



**As alarmed Americans turn from Big Government, now spending five times the after-tax profits of all American corporations combined, with 58 percent of the Budget going for socialist welfare, it is clear that the spirit of the Minuteman is being aroused on the 200th anniversary of the founding of our nation.**

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ernment is that the elected officials have lost control over the bureaucrats, who really run things." The number who know this, says Harris, has risen eleven points over the past three years. By a sixty-two to twenty-six percent margin, Harris found, the American people believe that the trouble with most "Liberal" Democrats is that they think problems can be solved by throwing money at them, and that is dead wrong. An even larger majority (eighty-one to twelve percent) feels that "the trouble with your getting special benefits and handouts from the government these days is that you will have to pay for them four or five times over in higher taxes." And, by a seventy-seven to fourteen margin, the public feels that "a candidate who says he can give the unemployed government jobs and not increase federal spending just isn't being honest."

One of the major reasons for the increasing cynicism is the Watergate scandal, which turned the stomachs of both Conservatives and "Liberals." But, for all its bad consequences, Watergate made the people aware of the nature of conspiracy in our national life and produced a healthy suspicion of politicians.

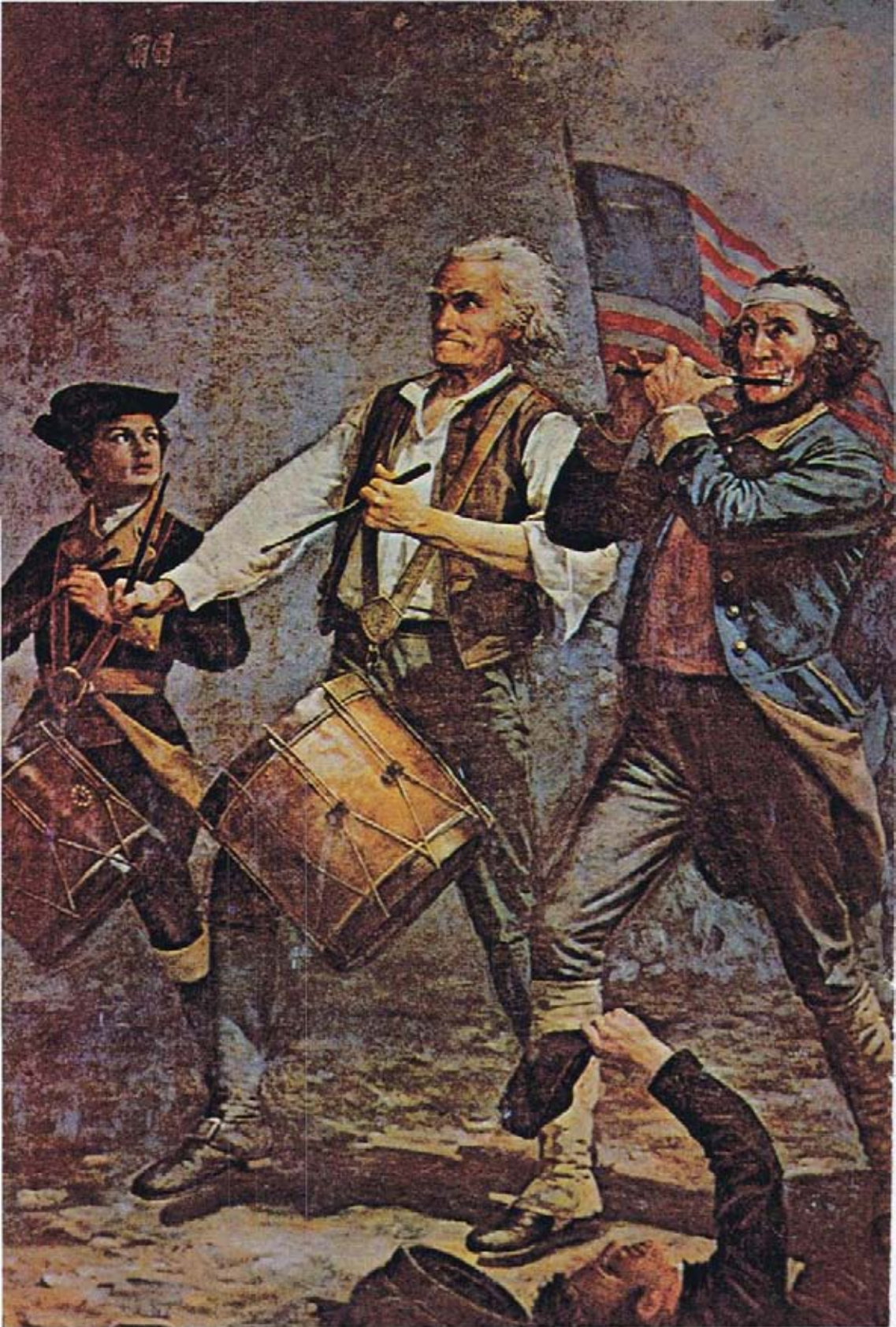
Even though much of the Conservative rhetoric coming from "Liberal" candidates in this Bicentennial

year is no more sincere than the pretty speeches of a shipboard Don Juan, Americanists should take heart from the fact that even some of those long on the Left are awakening to the ravages of the bureaucratic Frankenstein. One of the most eloquent *apologias pro vita sua* we have read in recent months was by Phil Tracy in the radical chic *Village Voice* for April 19, 1976. Consider:

"This story grew from the feeling that nothing in Washington functions any longer," begins Tracy. "That the means of government have gradually replaced the ends. That Washington no longer carries on in order to serve the rest of the country but now exists primarily to serve itself . . . . Nobody, particularly liberals, any longer believes that the policies they advocate or the programs they propose will accomplish much more than the hiring of more government bureaucrats. They don't believe their own solutions . . . ."

Tracy points out that Washington is all but drowning in information. "But there is very little knowledge. And no wisdom whatsoever . . . . Are the farmers in the Midwest angry? A hearing will be held. A bill drawn. Hire some of their people to do a big study for the Ag Department." The charades go on, but the people are beginning to realize







**The Spirit of Seventy-Six is again being awakened as Americans are made aware that taxes for Big Government now take an average of 43 cents of every dollar earned, with one in 6.5 workers on government payrolls, 700,000 separate federal forms to be filled out, and \$287 billion going to support socialist welfare.**

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that government has no real answers.

Imagine THAT from the *Village Voice*. Even more encouraging than the succinct analysis and rhetorical sharpness which Phil Tracy brings to his dissection of Washington is his approach to solving the problems created and evaded by the Washington complex. He actually sees that we must again begin relying on INDIVIDUALS to solve the problems which they and others face. He is actually hopeful, noting that we are a generous people without many outlets for our charitable instincts. Tracy concludes: "You see, the dirty little secret Washington is hiding from us is that we can't pay people to be compassionate for us. We either do it ourselves, as individuals, or we don't do it at all."

You can bet that, if even the *Village Voice* has gotten the message we have been sending, it will not be long until that message is fully understood in Washington. Meanwhile, let us take a look at a few ways in which our government has increasingly waged war on its own citizens during the past year.

Perhaps the best barometer of gargantuan government is the explosion of government spending. The proverbial drunken sailor on a binge is as Scrooge when compared to the Washington bureaucracy. The \$125 billion spent ten years ago by the

federal government was at the time properly considered enormous, but it appears puny when contrasted to this year's Budget extravaganza — a sum which *U.S. News & World Report* says "could rise as high as \$423 billion." If so, it would be a jump of fifty billion dollars in the last year and should prove to even the Mary McGrorys and Mary Hartmans that the government spenders mean to bankrupt us.

To put federal spending in some sort of perspective, it took a monumental 174 years from 1788 to 1962 to reach outlays of one hundred billion dollars. It took only nine years to pile on the second one hundred billion, and only four years to add the third. Now we are adding a hundred billion in just the Fiscal 1976 and 1977 Budgets. If this is not stopped we will be adding seventy-five billion dollars a year to federal spending within a year or two, and within four or five years we will pile on one hundred billion in a single year. Would anyone care to hum a few bars of "Brazil"?

What political hullabaloo there has been over federal spending has amounted to a demagogue's delight. When the Republicans are out of office, they wail like banshees over "wasteful government spending." When it is one of their boys sitting grandly in the Oval Office, scores of



billions are added to yesterday's bloated, wasteful Budget to make it this year's bare-bones Budget. Under eight years of Nixon-Ford "leadership," the federal Budget was bloated from \$183 billion to \$423 billion. No wonder the elephant is the symbol of the Republican Party.

Yet the rhetorical game continues. The Republicans would like to keep the increase in spending down to forty billion dollars or so per year, while the Democrats would dearly love to pump it up by sixty billion dollars. This allows the Democrats to denounce the Republicans as heartless skinflints while the G.O.P. responds with charges of reckless financial madness. It keeps all the players happy and perpetuates the carefully contrived fiction that we still have at least one party devoted to financial integrity. Occasionally it is necessary for a Republican President to veto a congressional spending appropriation to maintain the facade, holding the increase at fifty billion instead of sixty billion and providing grist for nominally Conservative political constituencies that hear only what they want to hear.

The principle rationalization for the enormous yearly escalation in government spending is that seventy-five percent of the Budget is "uncontrollable." That is, that earlier legislation has automatically escalated spending. But, according to Congressman Philip Crane (R-Illinois): "The truth about 'uncontrollables' is that they are the creation of Congress; and what Congress has the power to expand, it likewise has the power to contract. It's simply a matter of will power, something that has been sadly lacking in Washington for over four decades."

One reason the electorate is demanding that Big Government be put on a diet is that we are fast ap-

proaching the day when half the adult population will be working to support the other half in idleness. As a means of showing how the costs of major Welfare "transfer payments" have escalated over the years, with every indication that unless stopped they will continue to grow until the economy collapses from their weight, *Nation's Business* for November 1975 published the following comparison in billions of dollars:

|                           | Fiscal<br>1954-1955 | Fiscal<br>1975-1976 |
|---------------------------|---------------------|---------------------|
| <b>Social Security</b>    |                     |                     |
| Retirement                | \$4.4               | \$65.5              |
| <b>Unemployment</b>       |                     |                     |
| Compensation              | 2.3                 | 18.0                |
| <b>Medicare</b>           |                     | 16.3                |
| <b>Veterans' Benefits</b> | 3.6                 | 15.6                |
| <b>Civil Service</b>      |                     |                     |
| Pensions                  | 0.43                | 10.0                |
| <b>Cash Welfare</b>       |                     | 10.6                |
| <b>Welfare Medical</b>    |                     |                     |
| Care                      | 1.4                 | 7.8                 |
| <b>Social Security</b>    |                     |                     |
| Disability                |                     | 9.2                 |
| <b>Military Pensions</b>  | 0.44                | 6.9                 |
| <b>Food Stamps</b>        |                     | 5.8                 |
| <b>Railroad Pensions</b>  | 0.585               | 3.4                 |
| <b>Public Housing</b>     | 0.068               | 2.6                 |
| <b>Total</b>              | <b>\$13.2</b>       | <b>\$172.0</b>      |

Bear in mind that these figures represent the major "transfer payment" programs. What it amounts to is that the Socialist system which is at the base of Communism is being gradually imposed upon us from within by politicians who wrap themselves in the flag and pretend to believe in the Free Enterprise System.

When the "Liberals" who are voting us into more and more Socialism complain about spending, as they like to do to keep up appearances with their enraged constituents, it is al-

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ways that we lay out entirely too much money to defend ourselves. A more foolhardy argument is hard to imagine. The principle justification for the existence of the state is to protect its citizens from foreign aggression. If our government cannot protect and defend us, then all debates about what role government may be permitted in society are meaningless. National defense now takes only twenty-nine percent of the federal Budget. "Social services" take fifty-eight percent — exactly double that amount. Each year national defense has been decreased as a percentage of the Budget and the Gross National Product (G.N.P.). Meanwhile, the Socialist slush fund of the Department of Health, Education and Welfare (H.E.W.) was raised a staggering 21.4 percent last year alone.

In 1952, we spent 13.5 percent of our G.N.P. for defense. Since 1959, the level of defense spending has fallen from 8.9 percent of the G.N.P. to 5.9 percent. Other federal spending, meanwhile, ballooned dramatically from 11.6 percent to sixteen percent of the G.N.P. If you listen to such "Liberals" as Jimmy Carter you would think that millions of Americans go barefoot and die of starvation because our resources are being poured into the gluttonous maw of the mighty military-industrial complex. Actually, only 5.3 percent of our labor force is involved in defense work — down from eight percent a decade ago. The military now uses only three percent of the goods and services of the economy — half that used ten years ago. Yet a *National Observer* survey tells us that the 103 freshmen Members of the Ninety-Fourth Congress are com-

mitted five to one to the idea that the United States is spending "too much" for defense and not enough for Socialism.

If federal spending continues on its merry way at the pace of the past few years, estimates the Office of Management and Budget, the federal bare-bones Budget in the year 2000 will be \$1.4 trillion with a deficit of seven hundred million. To help you swallow the bad news in 2000, after the resultant inflation has hit, you can drop by your local McDonald's for a \$7.50 Big Mac.

While Big Brother has been on an unprecedented spending binge, all the Little Brothers in state and local government have striven mightily to keep up with the squander. According to the Department of Commerce, the cost of government in the United States has skyrocketed by an incredible 776 percent since 1950. Total government expenditures — federal, state, and local — were \$60.8 billion in 1950. By 1975, the figure had soared to \$525.8 billion. The *Wall Street Journal* informs us that government spending is now more than five times after-tax profits of all the corporations in America. It is more than half as much money as was spent last year by this nation's 212 million citizens on all personal consumption from animal crackers and footwear to undershirts and zucchini.

Naturally, the government must come up with the mountains of money to cover its spending proclivities by taxing, borrowing, or printing. The lion's share is drained from the ever-abused John Q. Taxpayer. In fact, according to the Tax Foundation, federal spending per family of four figures out to \$7,792. In 1940, the tariff per family of four was a measly \$308. The per household tax burden rose twelve percent in Fiscal



1975, alone, despite the claimed cut in the federal tax rate.

Congressman John Conlan informs us: "Taxes take an average of 43 cents out of every dollar earned. This immediately reduces a \$10,000 annual income to about \$6,000 before a penny has been spent by the person who earned it. Wasteful and unnecessary government regulations cost the average family an additional \$2,000 a year in higher prices for products and services. The \$10,000 income is now down to \$4,000. Then there is the further drain of runaway government deficits. They now cost every household between \$838 and \$1,490 a year . . . further reducing the purchasing power of that original \$10,000 to about \$3,000."

At a symposium held in Cleveland by *Industry Week* magazine during December 1975, economists tried to measure the taxation road to tyranny. Looking sadly at the example of Great Britain, they concluded that when about sixty percent of the national income is spent by government a nation stands on the brink of losing its freedom entirely. From the sixty percent ratio of Britain and the forty percent ratio of the United States, they subtracted ten percent as "reasonable government spending." The result then is a fifty percent ratio for England and thirty percent for the United States. On that basis, they concluded that the U.S. is sixty percent down the road to where Great Britain is now. At the rate we are going, unless it is stopped, we will close the Socialism gap in about fifteen years.

Despite the incredible tax burden, the federal government still manages to spend significantly more than it takes in revenues. The red ink flows in Washington like catsup at the Little League hotdog stand. The federal Budget has been balanced only once

in the last sixteen tries. After this year, it will be one out of seventeen. Next year, one out of eighteen, until and unless the American people send a Congress to Washington willing to save the Republic by putting a stop to it. A few years back, government economists and politicians would regularly promise that after the temporary imbalance in the economy was cured by the federal "adjustment," the Budget would be balanced within two or three years. Today, nobody bothers and few even care.

For Fiscal 1976, Uncle Sam missed balancing the books by a trifling seventy-six billion dollars. That is more Debt in one year than was run up between the founding of the nation and the middle of World War II. It means the government has been spending \$1.5 billion more *per week* than it collects. And remember that, expressed in physical terms, a stack of one billion one-dollar bills would reach sixty-eight miles high. That's the lowest point of most orbiting satellites. The seventy-six billion dollar deficit would make a pile of ones reaching fifty-one hundred miles high. That, my friends, is Gerald Ford's tightwad Budget. According to *U.S. News & World Report* for February 2, 1976, the total red ink for Fiscal 1975, 1976, and 1977 will amount to an astronomical \$163 billion.

Still, leading "Liberals" don't think that is enough. "All things considered," says one of the most important, "I think the calendar year 1975 needs a deficit larger than we have ever had in peacetime. A deficit of 6 percent of G.N.P. would be about \$84 billion — frightening to the layman but still 6 percent. The price level in 1980 will be a bit higher with such a deficit than otherwise. But singlehandedly seeking to minimize that price level would logically lead to



your favoring continuation of the recession, and even a wish to let it slide into a depression."

These are the words of Paul Samuelson, anointed by *Newsweek* of May 5, 1975, as the World's Most Distinguished Economist. "All things considered," says Dr. Gary North, "the guy ought to be locked up."

Servicing (paying interest) on the Great Debt is getting more than a trifle expensive. The money we are paying every year for the money the politicians wasted in years past is rising like a Minuteman III. In 1963, interest on the National Debt cost us \$10.7 billion; by 1971 it had reached \$20.1 billion; and, this year, it will blast to a staggering forty-five billion dollars.

Dr. H.A. Merkley, Director of the International Institute at the University of Dallas, projects that unless we elect a Congress that will stop spending us into perdition the annual *interest charge* on the National Debt will pass one hundred billion dollars in seven years. At that time, he believes, the United States will find itself in the same position that New York is in today. Except, there will be no Sugar Daddy to bail us out. Already interest on the Debt absorbs one of every five dollars paid in taxes and is the third-largest item in the Budget.

The reason the cost is jumping, obviously, is that the National Debt is being used as a means of spinning out "Liberal" bankruptcy. When Richard Nixon acceded to the Presidency, quoting maxims from *Poor Richard's Almanac* on the virtues of thrift, the National Debt was \$348 billion — most of it incurred during World War II and the Korean and Vietnam wars. By September 1, 1976, the Debt will have reached a monumental \$653 billion. And at current projections, unless a Conservative Congress is elected to insist on sanity,

it will balloon to \$720 billion only one year from now.

Meanwhile, the National Debt mounts at the astounding rate of \$1,250 per second. It rose ten thousand dollars while you were reading the last two sentences. If every American who files an income-tax return this year were to add an amount sufficient to retire the Debt, it would require about \$6,500 extra from each.

Senator Jesse Helms has proposed that this destruction of our economy be stopped, introducing a bill which would require that if the politicians spend more than they collect their own pay would be reduced by the same percentage as outlays exceed receipts. Odd that we have heard nothing about such legislation from Walter Cronkite.

Crazy as it all seems, the National Debt which shows is only the tip of the deficit iceberg.\* Off Budget items and fraudulent accounting procedures greatly understate the real federal Debt. The highly reputable Arthur Andersen accounting agency has prepared a survey to find out what the government's true position would be if it used the same accounting procedures as private business. The results are appalling. Employing the same accrual accounting methods used to show the true indebtedness of any business, the firm discovered that while the federal government claimed a Fiscal 1974 deficit of \$3.5 billion, the actual deficit was ninety-five billion dollars — thirty times the acknowledged figure. And, by Andersen's figure, the *total* National Debt was not \$486 billion, but \$812 billion. Na-

\*According to the *Inflation Survival Letter*, the amount of debts owed by the Government of the United States, and its people, actually became more than the total worth of their assets in 1973, three years ago.



tionally syndicated columnist M. Stanton Evans comments on this:

*What accounts for the big discrepancy? The answer, for the most part, is long-term obligations for retirement benefits (civil service, military, veterans) that amount to \$299 billion, and Social Security contingencies (the biggest single payable on the federal books), amounting to \$416 billion.*

*Indeed, the sum of federal liabilities as computed by Andersen is already over a trillion dollars — \$1.14 trillion, to be exact. The \$812 billion figure is derived by subtracting listed government assets (\$330 billion) from this sum, which means our liabilities are three times bigger than our assets, with the disparity likely to get bigger. That spells insolvency in any language, excepting Federalese.*

*If we project the future obligations of the Social Security system — increasing annually on a cost-of-living basis — and match these against expected revenues, we get an awesome picture of our indebtedness. On this basis, the long-term debt of the system, above and beyond expected income, is \$2.5 trillion. (The Andersen balance sheet assumes this will be amortized on a 30-year basis, at a rate of \$75 billion a year.)*

*We owe it to ourselves? Tell it to those Social Security pensioners when the payments fall due and the federal cupboard is completely bare.*

Government Debt is, of course, intimately intertwined with inflation, which the public regards as the nation's Number One problem. When the government spends more than it taxes, it makes up the difference with bonds. As much as it can, the Treasury attempts to unload its bonds on institutions, insurance companies, and individuals. Such

transactions merely transfer the savings of these groups to the government. But, if the Treasury sells its bonds to commercial banks or to the ultimate buyer of government Debt, the Federal Reserve System, new "money" is printed to cover the purchase. This little adventure in creative financing goes under the innocent-sounding name of "monetizing the Debt."

That printing of new "money," created literally out of thin air, is the dictionary definition of inflation. It now competes with all of the money already in circulation, bidding up the price we pay for everything we buy. It is the consequences of inflation (rising prices) which the media have wrongly led the public to believe is inflation. From 1970 to 1975, the cost of living escalated forty-three percent, thanks to the necessity of cheapening our currency to cover all that Debt voted by Congress.

Indicative of the sinking purchasing power of the woebegone dollar is the fact that the new two-dollar bill will buy exactly what \$1.15 bought only ten years ago.

As Debt-inflated prices go spiraling toward infinity, wages tend to follow along — unless of course you happen to be among the unfortunate on fixed salaries or pensions. The horsefly in the ointment is that, the higher your income, the greater the percentage you must pay in income taxes. Thus the public is getting a double whiplashing from inflation and the graduated income tax. A man who made fifteen thousand dollars in 1966 needed \$27,500 just to stay even with taxes and inflation in 1975. The taxpayer who made twenty thousand in 1966 needed thirty thousand dollars to keep pace just nine years later.

According to a Labor Department study released in April 1976, the typi-



cal urban family of four requires \$15,500 a year to maintain a moderate standard of living. This was twelve hundred dollars more than over the previous year. Most Americans can remember when \$15,500 provided a very comfortable lifestyle.

In February the Census Bureau confirmed what many American families have suspected — that their increased earnings in recent years have not improved their economic condition. The study revealed median family income measured in terms of 1974 purchasing power was \$12,840 in 1974, compared with \$12,690 in 1969, a difference of only one hundred fifty dollars. *But these figures are measured "before any taxes are paid."* In other words, the faster we have to run after the dollar, the further behind we get, thanks to Big Brother's taxation and inflation policies.

One thing you do have to hand to the Washington money manipulators. Every fourth year they manage to apply enough cosmetics and tourniquets to the economy to make it look reasonably healthy at election time. On January 1, 1976, the Dow Jones Average sat up in bed and began waving its arms like a specimen off Muscle Beach. The theme for 1976 is recovery. As Wesley Hillendahl, chief economist for the Bank of Hawaii, explains it:

*The recovery thus far has been sustained mainly by the volume of spending by consumers, stimulated by tax cuts, and heavy deficit spending accompanied by declining unemployment levels and lower rates of inflation. Continued health of the economic recovery, however, depends on a pick-up in other areas of activity, including capital investment by business, housing and inventory accumulation. The trend in inter-*

*est rates is vital for a strong revival in these areas, particularly housing.*

To help turn down the inflation fires, the Federal Reserve even moderated the rate at which it had been increasing the supply of funny money. The consumer price index, which had increased at a rate of 12.2 percent in 1974, was thus slowed to 7.2 percent in 1975. Projections this year are for an increase of 6.8 percent for a total over the past three years of 26.2 percent.

Still, the pundits are talking like a deficit-fed 6.8 percent increase in the cost of living is practically nothing. If Congress is allowed to continue deficit spending, and this rate is held steady, a Big Mac hamburger will cost twelve dollars by the year 2000. A fifty-dollar bag of groceries will cost one hundred dollars in 1986, two hundred in 1996, and four hundred dollars in 2006. If you are about thirty-five years of age now, you should be just about ready to retire then. If you are twenty-five, and retiring ten years later, you will have to pay a whopping eight hundred dollars for the same bag of groceries that you can take home from the store today for fifty dollars. A small-to-medium automobile that cost twenty-five hundred dollars in 1965 and fetches five thousand today will cost forty thousand dollars to replace in 2005 and eighty thousand dollars in 2015.

Remember, this is all if the supposedly insignificant rate of price increases remains at 6.8 percent. But, practically nobody believes that the 1977 rate will be that small. And once the election is past, the lid will again be off and those massive deficits will be spun out in yet more massive inflation. Even Federal Reserve Board Chairman Arthur Burns has warned that the cost of living is like-



ly to resume its galloping proclivities in 1977.

Naturally it takes an enormous army of bureaucrats working more or less diligently to squander the requisite sums each year. The combined federal, state, and local payroll now tops fifteen million "workers," which is enough to account for the spending of one dollar of every three in the U.S. income. There are more government employees in America than production workers in all the nation's factories. Since 1950, the number of government workers has jumped from six million to fifteen million, while the number of factory workers has increased only slightly from 12.5 million to 13.2 million.

Between 1789 and 1974, the population of our country multiplied by sixty times. The bureaucracy was multiplied by 8,170 times. Between 1930 and 1974, while the population grew seventy-one percent, the bureaucracy grew 462 percent. In 1930, one of every 204 people was employed by the federal government; today, it is one of every seventy-seven. And, in our work force of about eighty-five million, one of every 6.5 employees is on a government payroll at the federal, state, or local level. Last year 715,000 "jobs" were added to federal payrolls while the number of private jobs was reduced by 2.3 million.

It is uncontested that the chief beneficiaries of the explosion in the bureaucracy have been the bureaucrats themselves. According to the Bureau of Labor Statistics, the average government employee in Washington earns about seventeen thousand dollars per year. The average employee of private business earns only a little more than ten thousand per year — and, out of that ten thousand he must pay taxes to support his higher paid counterparts on federal payrolls.

Government workers point out that they also pay taxes. The point is that they are helping support themselves; the private worker is helping to support someone else.

And the fringe benefits are much more generous for Uncle Sam's little helpers. The average employee of the federal government gets fifty percent more paid time off than the worker in private business. Federal employees with three years' service receive forty-four paid days off per year, including thirteen sick days and eleven paid holidays. When they reach fifteen years' service, they receive fifty paid days off per year. And, adding financial insult to bureaucratic injury, government employees work shorter hours and have greater job security than those in private enterprise who pay their salaries.

Neither are the bureaucrats paragons of efficiency. A study by the government's General Accounting Office confirms that government employees get paid more for doing less. For example, "claims processors" working for the government each handle an average of twenty-five hundred claims per year. Those working for private companies process more than twice as many — an average each of fifty-seven thousand claims per year. Nonetheless, the government processors earn \$21,600 while those working for tax-paying industry average only about fifteen thousand dollars.

Few private employers can afford to match the high pay government offers, and in attempting to try some have gone broke. The majority who remain in business often do so at low profit rates — returning less to investors than is yielded by government bonds. The result is a lack of capital in productive enterprise, which means no plant expansion and resultant high unemployment.



But, it is after retirement that the gap between government employees and the rest of the public becomes startlingly large. The lavish government pensions threaten the entire economy because the Federal Pension System is set up so that retired bureaucrats actually profit from inflation. When deficit spending pushes the cost of living up three percent, their pensions are adjusted by four percent. After a few years of retirement, many former government employees receive more than when they were working. In fact, many will get more in retirement benefits than the average person earns in his entire working life. This is due to a quirk in the Federal Pension Law — the so-called "one percent add on." Former Congressman Hastings Keith calculated that his own pension went up nine percent more than the cost of living in just two and a half years of retirement. If increases continue at that rate, Mr. Keith calculates, he will be getting more than seventeen thousand dollars per month by the end of his life expectancy.

Some have called this a financial time bomb. Democratic Senator Thomas Eagleton of Missouri, a member of the Subcommittee examining the problem, calculates that if the current formula is maintained the costs of all federal pension programs will quadruple in twenty-five years. "Unless the gross national product can be counted on to grow commensurately, very serious problems will develop," he says. "Federal taxes may have to be increased" to pay the vast sums promised retired bureaucrats. "That could put a heavy drain on the private economy. Alternatively, the government might decide to fund these programs by merely printing money. And that cost in terms of inflation would be great."

To avert "a devastating economic

crunch" in the years ahead, Senator Eagleton recommended raising the retirement age and imposing advance-funding requirements on municipal and federal pension plans. "For too long, government at all levels has been quietly committing future generations to paying off enormous pension costs as though that were somehow an inevitable fact of modern life," Senator Eagleton said. "We must start telling people that the well is running dry."

Popular columnist Paul Harvey thinks the tide of public opinion may be turning against those on the public payrolls who are looting us. He writes:

*Public employees may soon be so unpopular with the people that politicians will win votes by campaigning against them. What with civil service plus collective bargaining our civil "servants" are becoming our "masters." When we, the people, get fed up with carrying all these high-salaried, high-pensioned public employees around, then the politicians will. Few politicians have ever dared campaign against government workers because government workers represent too many votes. That's changing.*

We hope so. But, nothing will change without a fight. The public is being told that it is impossible to reduce bureaucracy. On May 28, 1976, an Associated Press release began: "Efforts to stop the explosive growth of government agencies probably will be doomed to failure no matter who is elected president, according to a study published Thursday by the Brookings Institution. The study also questioned whether any good would result from efforts to streamline the federal bureaucracy."

The Brookings Institution describes itself as a "nonpartisan eco-



conomic and political research organization." Actually, it is about as neutral as the League of Women Voters or the Foreign Policy Association. Its report on the current state of the bureaucracy is accurate enough, but it supposes that Americans will go right on electing the spenders to Congress. That is where Brookings is in for a surprise.

The study, by Brookings political scientist Herbert Kaufman, said more Executive agencies and units, fifty-three, were created during the first term of the Nixon Administration than in any other Presidential term in the nation's history. An additional twenty-three were created in 1973. The numbers include agencies and units created by Presidential order, by congressional legislation, departmental orders, and government reorganization plans. Kaufman analyzed 175 agencies that existed in 1923, and found that 148 of them — eighty-five percent — were still functioning fifty years later in 1973. Only 27 had disappeared, while 246 new ones were created, for a 1973 total of 394.

Unfortunately, the bureaucrats cost the American public far more than their salaries and pensions. The federal regulators cost us money whenever they interfere in the economy. And, as Congressman Elliott Levitas (D.-Georgia) puts it, the bureaucrats have created a fourth branch of government, powerful enough to defy Congress, the President, and the public:

*They collect taxes and dispense billions in welfare dollars. They decide the drugs Americans will take, the food they will eat, the cars they will drive and what kind of houses they will live in. Yet they have earned no one's vote and are not accountable to anyone.*

*The unelected federal regulators make more laws than do the elected members of Congress. A Library of Congress study found that during 1974, Congress passed 404 new laws while the federal bureaucracy churned out 7,496 new or amended regulations. That is a ratio of 18 new regulations for every Congressional law passed. And most of the regulations carry the force of law, meaning violators could be subject to fines or jail.*

Yet, over the last decade, three Presidents and five Congresses have continued vastly to increase the reach and power of the unelected federal regulators. The number of major regulatory agencies has doubled since 1965, and they now employ 105,000 snoopers to interfere in our lives and businesses.

According to *U.S. News & World Report* for May 17, 1976: "In addition to 11 Cabinet departments and 14 independent agencies, there are more than 1,200 advisory boards, committees, commissions and councils. Spread throughout the bureaucracy are countless offices and bureaus and 1,000 aid programs for State and local governments. There are 228 health programs, 156 income-security programs, and 83 housing programs, many overlapping one another. And that's nowhere near a total count. In fact, a complete list of all programs and spending authorizations is not available in any one place, according to congressional aides."

The bulk of their regulations is mind boggling. The Code of Federal Regulations, containing only the basic, standing rules set down by the bureaucracy, already packs a shelf fifteen feet long with sixty thousand book-size pages of fine print. The number of pages has grown twenty percent a year for the past



several years, with new regulations being added every day.

Part of the harm done America by the bureaucrats can be seen by measuring the paper blitz. "Based on the way they browbeat America's small businessmen, the bureaucrats must think this is the Soviet Union or a Latin American dictatorship," says Ernest P. Evans Jr., former chief investigator for the Senate Select Committee on Small Business. "Right now there are 6,400 different government forms plaguing businessmen in this country and they range up to 70 pages. If a businessman fails to file one of the forms required by his type of business, the government threatens to toss him in jail. Even a small 'Mom and Pop' business has to fill out 68 government forms every year, and some of these forms are so complicated the owners must hire outside help to fill them out. We're crippling our economy with paperwork and forms for the bureaucrats to shuffle around."

Even "Liberal" Senator Thomas J. McIntyre (D.-New Hampshire) adds: "We're deliberately forcing small companies to either go out of business or merge with companies that have the manpower to comply with mandatory reporting requirements. And if the paperwork continues, we'll destroy the American system of free enterprise."

A team at the National Archives has already counted over *seven hundred thousand* different federal forms currently in use. They estimate a total of well over a million before they finish counting. Not counting tax and banking forms, it is estimated that more than 130 million man-hours a year are spent completing 5,146 different types of federal forms. A Senate Subcommittee estimates that private business spends about twenty billion dollars annually

on paperwork demanded by federal bureaucrats. The General Accounting Office estimates that the federal government spends the same amount again processing the paperwork.

Collectively, *U.S. News* tells us, regulators under the Office of Management and Budget add so much to the cost of the products we buy that the total bill comes to an astronomical \$130 billion, or two thousand dollars per family, per year. Everything we purchase costs more because of the bureaucrats. It is estimated that their regulations have added five thousand dollars to the price of a new single-family home. The price of a U.S. auto has been increased an average of eight hundred dollars per car because of federal safety and pollution standards alone. A recent study found that federal drug standards caused delays in bringing effective drugs to the market and resulted in extra costs to consumers of three hundred million dollars a year.

Besides supporting the bureaucrats and paying for the damage they cause every time we buy a product of any kind, the unliberated taxpayer must support an ever-growing army of Welfare recipients. The Welfare parasites sank New York City, and if a Conservative Congress is not soon elected to check them they could do the same thing to the whole United States. As the Associated Press reported on December 6, 1975:

*Public social welfare spending reached a record \$287 billion in the last fiscal year because of demands made by high unemployment and continuing high inflation, the government announced Friday. A report prepared by the Social Security Administration showed that federal, state and local social welfare expenditures rose \$47 billion in the year ending June 30, the highest dollar in-*



*crease in the nation's history. The 19.7% increase was the largest since the immediate post-World War II period, when veterans' benefits were expanded greatly.*

This assessment of the national Welfare picture was presented by the "Liberal" Caspar Weinberger in San Francisco as he wound up his duties as Secretary of the Department of Health, Education and Welfare: "If social programs continue growing for the next two decades at the same pace they have in the last two, we will spend more than half our whole gross national product for domestic [Welfare] programs alone by the year 2000. Should that ever come, half the American people will be working to support the other half."

Actually, we are already a lot closer to that point than even hard-pressed taxpayers now imagine. If we count those partially supported by the taxpayers, we have already passed the point where half our people are living off the other half. According to a North American Newspaper Alliance release of February 7, 1976:

"Forty-one percent of the population of the United States is supporting the other 59 percent, an exhaustive months-long study by North American Newspaper Alliance shows. The figures include those depending on public assistance and those working for government at all levels. Both groups are supported by tax dollars.

... "NANA figures, arrived at in con-

sultation with numerous federal offices, show that more than 'half the American people' are already 'living off' the rest of the nation. In these figures are included those receiving direct federal support through programs such as welfare, those supported through programs such as Social Security and Unemployment Compensation, and those (along with their dependents) who are directly employed by government — federal, state and local.

"However, as high as these figures are, they do not include the huge numbers of private employees whose jobs are a direct result of government contracts, nor do they include those persons who are indirectly government-supported (such as physicians whose income is primarily derived from Medicare patients). Students who are supported by federal grants or federally guaranteed loans are also excluded from these figures. The figures also do not include people in Veterans' hospitals and in prisons run by federal, state and local governments, or people dependent on partial government aid, such as food stamps, etc."

The backlash of the producers against the parasites can begin with the coming congressional election if Conservatives will work to educate their fellow victims on the issues. Americans are anxious to put government on a diet. What is needed to make it stick is sufficient understanding to keep the voters from being fooled. That, my friend, is where you must help. ■ ■

## CRACKER BARREL

■ To take out a library book in medieval times one needed a hammer and tongs instead of a library card, noted a student of those days. In the Fifteenth Century, library books were laid on the desk and chained to a horizontal bar. Chains were still in use for this purpose in church libraries in England down to the early part of the Eighteenth Century.

■ In this free-spending age, the man who preaches economy might as well start by saving his breath.