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The Governor and the L Word

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From: *Madison Capital Times*

Date: 3/4/2002

John Maynard Keynes, near the very end of his "General Theory of Employment, Interest and Money," famously observed: "Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back."

Contemplating the way our own "madmen in authority" are trying to frame political debate about the state budget deficit, one is irresistibly reminded of Keynes' remark.

Part of this framing concerns purely factual matters, which can be more or less easily found out -- though whether they will be as widely broadcast as pronouncements by the governor remains the open question. In the past couple of weeks, for example, I've pointed out that many of his core assertions -- about Wisconsin tax levels compared to other states, the timing and source of the current deficit, and the distributive implications of his proposed solution to that deficit are simply not factually accurate, and are the equivalent of "voices in the air." Last week, we learned of yet another such "voice," thanks to the careful analysis of McCallum's numbers done by the staunchly conservative Wisconsin State Journal. Ever since he introduced his proposed budget, McCallum has been claiming that cuts to the state would be three times greater than cuts to localities. In fact, the State Journal analysis clearly shows, something like the opposite is true, with cuts to the localities better than three times the cuts to the state. An impressively different reality, don't you think? Turns out the governor or his staff used entirely different assumptions in computing the two sets of books, a sort of Keystone Kops equivalent of Arthur Andersen's Enron accounting practices.

As the Wisconsin State Journal explained:

In describing the cuts to local government, McCallum considered only the effect that ending shared revenue would have this calendar year. He then calculated the cut as a percent of local governments' total revenue streams -- a different standard than he applied to state agencies. When figuring the impact on state government, the governor looked only at the second year of the budget, when deeper cuts would be made. He also included what he calls "cuts" already made in the existing budget. Many of those arguably weren't cuts at all but rather were reductions in proposed spending increases.

Put otherwise, as city of Madison Comptroller Dean Brassler did, McCallum wasn't comparing "apples to apples. He uses one set of definitions to describe the impact on local governments and then a different set of definitions to describe the impact on state government."

Now this is really pretty amazing, I think. It's the sort of outright deception we might expect from a certified scoundrel -- say, the current president of the United States, who recently did something similar in announcing his air pollution initiative -- but not from someone who wants someday to be elected governor of Wisconsin, for goodness' sake. We may have our fights here, even our spin on the facts. But outright and sustained public lying, I hope, is not yet considered acceptable. Or perhaps it is.

Comptroller Brassler, I should be careful to say, was at pains not to go to this sad place. He didn't use the L word. "It's not to say his numbers are lies," he observed immediately before getting into the familiar apple metaphor.

But surely this comes about as close to outright lying as you're likely to get, doesn't it? After all, the computation methods were radically different, so clear choice was involved in moving from one to the other in figuring the different burdens for the two levels of government. And the results were radically different, in ways which if accepted would reasonably be expected to help the governor (fewer angry mayors and county execs). To say that X is three times greater than Y, when you know that Y is better than two times greater than X -- and you're better off politically if X is believed to be bigger than Y, well, doesn't that seem like a lie?

* I don't care what your partisan affiliation is -- Democrat, Republican, Independent, Green, Nutcase, whatever -- this is not a way to govern. It's not good for Bill Clinton to have said that he didn't have sex with Monica Lewinsky; it was a politically motivated lie, pure and simple enough. And it's not good for Scott McCallum to have cooked the numbers in his budget, and misrepresented the burden falling on different levels of government, for the very same reason. I just hope he told his wife before she read about it in the State Journal.

But all this skullduggery still concerns facts, and what I actually wanted to talk about today was theory -- economic theory to be precise, and which theories are supported by other facts. But I see I'm out of space. See you next week, and we'll get to it.

Joel Rogers is director of COWS, the Center on Wisconsin Strategy, at the UW-Madison. COWS is sponsoring "Sustaining Wisconsin," a statewide dialogue about the future of Wisconsin.

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