

GOVERNMENT REGULATION VS. FREE ENTERPRISE

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Abstract

Governments exist to do for citizens what they cannot do for themselves, but often they encroach into activities that should be run by private enterprise. We recognize that governments should provide safety against harmful activities and/or dangerous actions that citizens may want to undertake either for ill-gotten gain or activities that are contrary to good order in society. Of course, governments must tax the citizens to enable the programs to serve and protect the society, but the taxation and the actions should be limited to activities the citizens cannot do for themselves.

Keywords: government encroachment, excess taxation

INTRODUCTION

Many nations in existence today call themselves Representative Democracies, or Republics. Most of them have a Constitution as the basic legal guideline for government activities involving both foreign and domestic decisions. These legal frameworks usually divide the actions of the governing bodies into specialties pertaining to such actions as providing for defense against outside dangers, promoting the general welfare of the population by establishing laws for contracts and other interactions, and actions to take to punish those who act outside the legal framework to prevent harm to others.

Further divisions allow for actions on the national scale, actions on the next lower subdivision, and ultimately actions for cities, villages, school districts, and other self governing divisions. A system of judicial oversight gives responsibilities from the highest to lowest levels. However, for all of these oversights, the overall guideline should be that of self reliance for activities that need no interference from a governing body. An axiom in most government text books is, "The best government is the least government". Decentralization should be the accepted method of governing. Unfortunately, history shows that the longer a government exists, the more intrusive it becomes. It finds activities that might be harmful or questionable by some (large or small) segments of society.

Such anxiety may lead to centralized decisions that affect the majority as well as the smaller group. As observed by Thompson, "A centralized, tight, monocratic structure is best for adopting new ideas" that are necessary to placate the unhappy segments.

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HYPOTHETICAL

This situation deals with a fairly large country calling itself a republic, having a constitution and a national government with a separation of powers between the executive, legislating, and judicial branches. After a recent election won by a small majority of one of the political parties controlling the executive and both houses of the legislative branch, the newly elected executive, decided to make a significant change in one of the government entitlements available for the population. He had said that he would be making large changes in the country, but he didn't get into specifics until he was elected. Apparently, in his perspective, he was elected to make some dramatic changes and he would manipulate the status quo to insure that his ideas were implemented. In the first two years of his "reign" he forced a program through the legislative branch without any input from other parties who normally would be able to have input into large programs and be able to amend some of the nuances of the program. He was able to do this by instructing his legislators to "lock out" the other political parties so that his program have only inputs from his party.

When the legislation was published, it was impossible to understand how such a piece of legislation could be implemented. A majority of the country's population were shown in polls to be against the legislation in its form that emerged from his "one party" creation. The program would replace a system that was working moderately well by combining actions partly run by private enterprise with assistance from the government. The new program would eliminate the actions of the private sector and put the handling entirely into government agencies. This would have the taxpayers funding the program and would increase their tax burden. At first, only those that appeared to be benefitted by the legislation and favored the change were citizens who pay no taxes. Later, even many of the early voters who favored the legislation turned against it because it became clear that it would cost everyone much more than the executive claimed. Even so, the executive declared that it would be put into force in the timetable originally specified. It became clear that it was a program to give the executive more power. It is well understood that governments are wasteful and poor managers. This was not at all accepted by 70% of the populace and thus contrary to such accepted doctrine as that of Rourke who enunciated a well known edict, "The power of government agencies can be looked upon as resting essentially on political support".

This legislation was resting only on the elected members of government of the president's party, not the constituents who would be affected by the legislation. After another election, one house of the legislature, the one that proposes funding for government programs, was won by a different party. When the legislation was on the verge of being implemented, the funding was denied for the program since the population didn't want it. At that point, the executive chose to shut down the government because of his embarrassment that his legislation was not acceptable.

The executive refused to negotiate at all with the legislators and eventually they gave in to him because they didn't want to be responsible for shutting down the government. (WSJ). The legislation went into effect which required users to call up the program online and register for it. Approximately ninety-five percent of those who tried to register couldn't get into it because of the flaws in the program. Another embarrassment for the executive and his staff (WSJ)

ANALYSIS

There are many abnormalities apparent in this hypothetical case. First, the "locking out" of legislators not of the executives party is highly unusual. That act in itself was not illegal, but highly undemocratic. Its crass results of turning out an undesired piece of legislation should be indelibly remembered by the electorate so that that ruling party should suffer and in fact, it did by losing one branch of the legislative side of the government in the next election. That ugly act should go further and reflect in the next executive election. Unfortunately, the constituent memory may not last that long.

One point should be quite clear: The executive's actions were more about his own power than that of pleasing his electorate. All elected officials should keep foremost in their minds that they are the servants of the people, both those who voted for them, those that voted against them, and those who didn't vote. The members of all three branches of the government are servants of the people. They should keep close knowledge of what the people are thinking about their performance. Of course, some unpopular decisions must be made that are not well accepted by the people. That happens in time of war and other unfortunate happenings where unpopular decisions must be made. However, in this hypothetical, it was less than a "life and death" situation. Other alternatives could have been chosen. But the executive refused even to consider any of them.

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