Yglesias on the would-be "mayor of America"

By <u>Steve Thorngate</u> February 12, 2015

This is a really smart anlysis of how Jeb Bush is positioning himself in the buildup to the 2016 presidential election: he's running for "mayor of America."

Unfortunately for Bush, Matthew Yglesias explains, the federal government is not like a local or state government but bigger. It is more like, in Paul Krugman's memorable phrase, an insurance company with an army. Yglesias continues:

The big question in state/local government is how to spend middle class people's money wisely on services that are better provided collectively than on the free market. But the big question in the federal government is how much money to redistribute from the rich/young/healthy to the poor/old/sick. These are totally different questions, and Jeb isn't even bothering to answer the second one....

[Bush] noted that building code enforcement in Detroit made it too hard to open and operate small businesses. He noted that inefficiency in government — the city's parking ticket collection operation actually lost money — made it uneconomical for people to live there. He praised Uber and condemned excessive regulation of food trucks....

But while these are important insights about municipal governance, they're a terrible *metaphor* for the federal government. To make it seem compelling, Bush quipped that "on Amtrak they lose money on the snack car."

The way Amtrak operates its food services outside the Northeast Corridor is <u>genuinely disastrous</u>. But intercity passenger rail — along with the National Park Service — are real edge case outliers, in which the federal government *does* act like a state government. Deploying Amtrak's \$340 million in federal subsidies more efficiently — or eliminating it entirely — is simply neither here nor there as far as the federal budget is concerned.

That's why over the past few years congressional Republicans have been putting forward deeply controversial budget proposals that would drastically curtail health care spending on the poor and the elderly. This is tricky political terrain, but it's also where all the money is.

Bush's strategy here relies on two widespread misunderstandings of the federal government. The main one is that running it is largely like running a city or state or business or family. It isn't, for a variety of reasons starting with the fact that those entities don't command armies and don't issue currency. The other is that the federal budget extends massively in endless directions. In reality, it's mostly military, Social Security, and health-care spending.

On the latter point, it's always the right time to remember that <u>a simple income-tax</u> receipt could go a long way toward helping people understand what our government is and how it spends our money. A few years ago, <u>the White House made it easy for taxpayers to find this information</u>. But since we don't tend to know what we don't know, it'd be better still to deliver it to us unrequested.