

The Welfare State: Too Many Takers -- Not Enough Givers

Larry Elder's column is released once a week.

uexpress By Larry Elder | Larry Elder – Thu, Sep 1, 2011

The Irish cabdriver complained almost nonstop during our half-hour drive to the Belfast International Airport. He especially worried about the job prospects for his 20-something son and, for that matter, about those for the generation of young people who face a "sh-tty" future on this beautiful island full of friendly people.

"Give me," I finally said, "the No. 1 reason for the economic problems here."

He looked almost stunned.

"Huh..." he said, "let me think."

We drove silently for nearly a half-mile. Then he turned to me and said, "Too many takers — not enough givers."

Little by little, inch by inch, drop by drop, governments both in America and in Europe began taking more and more from people, diminishing the incentive of those on both sides of the transaction — the taker and the giver. In America, nearly half of wage earners pay not one single dime in federal income taxes. Many of them trudge down to the local polling place or vote via absentee ballot — and vote themselves a raise.

The Founding Fathers conceived a brilliant document to restrain the federal government and allow maximum freedom for the people to make their own way. It leaves people the power to make their own decisions and to deal with the consequences. Almost before the ink dried, Congress tried to circumvent the Constitution.

James Madison, the fourth U.S. president and the "Father of the Constitution," warned against using the document — especially the "general welfare" clause — to dispense money, no matter how well-intended or deserved: "With respect to the words general welfare, I have always regarded them as qualified by the detail of powers (enumerated in the Constitution) connected with them. To take them in a literal and unlimited sense would be a metamorphosis of the Constitution into a character which there is a host of proofs was not contemplated by its creators."

When Congress appropriated \$15,000 to assist French refugees in 1792, an appalled Madison wrote, "I cannot undertake to lay my finger on that article of the Constitution, which granted a right to Congress of expending, on objects of benevolence, the money of their constituents."

"Too many takers — not enough givers."

Hollywood left-wingers understand the corrosive effect of burdensome government on their *own* industry. Those working in Hollywood long complained about "runaway" productions, where other states and countries lured television and movie productions away from California by offering tax incentives and less restrictive union rules.

What did Hollywood do about this?

The industry lobbied state and city lawmakers to lower the tax and regulatory burden on production companies in order to keep the work local. It worked. Still the left screams at "Big Oil" for taking advantage of legal tax breaks — offered to other companies — to reduce their tax burden, just as Hollywood producers try to do.

Meanwhile, an MSNBC pundit talks about the damage inflicted on the East Coast by Hurricane Irene. This shows, he said, the vital and unique role played by the federal government in disaster relief. He criticized some Republicans for wanting Irene disaster relief offset by spending cuts elsewhere in the budget. But aside from Republican-libertarian presidential

candidate Rep. Ron Paul and his senator son, has anyone asked under what congressional authority does Congress take money from its citizens to pay for state "disaster relief"?

Obama, after a two-year spending and regulatory binge, has learned nothing about Economics 101. He recently nominated left-wing economist Alan Krueger as chairman of his Council of Economic Advisers. President Clinton, among others, relied on Krueger's widely cited minimum-wage study to push for a higher minimum wage. Economists disagree about a lot of things, but there is a mighty strong consensus among them on this: Forcing employers to pay higher entry-level wages means fewer people will be hired.

Economist Milton Friedman called minimum-wage regulations among the "most anti-black" laws on the books. Why? A disproportionate number of blacks are unskilled and, therefore, are disproportionately harmed when laws force employers to pay more than the market value of labor. In fact, before federal minimum-wage laws began in the 1930s, black teens were *more* likely to be employed than white teens because they were willing to work for less. Bosses, no matter how racist, were more than willing to pay less for labor. Similarly, so-called federal and state "prevailing wage" laws and "living wage ordinances" disproportionately hurt low-skilled workers of color, women and others who wish to work part time. Yet like clockwork, Democrats and many Republicans pass laws to raise the minimum wage to an "affordable level," unconcerned about the unnamed person now out of a job.

The "welfare state" chickens, as the Belfast cabbie observed, are now coming home to roost. As governments take more away from their producing citizens and give it to their nonproducers, growth stagnates and opportunities dry up.

As my eighth-grade dropout, WWII ex-Marine dad used to say, "When you try and get something for nothing, you usually end up with nothing for something." Dad would have enjoyed chatting with the cabbie: "Too many takers — not enough givers."

Larry Elder is a best-selling author and radio talk-show host. To find out more about Larry Elder, or become an "Elderado," visit www.LarryElder.com. To read features by other Creators Syndicate writers and cartoonists, visit the Creators Syndicate Web page at www.creators.com.

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