

The Second American Revolution: Intro to Book

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It's a pleasure to introduce my new book to you. I put this handout [book-release handout] on the tables to introduce the book to you, and on the back you can see a few endorsements of my initiative proposal.

What I'd like to do is speak interactively for about 10 minutes, asking stimulating questions, and then move into a full-fledged discussion that I hope you'll be eager to join by that time!

Let's begin by thinking about the two basic ways to make laws: by vote of the legislature and by a vote of the people through initiatives. And let's consider three examples: homosexual marriage, excessive taxation, and slavery.

Let's start with homosexual marriage. As we all know, homosexual marriage has been legalized in a number of states, most recently in our own state of Washington. I'd like to ask you a question: has homosexual marriage been legalized by the people through initiatives or by legislatures? [Pause] Yes, by legislatures. And what role have initiatives played in this controversy? [Pause] Yes, initiatives have been used, not to legalize homosexual marriage, but to oppose legalization, as in Proposition 8 in California in 2008. And the initiative process will be used for this same purpose here in Washington State now.

Our second example is excessive taxation, and let's think of Washington State. Does restraint in taxation tend to come from the legislature or from the people through initiatives? [Pause] Yes, from initiatives, and it's the same way in California. The legislatures of Washington and California overspend, while the people restrain government spending through initiatives.

Now for our third example: slavery. Let's go back to the census of 1860, the year before the Civil War began, and let's think of the citizens throughout the southern states in terms of their households, their families. What percentage of these families owned no slaves. What would you guess? [Pause] The answer is 75%. The census of 1860 revealed that 75% of southern families owned no slaves. Unfortunately, the initiative process wasn't introduced until about the year 1900, so there were no initiatives back then. But suppose that there had been. Do you think that if the people of the southern states could have voted directly on an initiative they would have approved the vicious conflict over slavery with the northern states? [Pause] No, of course, not! It wasn't in their interest to do so. Slavery was an interest of a minority of the southern population.

Now we've considered three examples in which legislatures have made major laws that most people don't want: legalizing homosexual marriage, approving excessive taxation, and promoting a vicious conflict over slavery.

These three examples illustrate a deficiency in the way that representative democracy works, and what is that deficiency? Why do legislatures tend to make laws that most people don't want? [Pause] Yes, the reason is due to interest groups. After all, if you or I want to influence Congress, do we fly to Washington DC by ourself and voice our opinion? If we want to influence the state legislature, do we drive to Olympia by ourself and voice our opinion? Of course, not. We join constituent groups, and we influence the legislature through these groups. So the role of interest groups is inherent in the way that representative democracy works, and it is through the influence of interest groups that legislators are motivated to approve laws that most people don't want.

Now what does this tell us about representative democracy as a form of government? This tells us that representative democracy tends to advance minority interests due to interest groups, while direct democracy through initiatives tends to advance majority interests. So let me ask, among the population as a whole, who are there more of — liberals or conservatives? [Pause] Yes, conservatives, and do you know the percentages? [Pause] When Michael Medved spoke at the Eastside Republican Club in February, he said that about 40% of Americans identify themselves as conservative, about 40% identify themselves as moderate, and that leaves the remaining 20%, who

identify themselves as liberal. So conservatives are nearly half of the population, while liberals are only about a fifth. This is why liberals get what they want, not through initiatives, but through legislatures and the courts. And this is why conservatives tend to get what they want through initiatives.

Now let's take a look at this handout [core-defect handout], which shows a figure from my book. In my book, I introduce, what I believe are, three notable theoretical innovations in the theory of government, and one of these is shown on this handout. I'd like to ask those of you who have not read my book the following question: what is a fundamental difference between representative democracy and direct democracy that makes it possible for interest groups to control legislatures but not the people? The answer is in the first figure on the handout. [Pause] Yes, a vote of a legislator must be public so that constituents can hold the legislator accountable, and the major way to hold legislators accountable is through interest groups, as we've seen. By contrast, when you or I vote, we don't represent anyone but ourselves, so our vote is private. Why? So that no other party can hold us accountable for how we vote.

For this reason, direct democracy solves the interest-group problem. Under direct democracy, interest groups can advertise; they can campaign; they can canvass. They can knock on your door and talk your ear off! But they can never know how you vote, and this makes all the difference in the world. Because of this difference — public vs. private voting — the political dynamics of direct democracy and representative democracy are fundamentally different.

In this book, I develop the theory underlying these insights, and I propose a specially designed initiative process by which we can limit the ability of the government to take our money. This will make government fiscally responsible because the people want to limit their taxes, as we've seen from initiatives in California and Washington. I explain why this solution is decisive and why it will solve the fiscal problem once and for all.

I also show why this is the best possible solution. Let me briefly explain these two figures [book-release handout], which are from my book.

The figure on the left characterizes fiscal-liberal control of government in terms of a jump in the cost of government, while fiscal-conservative control is normally limited to holding the cost steady. It's extremely rare that fiscal conservatives can repeal entitlement programs that liberals have enacted. So we have a staircase: liberals, conservatives, liberals, conservatives, liberals, conservatives. [Trace figure in air] We can see that fiscal liberals have overall control as they drive up the cost of government over the long term. By contrast, in this long-term perspective, conservative control is nothing more than an interlude until the liberals take control again. We can see that there's a fundamental asymmetry. If the situation were symmetrical, it would look like this: liberals, conservatives, liberals, conservatives, liberals, conservatives. [Trace figure in air] But, in fact, the situation is asymmetrical, so it looks like a staircase: liberals, conservatives, liberals, conservatives, liberals, conservatives. [Trace figure in air]

The figure on the right puts into objective terms what the idea of minimal government means. It means driving the cost of government down to an asymptotic value over the long term. This is the best possible solution to minimizing government, and the only way to get this solution is through the initiative proposal in this book. As we've seen, we need to give the people direct control in order to eliminate the power of interest groups, which drive up the cost of government without limit. In addition, government regulations cost money, so limiting government fiscally is the first step to limiting government regulations.

Finally, I show how we can get this approved here in Washington. This will set the example for the other states, and when other states follow suit, this will build momentum for a federal constitutional amendment. Remember, how did women get the right to vote? First in a number of states; then at the federal level.

So if you'd like to see how we can make government fiscally responsible and do the job once and for all, I invite you to pick up a copy of my book after the meeting! And I encourage you to take advantage of the quantity discount prices, as shown on the book-release handout.

Thank you for listening to me and interacting with me. Now I'd like to open the meeting to a full-fledged discussion. And I'd like us to start by discussing the content of this handout on the core defect in representative democracy.