

## A *WHITHER* REPORT\*

### The Relationship Between *Government* and the *Governed* August 2008

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\*The term "*Whither Report*" was coined by the DuPont Company and was derived from the term "*Whither Thou Goest*". It was used for many years prior to the adoption of the term "Business Plan" as popularized by the Harvard Business School and the advent of econometric modeling software programs. The relative value of a plan for developing and managing a business prepared primarily by the individual(s) responsible for executing the plan based on personal knowledge and experience vs. the computer generated version, is still a matter of question.

## WHERE WERE WE?

The individuals who gathered in Philadelphia on July 4, 1776 to declare the independence of the original thirteen Colonies from England did so at great personal peril because they were, as a group, among the wealthiest and better educated citizens with the most to lose if their efforts failed. Further, they did not meet with a populist's voter mandate in their pockets - they were personally committed to free the Colonies from what they considered an oppressive government that was restricting their freedoms through taxation; particularly knowing that the taxes so collected, were used exclusively for the benefit of the privileged class.

The Founding Fathers recognized that a new country to be designated as the United States of America required a framework for defining the relationship between the government and the governed. The uniqueness of the tenants of the Constitution that was ultimately drafted and adopted was without precedent in the history of the world.

Prior to the *American Experiment*, the peoples of the world had historically been either the *haves* or the *have not's*; the *rulers* or the *ruled*. The strong dominated the weak either by the force of arms and/or control of land. There was no middle class.

The authors of the Constitution of the United States recognized that man's creative abilities could really only be free if not restricted by the oppression of a ruling class. Their ideas for a central or federal government were to provide only those services necessary to ensure the common good.

The Founders of our nation embraced the principals of a *God* as represented by the tenants of Judeo/Christian teachings. They understood that without a moral fabric the government they envisioned would fail and the weak once again would become the victims of tyranny. They proclaimed in the Declaration of Independence that "*all Men are created equal, that they are endowed, by their Creator, with certain unalienable rights*". There is no inference in the Declaration of Independence, however, that all men are **entitled** to anything but "*the right to Life, Liberty and the Pursuit of Happiness.*" The right to fail was inherently also preserved. This philosophy ultimately allowed the creation of the most prosperous, free and generous society in the annals of human endeavors.

## WHERE ARE WE?

Approximately 2 score and 5 years ago, to use a descriptive phrase for the expression of time used previously at a battlefield in a small Pennsylvania town, the United States Government embarked on a major re-interpretation of the role of government. The country had overcome a major depression, provided a majority of the men and material to win a global war, and was creating wealth at unprecedented levels. The country was the most prosperous in the world and was willing and able to begin a massive redistribution of wealth. It embarked on a mission to overcome the obstacles to achieving the American Dream by the disadvantaged who were denied access. The unintended consequences of this noble but misguided undertaking are still being felt.

As a result of this massive effort, which was in complete opposition to the provisions of the Constitution, the governed have once again found that they are subjected to confiscatory taxes and loss of freedom as the bureaucracy to implement government financed programs continues to expand. As was noted by some cynics in the earlier stages of the promotion of the Great Society, *“All of the Money is in Poverty - let’s start a food bank, day care center or homeless center on the feds dime”*.

At one time, the term Public Service described the part-time citizen legislator. They served basically at their own expense and as recognition of civic duty. The Founders of the country did not have the trappings of office that are the current norm. The rewards of present day elected office are so great that they have become highly desired career paths along with the corresponding bureaucratic enablers.

Our privileged ruling class, residing primarily in our nation’s capital, has figured out how to virtually guarantee their succession by using their constituent’s own money, derived from unwarranted taxes while simultaneously incurring huge overhead costs, to deliver promised services under the guise of “entitlements”. This practice was a travesty when invented, but was more or less based on a pay as you go basis, i.e., the taxes collected covered the costs.

The practice has now reached the Ponzi Scheme level – the taxes collected do not cover the cost of the largess distributed. They are now using the citizen’s “credit card” (the Treasury Department’s debt obligations and the Federal Reserve’s ability to order the printing of more currency) to cover their pork barrel distributions and social excursions. The United States for all practical purposes is bankrupt and living well beyond its means which imposes even a further tax on the people by destroying the buying power (inflation) of the currency.

## WHERE ARE WE GOING?

*Absolute* bankruptcy can be defined as having been achieved when “the interest on current debt equals the sum of available cash plus the exhaustion of the ability to incur additional debt”. There are many U. S. citizens who are rapidly reaching this point and the Federal Government is doing its best to also arrive at this disastrous destination. The music is still playing and there are a few remaining chairs. Unless or until, however, there is a very major shift in government policy, the music will end and the last chair will be occupied only by the “ruling class”.

Local and State Governments have been considered the “farm clubs” or the “minors” for the teams in Washington, D.C. After forty plus years of watching how the game is being played, local and state elected officials have become efficient reflectors of the major leaguers. They have developed the necessary skills to enhance their office to professional status; retain office by delivering largess obtained through taxation of the populace at large. They have identified special interest groups; promoted programs, enacted laws, rules and regulations that suffocate opportunity and the freedoms of others to live their lives as they wish, and to prosper or not. They have provided themselves with sufficient pay and benefits where holding office is a career path competitive with private sector jobs of significantly higher value in the creation of wealth. The country’s greatness was not created by government fiat.

As noted above, the federal government can and will attempt to carry on with business as usual. How long this can last is unknown. The important point is that reverting to a society that is able to benefit from the opportunities that are presented by a free enterprise system can only occur in the near term at the state and local level. Near total collapse of the federal government will be required to force a change in direction at that level.

At this time there is no organization or agency within the State of Delaware that is committed and capable of countering the continued expansion of government and the imposition of higher taxes to pay for the excesses of state and local government. To this end, a group of committed citizens of Delaware have formed the Caesar Rodney Institute to undertake this task. The difficulty of the task is not underestimated. It is, however, the belief of those committed that when the citizens of the state are provided with access to the information about where and how *their* money is being spent; the movement toward a socialist society will be halted. Too many have made the sacrifice to protect freedom to let it disappear without challenge.