



Politicians' Public Service Often Creates Public Suffering

By: Doug Bandow - March 14, 2013

California Democrat Pete Stark finished 40 years in Congress in January. The 81-year-old proclaimed himself pleased with the half of his life spent in “public service” on Capitol Hill, yet the public has suffered disastrously from his efforts allegedly on its behalf.

Federal spending, deficits and debt have skyrocketed. The U.S. has engaged in endless, bloody and unnecessary wars.

Entitlement programs have exploded out of control, threatening America’s financial future.

The wasteful burden of inefficient regulation has climbed as job creation has stalled. The war on drugs has morphed into nanny-state regulation of cigarette smoking and soda drinking.

The U.S. has become a society in which public bailouts and liability judgments reward those who fail.

Washington has trouble delivering the mail but has taken control of the health care system.

People are still judged by the color of their skin rather than the content of their character, most often at the direction of government. People who once believed in a future of infinite possibilities now fear permanent decline.

Representative Stark was not directly responsible for all of these outcomes. He may even have opposed one or two of them.

But as a congressman he consistently promoted ever bigger government as the solution to every problem.

Is someone somewhere in need of something? Create a new government program, preferably in Washington. Tax or borrow, but always spend and regulate.

Yet he genuinely imagined himself as a crusader on horseback for the rest of us. He told NPR that he was going to miss getting up in the morning and looking into the mirror and saying: “‘Hey, I’m going to do something today that’s going to make life better for somebody.’ And that’s pretty neat.”

He contrasted that to his time as a banker when he got up and said: “ ‘Whose car am I going to repossess’ or ‘Whose house am I going to foreclose?’”

George Mason University’s Don Boudreaux makes the obvious point that if that’s what Stark did at his bank, then he was a lousy banker.

He should have been saying what family can I enable to buy a home which they can afford, and pay back the bank?

What entrepreneur can I fund to serve the public and make a profit? What new way can I serve people in order to enable the bank to make money?

In fact, if the question is “who is most likely to think about how to make someone’s life better, a businessman or a politician?”, the answer should be obvious. The businessman.

There are sinful people in every profession, of course, but compare the incentives of the private and public sectors. The first encourages genuine public service. The second encourages personal aggrandizement.

First, private entrepreneurs cannot force anyone to do anything. They succeed only if they convince people that it is in the latter’s interest to part with their money.

That means producing something that actually does make people’s lives better. That wasn’t the case for Pete Stark or any other politician.

Second, absent political intervention, markets ruthlessly hold entrepreneurs accountable. The moment people believe that someone else’s new car, computer, cereal, music, drug or most anything else is better, they will dump the old product. Consumer allegiance lasts only as long as people believe they are being served.

Contrast that with politicians. First, they rely on coercion — money comes through taxation, backed by the threat of prison.

No matter how badly their programs fail and their ideas backfire, they can keep shoveling people’s money into government initiatives. In fact, the more dramatic the failure, the more money politicians will waste.

Second, accountability is limited. Sure, there are periodic elections. However, the old Soviet Communist Central Committee had greater turnover than does Congress.

Legislators wine and dine state legislators to give them “safe” districts with a guaranteed partisan majority.

Members use the taxpayers’ own money to buy votes — that is, to “serve” the interest groups and local constituencies with the greatest electoral influence.

Most government expenditures are used “to make life better for somebody,” as Pete Stark put it — the greedy tax consumers who encircle Capitol Hill and dominate legislative decision-making.

Politicians are a necessary evil because government is a necessary evil. But Big Government is not necessary.

The larger the government, the greater the waste and abuse, and the less likely politicians will be to help anyone other than themselves and their political allies.

We would all be better off if the next would-be Pete Stark eschewed politics and demonstrated true “public service” by making life better for consumers who need a good financial institution dedicated to serving them.