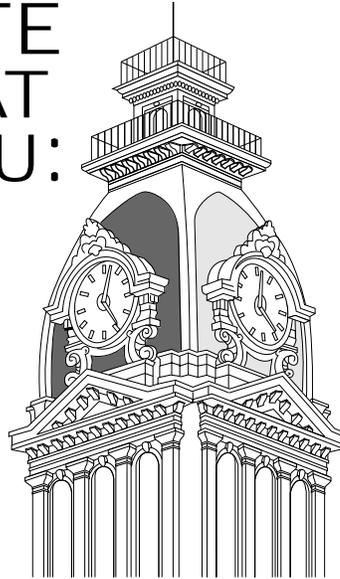


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"Deinventing Government"

by Jeb Bush
Chairman, Foundation for Florida's Future

Jeb Bush is the son of a former U.S. president and the brother of the recently elected governor of Texas. In 1994, his bid for public office in Florida generated national media attention. Although he lost the governor's



race, he won the admiration and respect of countless Americans for his forthright and uncompromising defense of a conservative agenda, including tax cuts, school choice, welfare reform, privatization, and the restoration of tra-

ditional values.

His career began in the 1970s in the banking industry, and in the 1980s, he entered the real estate business, helping to build the Codina-Bush Group into the largest full service commercial real estate company in South Florida. For two years, he also served as Florida's Secretary of Commerce. Currently, Mr. Bush is Chairman of the Foundation for Florida's Future. ▲

In this issue, Jeb Bush argues that the November 1994 election was the culmination of the Reagan Revolution. But it also marked the beginning of a new revolution—a revolution to “deinvent government.” His presentation was delivered during Hillsdale’s Shavano Institute for National Leadership seminar, “Taking on Big Government: Agenda for the 1990s” in Dallas last February for over 500 business and community leaders.

Much has been said about the November 1994 elections. We often hear words like “realignment,” “dealignment,” “reaction” and “revolution.” The lamentations of liberals are matched by the gloating of conservatives. Prophecies of doom vie for public attention with promises of a new millennium. But just what is the truth? As with most things, it lies somewhere in between.

Liberalism Is Dead

Conservatives are right that something profoundly important did happen last November. The voters resoundingly rejected big government liberalism as it has been practiced in America for the last sixty years. The ideological shift to the right that began with the election of Ronald Reagan in 1980 has finally triumphed, and the philosophy that created Franklin Roosevelt’s New Deal and Lyndon Johnson’s Great Society is finished as a viable vision of the future in this country. Of course, liberalism still has strong champions and it will probably enjoy an occasional politi-

cal victory. But these will be exceptions that prove the rule. Liberalism is no longer credible as a well-spring of solutions to the problems we face. In fact, it is widely viewed as the *cause* of many of those problems.



What conservatism and the Republican Party have won is the opportunity to fill the vacuum created by the abject failure of liberalism. But with opportunity comes risk. If conservatives fail to fill the vacuum effectively, then they may enter a protracted period of increased political and social instability as our country searches for a new political equilibrium. A lot is at stake in the next few years, and the key to success for conservatives lies in fundamentally changing the role of government in our lives. Government has become too big, too arrogant, and too ineffective. Right now, some 35-45 percent of our national income goes to pay for local, state, and federal government, and the America people have finally said, "Enough!"

The year 1994 proved that "Less Government and More Freedom" is a winning slogan at the polls, but the next two years will test the resolve of those new to the reins of power as they attempt to convert this slogan into reality. While I am confident that success is possible because of the visionary leadership of House Speaker Newt Gingrich and others, if Republicans merely redirect the flow of public largesse from traditional Democrat constituencies to traditional Republican constituencies, and if they shrink from term limits now that their hands are on the levers of power, then the American people will have been witnesses to a tawdry palace coup rather than a glorious revolution.

And it is a revolution we desperately need. To bring about a genuine political realignment, Republicans must kill the Government Goose that Lays the Golden Eggs—the very Goose they have fought so hard and long to possess. They must not reinvent government; they must *deinvent* it in order to succeed in governing. In the process, private sector solutions to public problems will flow naturally.

Creating a "Crisis"

The difficulties inherent in slowing the rate of growth of government, much less actually shrinking it, cannot be exaggerated. Special interests always defend every privilege and every expenditure with the same determination that the Red Army defended every room in every house in Stalingrad during World War II. As long as there are alternatives to the intense political pain that comes with progress toward a smaller government, politicians will eagerly seize upon them.

We need to create a "crisis" that will ensure that there are no alternatives to less government. In the case of the federal government, a constitutional requirement for a balanced budget is just such a crisis. In my opinion, it is also the most crucial element of the Republican "Contract with America," because, if passed, it will force Congress and the administration to make tough choices. Reform, like invention, must be mothered by necessity.

In the long term, however, a balanced budget is not the ultimate solution to the problem

Money is the key to the growth of big government, and the lack of it is the tool with which smaller and more efficient government can be fashioned.

of runaway government. Witness the growth of

government in states like Florida and Texas where balanced budgets are the law of the land. In those states, the crisis necessary to reinvent government must come from reducing the unrestricted flow of tax dollars that fuels wasteful spending. This reduction can be achieved by constitutionally requiring voter approval or a supermajority of both houses of the legislature for all new taxes and tax increases.

But in Washington, the annual federal

Special interests always defend every privilege and every expenditure with the same determination that the Red Army defended every room in every house in Stalingrad during World War II. As long as there are alternatives to the intense political pain that comes with progress toward a smaller government, politicians will eagerly seize upon them.

deficit is so huge that a balanced budget requirement alone would create the fiscal crisis needed to begin the process of reinventing government. The mysterious Watergate informant known as "Deep Throat" had it right when he told reporters Woodward and Bernstein, "Follow the money." Money is the key to the growth of big government, and the lack of it is the tool with which smaller and more efficient government can be fashioned.

Fairness

How will this intentionally created crisis be resolved? First among the three principles to resolving the crisis is fairness. By this term, I mean prioritizing expenditures through program reductions or eliminations based on a coherent theory of the proper functions of government, not on the identity of the beneficiaries of the

programs in question. To declare budgetary war on welfare programs for the poor while continuing welfare for those who are not poor (in the form of subsidies, tariff protections, and special tax breaks that benefit specific taxpayers rather than the general public) is not just bad public policy; it is just plain wrong.

U.S. Secretary of Labor Robert Reich has it right when he says we need to do something about corporate welfare if we are going to lower the boom on traditional welfare. And if we are going to avoid letting the conservative revolution deteriorate into a self-serving palace coup, then Republicans must take the lead in ensuring that the reinvention of government is rational, equitable, and principled.

Individual Responsibility

The second principle of resolving the crisis that will help reinvent government is individual responsibility. Too often what we really mean when we talk about "Less Government and More Freedom" is that we want the other guy to get his face out of the public trough so we can continue our own feeding binge. This is a perverted concept of reform. Over half a century ago, Senator Russell Long wryly observed that the average person's notion of a good tax policy is, "Don't tax thee, don't tax me, tax that fellow behind the tree." Today, the average person is likely to add, "Don't cut thee, don't cut me, cut that fellow's program behind the tree."

I do not believe that selfishness disguised as reform is going to work anymore. If we want less government, we have to be prepared to demand less of it for ourselves as well as for others. And we have to let our elected representatives in Congress and the administration know that we will not only support them when they cut popular programs but that we will vote them out of office if they succumb to demands for protecting special interests.

"Less Government and More Freedom" must be more than a slogan for all of us. In his 1941 book, *Escape from Freedom*, German-born psychoanalyst Erich Fromm commented that it is easier to talk about freedom than it is to live free by being responsible for one's self and by accepting the consequences of one's actions. Fromm knew, of course, that people generally prefer personal security to true freedom. Almost two centuries earlier, U.S. President Thomas Jefferson stated, "The natur-

al progress of things is for liberty to yield and government to gain ground.” Fromm and Jefferson were both right: the combination of the allure of security and the tendency of government to usurp power is the single most powerful obstacle to our liberty. Living free is hard work, and it requires sacrifice and courage from all of us.

Intellectual Audacity

The final characteristic for which we should strive in de inventing government is intellectual audacity. We must rethink the role of government in the Information Age. What should government be doing today? How do we measure success and failure? In the current environment of fundamental change, we also have the golden opportunity to ask: “If we weren’t doing it this way, would we do it at all?” Many times, the answer would be no, or, at least we would admit that we would do it very differently.

One of the most serious challenges our society faces today, substance abuse treatment and rehabilitation, provides a good illustration of what I mean. Programs are considered to work “well” if they have success rates above 50 percent. But most don’t; in fact, the overwhelming majority have cure rates below 20 percent if “cure” is defined as a five-year period following treatment without a relapse. If the goal is to combat substance abuse, then might not a more effective strategy be to divert treatment funds to the few programs that do work and to prevention programs which have a proven higher rate of success?

In Florida, increased funding has gone into residential programs for habitual juvenile offenders who have committed felonies. Costs can be as high as \$150 a day, and yet the recidivism rates exceed 75 percent. Thus the annual cost for a young person successfully completing one of these programs and not violating the law for one year afterwards can exceed \$180,000. Shouldn’t we challenge the notion of attempting to “save” a young person in costly government programs after their thirtieth crime and focus our resources on less costly private programs closer to the first crime committed?

We also spend billions of dollars on scores of training programs funded by huge bureaucracies at the local, state, and federal level to combat unemployment. Yet most studies show that the best training program is a *job*. Isn’t it time that we recognize that training should no longer be a formula-driven exercise? Shouldn’t training be determined instead by what real

jobs are available, and shouldn’t the programs be run by the businesses that will hire the newly trained workers?

It is not easy to sustain the intellectual audacity needed to challenge every basic assumption of government. The entrenched bureaucracies, the political correctness of our times, and the false compassion that is measured by the amount of money spent rather than results attained are powerful forces for the status quo. But, de invention will not happen without just such audacity.

Private Sector Solutions

Once we have created the crisis and have steeled ourselves to resolve it with fairness, individual responsibility, and intellectual audacity, what are some of the things that might actually be done better outside of government?

Education is clearly an area where private sector involvement will bring improved efficiency and greater learning opportunities for our children. Public education is perhaps the most archaic of all systems managed by government. The school calendar reflects the Agricultural Age. The system for service delivery is a classic top-down, centralized anachronism of the Industrial Age.

The solution to the problems posed by the public school monopoly is the same as the solution to the problems posed by any monopoly: competition. But competition does not have to come just from private education; it can come from inside the system itself. With the implementation of independent public or “charter” schools, teachers can opt out of collective bargaining agreements and have the freedom to teach in their own way. Hundreds of onerous rules and mandates can be waived and administrators can once again control their own institutions and experiment with new ideas. Parents can freely choose the school that best suits the needs of their children.

Charter schools can be established by almost any group—parents, educators, social service providers, businesses, and law enforcement agencies. They have to take all comers, charge no tuition, and comply with all health and safety requirements. They are also contractually obligated to achieve certain performance levels negotiated in advance with local school boards. When parents move their children into these newly invigorated schools, power inevitably shifts to the classroom and to the teachers. It is a direct response to competition, and it represents a shift away from the entrenched bureaucracies that stifle innovation

