



Less Government, Please

As seen in the Flash Report

By George Runner

Treasurer Bill Lockyer caused waves last month when he suggested that given Republican lawmakers' opposition to higher taxes, their districts should bear the brunt of spending cuts. He said, "The people who want less government ought to be at the front of that line to get less government."

Senate Democrat Leader Darrell Steinberg expressed openness to the idea, saying, "You don't want to pay for government, well then, you get less of it." He added that any district-targeted cuts should not hurt "kids or the vulnerable" but instead be limited to "convenience services that affect adults."

Outrage to the proposal—appropriately so—came fast and furious.

Senate Vice-Chair Bob Huff said the proposal was "just nuts."

Jon Coupal of the Howard Jarvis Taxpayers Foundation compared the idea to the strong arm tactics of an organized crime protection racket. He also suggested it might violate the equal protection guarantees found in both our state and federal constitutions.

Even the *Los Angeles Times* called the plan "ham-fisted and wrong."

Mr. Lockyer's point merits further consideration and a more thorough response.

Republicans do want less government. We believe our state's fiscal problems are the result of too much spending, not too few taxes.

We believe that government spending doesn't produce happiness. Instead we know that government spending can foster dependency, stifle entrepreneurship and fund wasteful bureaucracies. We also know that government programs tend to grow larger and larger yet often outlive the purpose for which they were created. Some even create more problems than they solve.

We Republicans question how it is that some states manage to do more with less and are also able to grow jobs. We ask why so many businesses are choosing to locate or expand outside

California, and why our state's unemployment rate is higher than nearly every other state. We're also pretty confident we know the answers to these questions.

The evidence backs us up. According to the Tax Foundation, Californians bear the sixth highest overall tax burden in the nation. California's income taxes, sales taxes and fuel taxes rank at or near the top. If not for Proposition 13, which protects homeowners by limiting property taxes, our overall tax burden would be far worse.

Despite the fact that California taxes and spends more than most other states, our schools and roads don't reflect it. And a diminished private sector is forced to pay more to support state worker wages and benefits that exceed those of many private sector workers.

Contrary to conventional wisdom, increased government spending can actually hurt a state's economy. A little-noticed 2010 Harvard Business School study found that increased federal spending in states with politically powerful leaders causes "significant retrenchment" by corporations, dampening investment and employment activity.

It's not too much of a stretch to say that state spending could have the same impact.

Yes, less government can be a good thing.

The real problem with Lockyer's proposal is that it doesn't go far enough. If Republican lawmakers are asked to accept less tax dollars for their districts, they should get to determine where and how those dollars are spent.

They should be empowered to enact policy reforms they have long championed to help California's struggling private sector create jobs, including less red tape, lower taxes, reduced energy costs and real tort reform.

They should be allowed to enact commonsense education reforms putting kids first by freeing teachers and locally-elected schools boards from Sacramento's micromanagement and granting parents more control over their children's education.

Public-private partnerships could boost these efforts and move California's transportation system into the 21st century. They could also expand our state's dismal water storage capacity and help with other infrastructure needs.

These reforms would revitalize areas of our state currently plagued by joblessness. Rather than flee California, businesses could relocate to more friendly terrain available only in Republican districts. Employers in other states might, for a change, see California—albeit only some parts—as an attractive place to do business.

If accompanied by real reforms, Lockyer's spending cuts could be the best thing that ever happened to Republican districts. Economic growth and job creation would lead to lower unemployment; increased government revenues could be invested in local priorities or returned to taxpayers.

Mr. Lockyer, if less government truly means less government, then count me in.