

The People's Initiative and the Importance of Initiatives

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I'd like to tell you about The People's Initiative — not for the upcoming election in November, but for a future election.

I'd like to begin with a question: when you think of what's wrong with government, what is the most significant concern that comes to your mind?

Yes, a government doesn't know where to stop spending money, does it? And the larger the government, the worse problem. I get Dick Morris's commentary by email, and he says that what's happening in Europe, with Greece going bankrupt and with Spain, Portugal, and Italy in line behind Greece — this is coming soon to a state near you, with California, New York, and Michigan leading the way into bankruptcy. So the fiscal irresponsibility of governments can no longer be written off by liberals as an imaginary problem conjured up by overly sensitive conservatives. The problem is serious.

I'd like to show you what the source of the problem is. In particular, the explanation is *not* that the legislators are evil, corrupt, stupid people. The explanation is that the incentives for unrestrained spending are built into the structure of representative government, so we need to fix the structure of the government in order to fix the problem at its root and be done with it once and for all.

The problem

To see this, let's imagine that we're a family, and we have our list of priorities for the use of our money. These priorities include purchases to enhance our family life, as well as donations to non-profit organizations.

Now, what limits our spending? As we go down our priority list, what stops our spending at some point? Our income is limited, and the amount of money that we can borrow is limited.

All right, here we are gathered for a family meeting. We review our priority list; we notice where we cut our spending off; and we look longingly at the items further down the list.

Now imagine that rather than having to earn more money through work and investment, we could simply vote ourselves more money. It would go something like this, as I lead the meeting. "Uh, there's a motion for \$10,000 more money. Oh, there's a motion for \$50,000. Now there's a motion for \$100,000. Is there a second? The motion for \$100,000 has been seconded. Discussion? No discussion. All in favor say aye. The aye's have it, giving our family \$100,000 more money."

Can your family do this? No! Can your business do this? No! But guess who can do this: yes — a government legislature. A government is the only business that can vote itself more money, and this is the fundamental reason why government doesn't know where to stop spending money.

Electing legislators

You'll probably reply that we elect the legislators, so we can vote the spendthrifts out of office. However, this doesn't solve the problem for two structural reasons. Would anyone like to guess the reasons?

First, the legislators are spending other people's money, so it's virtually impossible for them to have adequate restraint.

Second, there's an insidious incentive built into representative government because every legislator wants to bring home government money to their constituents. This is a major point that Patty Murray is running on: her ability to bring federal money home to Washington State. Now imagine that all legislators are doing this for their constituents. This drives government spending up without restraint.

I have a graphic illustration of how insidious the problem is. In January I attended a candidate forum for conservatives in Smokey Point, and the organizer began by asking how many of the people were getting involved in the political process for the first time. There was a big show of hands. These were tea party people who were coming out of the woodwork because they were upset at the unrestrained spending of government. Later, while the candidates were being questioned as a group, one candidate stood forth and emphatically declared that when he is elected to the U.S. Senate, he will see to it that Boeing gets a contract to build a tanker. And what did the people do? They cheered!

You can see how insidious the problem is, can't you? You can see that the incentives for unrestrained spending are built into the structure of representative government.

So let's ask, "How can we solve the problem at its root? How can we hit the bullseye in solving the problem so that we can be done with it once and for all?"

The solution

We need to take away the ability of the government to vote itself more money. We, the people, earn the money and own the money, so we need to take control of the ability of the government to get our money. As shown in the poster, we've given the government a blank check, so we need to tear up the blank check and replace it with a filled-in check.

The filled-in check establishes a ceiling on government income with the ceiling expressed as a percentage of the income of the economy. For the federal government, this is the national economy, and for a state government, it's the state economy. Say, for example, the ceiling limits government income to 10% of the income of the economy. This allows government income to grow as the income of the economy grows.

Now, the people can change the ceiling in response to a request by the legislature or through an initiative process. So listen to this: over time the people can *lower* the ceiling on government income through an initiative process. *This* is the only realistic plan that I have ever heard of for reducing the size of government, and what makes the plan realistic is that a reduction is based on a direct, popular vote for it.

Initiatives

Now I'd like to explain the crucial importance of initiatives in our effort to make government fiscally responsible.

Imagine that Washington State didn't have an initiative process, and someone said, "You know, I wish that Washington had an initiative process so that we could put initiatives for fiscal restraint on the ballot."

What would we say? We'd say, "Well, that's a silly idea! Washington voters tend to elect fiscal liberals, so it's obvious that they aren't going to approve initiatives for fiscal restraint!"

But, in fact, Washington voters do tend to approve initiatives for fiscal restraint even though they tend to elect fiscal liberals. I'd like to ask why you think this is true.

I reason as follows. Fiscal liberals run on promises of what they'll do for the people, and they give the impression that the people won't have to pay for it, so they'll get something for nothing. But an initiative more directly asks the people if they want to pay the government more money, and when confronted like this, the people usually say "no".

So you can see that initiatives are crucial for tapping into the popular sentiment for fiscal restraint.

Now, as you probably know, after an initiative has been law for two years, it can be overturned by a majority vote of the legislature, as happened for I-960 earlier this year. So how can we solve this problem? Here's how.

We get the right initiative on the ballot: The People's Initiative. The People's Initiative solves the fiscal problem at its root, and it will also have a magnetic bipartisan appeal because it gives the people control of their money. So if this initiative were on the ballot, it should be approved by an overwhelming vote, well beyond any approval vote for a Tim Eyman initiative. Say we get an 80% approval vote because even liberals like the *Seattle Times* editorial board and Ken Schram will wholeheartedly support it. So the initiative is approved in a November election by an overwhelming vote.

Now, section two of the initiative says that the people want the initiative approved as a constitutional amendment. So when the legislature convenes in January, fiscal conservatives will bring the initiative before the legislature for approval as a constitutional amendment. This will ride the momentum of the overwhelming, bipartisan approval vote of the people. And once the initiative is approved as a constitutional amendment, it will never be reversed because the people must approve a constitutional amendment, and once they get control of their money, they'll never give it up.

Summary

Let's summarize. Fiscal irresponsibility is a serious problem of governments. We see it in Europe, and we see it here at home. The source of the problem is that incentives for unrestrained spending are inherent in the structure of representative government. We fix the problem at its root through a citizen-controlled ceiling on government income. We can achieve this in Washington State with an initiative, followed by a constitutional amendment. This will set the example for the other states, and as other states follow suit, this will build momentum for an amendment to the federal constitution.