo pathologist Dr. Donald K. Nichols, who documented the shocking treatment of animals there, couldn't report his findings to the zoo's director, Lucy

Spelman, who had been promoted to that position after her misjudgments contributed to the deaths of animals. Richard Otto, in the Inspector General's office at the Smithsonian Institution, reportedly warned Nichols that Spelman was hand-picked by the Secretary of the Smithsonian, and if Nichols did anything that might make Spelman look bad, his career at the zoo would suffer for it. In any case, Otto reported that since he wasn't a veterinarian, he couldn't pass judgment on the caliber of veterinary care at the zoo.

The U.S. Department of Agriculture had standards of care for domestic animals but not zoo animals. It didn't get involved with the National Zoo, even though zoo administrators ignored a regulation that required annual testing of animals for tuberculosis, which the Department of Agriculture was responsible for enforcing. The Institutional Animal Care and Use Committee, which had oversight responsibility for the zoo, disregarded federal regulations and rarely met. Neither the American Association of Zoo Veterinarians nor the American College of Zoological Medicine had power to review practices of its member institutions. In 2003, the Washington Post began publishing reports about what went on at the zoo, and it became a public scandal. Spelman resigned, and the government had to spend millions in an effort to fix the mess. One might wonder why the government is in the business of trying to run a zoo.

Obama thinks it's easy to make money and therefore you should pay more taxes. But if it's so easy to make money, why does the government seem to lose money on almost everything it touches?

Although the Pennsylvania Liquor Control Board seriously restricts liquor sales in that state, its stores have had poor returns, in part because employees are unionized. Analysts have estimated that selling off those stores would realize large gains, but the unions oppose privatization. In the past, the PLCB reportedly paid consultants \$173,000 to give its sullen employees smiling lessons.

The New York City Off-Track Betting Corporation handled about \$1 billion of bets annually but closed in 2010, amidst chronic losses. Former Mayor Rudolph Giuliani called it "the world's only bookie that lost money."

In 1970 — long before Obama made it fashionable for the government to lose money with "green" projects — the federal government took over passenger railroads. They became Amtrak. President Richard Nixon vowed that it would make money. Yet it has incurred more than 40 consecutive years of losses.

How could this happen? Amtrak is run by a board consisting of eight political appointees who elect a ninth member, and all the voting stock is held by the federal government. Amtrak has spent billions on rural routes that few people use, while under-investing in heavily-travelled routes between Boston and Washington, D.C.

Serious potential hazards have persisted for years. For example, explained former Amtrak official Joseph Vranich, “Tunnel hazards include lack of standpipes for bringing water to a fire in parts of the tunnels, reliance on dry chemical extinguishers that are ineffective in a large blaze, ventilation systems that can’t remove smoke or heat, and inadequate exits that consist of steep spiral staircases rising as high as 90 feet, or ten flights of stairs. The staircases hinder evacuation and jeopardize lives because they are wide enough for only one person, meaning that a few passengers fleeing up the stairs block responding emergency personnel from going down into the tunnels.” He added that terrorist attacks on railroad systems world-wide have caused hundreds of deaths and thousands of injuries.

Bottom line: it might be easier to see government as a helping hand if it didn’t cost so much, though cost isn’t the only issue. Now Obama wants more and more of our money that’s given away to other people in other states and countries that I’m inclined to say, like the wise Hollywood producer Sam Goldwyn, “Next time, include me out.”

*Jim Powell, a Senior Fellow at the Cato Institute, is the author of FDR’s Folly, Bully Boy, Wilson’s War, Greatest Emancipations, Gnomes of Tokyo, The Triumph of Liberty and other books.*