

EDITORIAL DESK

The Costs of Governing Less

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With the money it takes from us, the government hires regulators who tell us we can't do things we want to do. Little wonder, then, that government is so often the target of profound hostility.

As Adam Smith recognized, his invisible hand theory -- that society as a whole does best when everyone pursues his or her own interests in the marketplace -- works only when each person's choices cause no harm to others. Yet many of our choices clearly do harm others.

For example, if you buy a car with unsafe tires, you put not only your own life at risk, but also the lives of others. Even so, the anti-government oratory of recent decades has denied a legitimate role for government action to promote safety in such cases.

The National Highway Traffic Safety Administration once maintained an extensive network of automobile repair shops through which it gathered data that provided early warning of potentially serious safety defects. This network would have sounded an alarm about the unusually high failure rates of one model of Firestone tires -- tires whose defects, we now learn, may have resulted in scores of deaths.

Unfortunately, the agency was forced to

abandon its early warning network in the 1980's when the Reagan administration cut its budget by half, citing excessive regulatory zeal. Now, having stripped the agency of an important means of gathering safety data, look for congressmen in the anti-government movement to denounce it for incompetence during hearings on the Firestone scandal next month.

Some politicians insist that many safety regulations were unnecessary in the first place, since no company wants a reputation for products that kill; businesses simply need an opportunity to regulate themselves. For example, George W. Bush has backed legislation that leaves industrial polluters substantially free to regulate themselves in Texas, which now has the most polluted air and water of any state. But, in common with others in the anti-government movement, he has also advocated so-called tort reform legislation that makes it much more difficult for injured parties to pursue their claims in court, should the unshackled businesses fail to police themselves.

By far the most important item on the agenda of the anti-government movement has been to shrink government by cutting off tax revenue. Mr. Bush promises "to return tax dollars to the people who earned them," dismissing Mr. Gore and other critics as "people who think the bureaucrats in Washington know how to spend your money more wisely than you do."

These words resonate because they summon images of roads to nowhere in West Virginia and other vivid examples of pork-barrel

waste. Yet waste is hardly the exclusive province of the public sector. In many parts of the country, private residences with more than 20,000 square feet of living space are under construction in record numbers. These houses typically have 10 or more bedrooms, each with a large bath; at least two kitchens; two living rooms; a ballroom; a media room; and a six-car garage.

Would Mr. Bush's proposed \$1.3 trillion tax cut, which would mainly benefit the wealthiest families, reduce waste? Although depriving the government of this revenue would undoubtedly eliminate at least some wasteful government spending, it would also stimulate the construction of even bigger mansions.

More troubling, it would make it harder for us to pay for public services we value. The SAT scores of entering public school teachers have fallen sharply since the 1960's, in part because teachers' salaries have fallen more than 20 percent relative to the average college graduate's. Government inspections of meat-processing plants have declined by almost 75 percent since the 1980's, despite the growing threat posed by E. coli bacteria and other lethal food contaminants. In other spheres as well, budget cutbacks of recent decades have created ripe opportunities for public investment.

Such investments would inevitably entail a measure of waste, just as the anti-government movement claims. But the additional private spending stimulated by Mr. Bush's tax cuts would also entail some waste. In the end, we must decide whether we want safer tires or

bigger sport utility vehicles.