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Driving the Conversation:

ACORN: Underplayed or overblown?

Dems Divided--in new Health Care Arena [here](#)

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Roger Pilon, Vice President for Legal Affairs, Cato Institute:

The two Politico Arena questions this morning -- "ACORN: Underplayed or overblown?" and "**Will the Dems ever get their act together on healthcare?**" -- are intimately connected by a simple proposition: "Most people want more housing and health care than they can afford." Of course, for "housing" or "health care" one could substitute whatever one wishes: food, clothing, cars, education, entertainment, vacations, you name it. Economists call this the problem of scarcity, and it's the beginning of economics.

In a free society, most individuals, families, and firms will deal with that problem through such homely measures as creating and husbanding wealth, planning for the future, and living within their means. Some, however, will be indifferent to such discipline and will demand more than they can afford. Enter thus ACORN and the Dems -- the party of government. ACORN, like our president, is in the "community organizing" business -- a euphemism for putting (some) people in a position to better demand things from government. Some of those demands are perfectly legitimate: reduce crime; fix the potholes. But others, the demands ACORN specializes in, are not thus "common." They can be satisfied, in a world of scarcity, only by taking from some and giving to others.

And that's what the housing and health care debates today are largely about. And it's why on both, the Dems are having difficulty getting their act together, because however much they turn a blind eye toward scarcity or pretend that they all agree, the truth is that they represent discrete constituencies, with discrete conflicting interests. That's what happens when we're all thrown into the common pot. What once was decided by individuals, reflecting their own particular interests, is now decided by government -- and it's a Hobbesian war of all against all.

The **AP** report on ACORN this week illustrates that nicely. ACORN has been in the forefront of those browbeating banks, under the Community Reinvestment Act, to provide housing loans to people who couldn't afford them. Banks were reluctant to make those loans, of course -- until the government stepped in to "guarantee" them. Well, we've seen where that ended: we're all paying the price, especially those who couldn't afford the homes in the first place, and will be for years to come. AEI's Peter Wallison details some of that fiasco in this morning's **Wall Street Journal**, placing a finger on none other than Barney Frank, who parades now as our savior.

But the same something-for-nothing mindset is at work in the healthcare debate. Here again, many people want more healthcare than they can afford, which means that someone else will have to pay for it -- the government having nothing except what it takes from us. The pretense that it is otherwise -- or that they can redistribute more equitably than the market does -- is what drives the Dems to their pie-in-the-sky schemes -- until some among them realize that it is they and their constituents who are being taken for a ride. At that point, either the recalcitrant are silenced, with some temporary sop, or the bottom falls out of the scheme, which is what many of us are hoping for here. If not, the housing debacle will prove in time to be a pale harbinger of the healthcare debacle, at least for those who live to see it.

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