It's A Personal View

by Mel Griffith

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Lately, we have heard a great deal about businesses and banks that are "too big to fail." It is clear that the people presently running the government think that it also is "too big to fail," no matter how recklessly they behave. But if it continues to be run in the present irresponsible fashion it may well join the Roman Empire, the Thousand Year Reich and other past governments which were "too big to fail" until they collapsed and became part of history. Any organization that consistently spends more than it takes in is doomed to fail. It just takes longer for governments to go broke because they can print money to postpone the crisis. But eventually, the money becomes worthless and then it doesn't matter how much they print.

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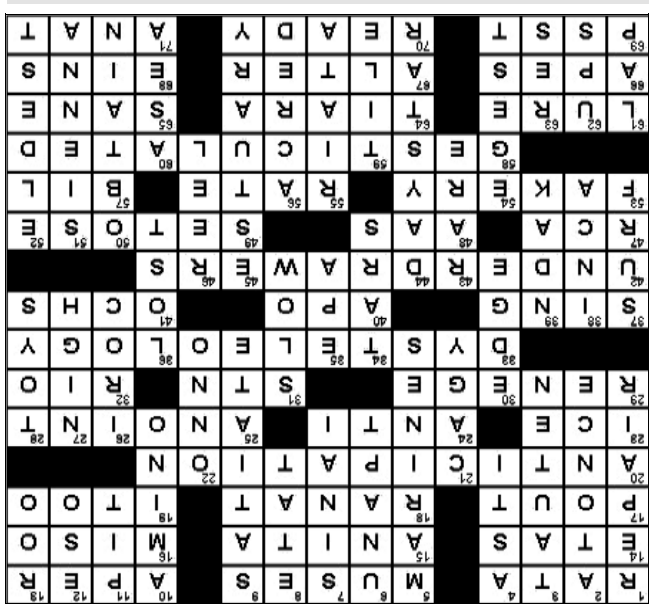
There are only two ways to balance the budget; Raise taxes or cut spending. If taxes are raised, more businesses will fail, more people will be unemployed and more businesses will go overseas to avoid high taxes. Consequently, the net effect of raising taxes is likely to be less revenue, not more.

That leaves spending cuts. Yet, when wasteful spending is pointed out, the answer often is that cutting out this or that waste would only save a billion or two, so why bother? So what? Every penny helps, even though it doesn't amount to much on a percentage basis. For example, Washington has gotten into the habit of taking tax money to Washington and then sending it back to states and local governments in the form of grants. There are multiple grant programs in almost any activity of government you can think of. Each program has its own application procedures, specific guidelines for how it can be used, reporting requirements, audits and inspections. This means that local, state, and federal employees must spend time to study all the requirements and procedures, spend time applying for and administering the grant and dealing with all the follow-up and review. It is likely that half the cost of many grant programs is wasted in paper shuffling if you include the time needed to develop, learn, and carry out all the procedures and requirements. That raises an interesting question. Why is it necessary to send that money to Washington so it can send some of it back? Wouldn't it make more sense to cut taxes by the amount of the grants and let states and local governments raise their own taxes to fund those now funded by grants? They might, in fact, discover that the money is actually needed worse in other programs than for the ones the federal government chose to fund. They might even find that keeping taxes low is more beneficial to the public than funding some of the programs. None of this is likely to happen because the primary purpose of these grant programs is not the efficient delivery of services to the public, it is the concentration of power in Washington.

- Mel Griffith raises cattle and chickens on his farm in the southern part of the county. He is the 6th District member of the Bradley County Commission. He also serves on the Bradley County Planning Commission.

Answers to this month's Crossword



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