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## **I Vote against Bond Issues**

**by Gregory Bresiger**

In the private sector, there is every incentive to economize — to provide the best products at the lowest possible prices to ensure customer loyalty. That is the road to profits. It is a road that can take years of painstaking work to build.

In the public sector, the incentive is always the opposite. It is to win elections, which happen at least every other year and sometimes more often.

The incentive in the public sector is to spend, spend, spend, and then spend some more. It is the tendency to treat citizens like little children and spoil them rotten with endless “gifts,” something the brilliant Alexis de Tocqueville warned us of more than a century and a half ago.

It is the decision to run up bills on the premise that more services today are always better than living on a budget, no matter the costs to taxpayers tomorrow or to generations of taxpayers yet to be born.

An example of the this public-sector phenomenon was recently seen in New York, where a transportation bond issue, supported by all major politicians of every stripe, including “fiscally conservative” Republicans, just passed in a landslide. But my example can be applied to almost any state or city or other level of government in the country.

Early this year the media blitz in favor of a \$2.9 billion bond issue began. Big labor unions combined with politically connected contractors in a coalition to push through this bond issue, which was Proposition Two on the ballot.

This coalition of special interests plastered posters all over the state. They had their politicians constantly talking it up. Their rationale was that the bond issue was all to the good; that there was no bad aspect to any of it. And since there never seems to be anyone representing the general taxpayer interests, there was no substantive debate about the proposition. Still, it is a proposition that will add about 6 percent to the state debt, which is already one of the highest in the nation at \$48 billion.

Supporters of this popular spend-money-hand-over-fist proposition weren't interested in that. Time and again they made the same arguments in the mass media.

The bond issue would provide projects in the city, primarily controlled by Democrats and liberal Republicans. And there would be plenty of leftover pork for upstate, generally a GOP region. For upstate, there was money for roads. For New York City, there was the promise of new subway lines. There was plenty of pork to go around; that was the implied message. The project was just about equally divided between upstate and downstate, between mass transit and roads, between a gang of Republican pirates and a gang of Democratic pirates.

“The bond issue,” wrote the *New York Times* in what appeared to be a mainstream voice, “has the support of [state] Comptroller Alan Hevesi, the state’s fiscal watchdog.” It “represents a prudent straightforward and transparent strategy.” The city comptroller also endorsed the bond issue. The major mayoral candidates disagreed with each other on myriad matters except on one: They agreed the bond issue should be approved.

Pamphlets for the bond issue promised hundreds of millions of dollars for New York City’s infamous unbuilt Second Ave Subway. This leviathan literature never mentioned a painful fact. A bond issue had been approved in the 1950s to pay for the Second Avenue Subway. But here was a project that was actually expected back in the 1940s. That’s when the city took over the last privately managed “el” lines, promising to save the nickel fare at the same time the system was expanded and modernized. Since then, the system has contracted, ridership levels have declined, and the fare has been raised many times.

But what happened to the bond issue approved in the 1950s? It had to be spent on other things because the subway system constantly ran in the red. Oh, sure, Mayor John Lindsay of New York City, along with many other politicians, actually helped break ground for the Second Avenue Subway. But that was about 35 years ago and the project is nowhere near completion! How many times will taxpayers be asked to pay for the same project?

Still, bond-issue supporters this year, who never spoke about history, kept hammering home that this would be a great thing. Who could say no to all these wonderful new projects? Every major politician from Republican Michael Bloomberg to Democrat Hillary Clinton said the bond issue was fabulous. And beyond these projects, there was the classic promise of big government — that more government spending will create more jobs.

“Over 120,000 new jobs across New York State,” was the promise of supporters of Proposition Two. Was there no one who thought running up some \$3 billion more in debt was not a good idea?

Yes, but as a citizens’ group, a group with little pull in the major media and without a special interest, its opposition voice was hardly ever heard.

“The overriding consideration for the Citizens Budget Commission [CBC] is the high level of state debt,” said Elizabeth Lynam, the group’s research director.

The CBC, a nonpartisan group, opposed the bond issue. “We found that New York state has \$10 billion more debt than it should. The state debt should be reduced, not increased,”

according to Lynam. That statement of excessive debt levels could apply not only to the federal government but also to most other levels of government in the nation.

Proposition Two won easily. It was never much of a fight. CBC was gallantly battling against a category 5 hurricane called the Leviathan.

More spending is the apotheosis of government — today, tomorrow, 35 years ago, and 35 years from now. Yet drunken-sailor spending has been the road to ruin for almost every republic in history. More spending is the mantra under Republicans, under Democrats, and all the rest of those who feel compelled to make endless impossible political promises, from George H.W. Bush's pledge not to raise taxes to Bill Clinton's middle-class tax cut. It is the nature of government — all government.

It is why we always seem to get more debt and government, despite voting for countless politicians who campaign against big government and then govern as though a socialist government was elected. It is an American update of the famous British liberal leader of the 1890s, Sir William Harcourt, who said, "We're all socialists now."

It is why strict spending controls, incorporated into constitutional amendments, appear to be the only way to stop our governments' seemingly permanent spending rampage.

I always vote against bond issues.

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