

T H E   S E R V I C E   G A P

An Address by

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The title of these brief remarks relates to the holes in the fabric of our society -- a fabric composed of many threads and of an intricate pattern. But like all fabrics, its strength originates in the interweaving process of threads from two directions. Let us think of one of these as the social goals, the aggregate aspirations of our citizens, and the other the economic factors that generate and distribute the wealth of the country. To the degree these threads are comparable in strength and tension, our society is tough and resilient; but if they are out of balance with each other, weaknesses and inelasticity are the result. The results are the same regardless of the source of the difficulty, and as certain to be unpleasant.

This analogy, like all analogies, has the weakness of oversimplification. For each of these two sectors with which we are concerned here today is itself composed of an incredible number of factors that are sometimes independent of each other, sometimes inextricably interwoven. The balance is delicate.

Unfortunately, the enormous acceleration of our times has made only the broadest of distinctions visible. The subtle but extremely important differences of emphasis, of color, of tone, between those who in a broad sense are in a common sector, are obscured. Beset with the growing complexities of our own businesses, it saves time to attach labels and thereby dismiss developments in the world outside our immediate business concern. Good guys - bad guys - socialist - private enterprise - my political party - your political

party - it is easy and convenient at the moment to do this; but like anything else swept under the rug, these differences do not go away, do not reconcile themselves.

History by label - terms like the welfare state, corporate socialism, free enterprise, big government, big business - tend to increase, not diminish, the separateness of the parts of our society -- to erect, not remove, barriers to communication.

It is to the removal of these barriers and the recognition of common interests that my remarks are aimed today. For the businessman, whether in town or in agriculture, must help direct the events of our times.

To quote Edgar Kaiser, "We must take the opportunity to lead and to inspire constructive change. It is proper that we constantly debate how to do what must be done. But in seeking the best way -- in finding new ways -- we cannot afford to be inhibited by a superficial debate which merely concerns the labels of our philosophies or our prejudices."

It is in the sensitive area between the American citizen and his government that the American ability to reject by label reaches its extreme. But bear these things in mind: big government -- be it federal or state -- exists because a majority of the voters want a real or imagined vacuum filled. It has validity because our society is huge, varied and complex. Big business exists because its electorate -- the stockholders -- want corporate growth and the rewards that go with growth. It has validity because there are industrial functions that require huge size. Big labor exists because most Americans now work for somebody else. It has validity

because there must be an equality of bargaining power if there is to be stability in the labor force.

But these, too, are convenient labels. And to the degree they give the impression of large, united monoliths that speak with single voices, either politically or economically, nothing could be more wrong. Unhappily, though, many of the individuals comprising these groups in broad definition feel disenfranchised. Lost in the shuffle. We are quick to seek identity and embrace the demagoguery attitudes and labels of our side, whichever that may be, as a substitute for our independent inquiry.

I have picked out one of the areas of common interest where social gains and economic factors cross -- the structure of state and local government. This is one of many -- singling it out does not mean it is necessarily the most important, but it seems to me the process of examination is at least as important as the subject matter in this kind of inquiry.

The time has gone by when we could ignore the interaction of social goals and economic factors. No longer can the business community ignore the social forces that should be compelling our lawmakers to reexamine our political institutions. And no longer is it in most places -- business leaders across the country are becoming deeply involved in such things as Job Corps camps and metropolitan planning, in the conduct of custodial institutions and education, even in the day to day operation of the government process itself. For unless answers are found within the framework of our society, the framework itself will be changed by the electorate, who are insistent that the social services of government be expanded -- and viewed in

this light, the situation then becomes one of enlightened self-interest for those who have the most to lose.

We have too much government -- a safe statement in almost any group. But how much too much? At what levels?

In picking out state and local government to examine, I am not ignoring the many problems of fiscal administration posed by the federal government. But state and local government is bigger in the aggregate, is less efficient even, and should be easier for us to change. I suspect our preoccupation with the ills of the federal government is prompted in part by the same unwillingness to face up to the immediate obligation that compels us to great concern about the composition of the moon, to the exclusion of adequate consideration of appropriate fiscal and monetary policies for our own country.

That we -- and I use that term in deadly seriousness -- want and expect more from state and local governments should be acknowledged as one of the dimensions of the inquiry. Whether it be roads, custodial institutions, education facilities, insect control -- there is some part of public service that is a necessity to each of us, regardless of what we may think of the rest of the services.

Where is the money coming from, who is going to establish the priorities -- for priorities there must be -- should be subordinate to the basic examination of the public vehicle itself -- the structure of state and local government. Business is beginning to examine this structure with a critical but constructive eye.

Note the word constructive. Business has always been critical of government, and this is the right -- really, the duty -- of every citizen. But it is not enough to condemn the government, for in that condemnation we are really condemning our inaction, our unwillingness to study the process of government, the demands of the electorate -- in short, our unwillingness to become involved. Everyone has had an opinion about government in general, and state and local government in particular, but few have been willing to take the time to do the homework essential to understanding the process which is an absolute prerequisite to constructive improvement of the machinery. Just the sheer size of it is only dimly perceived by most of us. For example, Montana has 1,387 local governmental units, which places it about 20th from the top of all states in total number. There are about 80,000 in the United States. Nationally it is estimated we could get by with 16,000. The layers of overlap -- each of which require support -- are appalling. One suburb of the metropolitan Twin City area, a suburb of about 15,000, has eleven governmental structures. Incidentally, the metropolitan area of the Twin Cities has 108 mayors alone. Little wonder the business community has become aroused. But I'm sure Montana has similar examples of overlap.

What can be done about it? First of all, you are not alone if you share this concern. The C.E.D. - the Committee for Economic Development - a business group, has committed major research resources to this inquiry. Their summary report, "Modernizing Local Government" is one place to start. The Upper Midwest Council has a similar inquiry under way. In the Wall Street Journal of a week ago appeared a lead article about the directions GOP strategists are considering for the Republican party --

"We aim to turn the political frame of reference in this country upside down - - - creating new techniques and providing new resources for localities to take the governmental lead is going to be the progressive course, and reliance on an ever-growing Federal bureaucracy will be the hidebound reactionary approach."

This was a quote from one of the new generation of Republican leadership in the House. Brave words -- but more than that. The fact -- the political reality behind those words -- is the recognition there exists a growing vacuum at the state and local levels -- a vacuum the electorate will not permit to develop indefinitely. For the electorate have demonstrated over and over they will not stay wedded to any single pattern of government, to any political party, even to any clearly defined simplistic political philosophy that does not meet the requirements of today's society.

May I hasten to add I do not know the answers for Montana. I would doubt anyone does, and I think anyone who stepped forward with a quick answer, a label, if you please, at this point would have a 99.97% chance of being terribly wrong. There must be research and careful study by technicians in government -- and, believe me, there are those, and good ones, at your own state institutions, in such business groups as this one. Keith Anderson and his predecessor, Art Neill, are two of the most knowledgeable men in any state in this district -- but there must be enthusiastic, constructive support from the business community to make it come off. Each of you must be willing to read the reports and discuss them in probably seemingly endless and interminable meetings with not only other businessmen, but public officials, labor leaders, and ranchers, for all the areas of Montana's economy must become involved if change is to be a political reality. You are not going to win every point, because no one group has the right or the wisdom to speak for all. Democracy does not function that way.

At this point you may say this is impossible, even though it may be desirable, because these groups have never been able to work together -- besides, the political structure of the state is too firmly entrenched -- and so the reasons run. This may have been true in the past; it may even be true now. But look at the alternatives. If we don't try, the gap will become a vacuum, and new solutions on a national level will be a certainty. At the least, Montana will continue to be one of those lagging the nation in economic growth. For to paraphrase George Kennan --

History does not forgive us our mistakes because they are explicable in terms of our domestic politics. If you say that mistakes of the past were unavoidable because of our domestic predilections and habits of thought, you are saying that what stopped us from being more effective than we were was democracy as practiced in this state -- and if that is true, let us recognize it and measure the full seriousness of it -- and find something to do about it. A state which excuses its own failures by the sacred untouchableness of its own habits can excuse itself into complete disaster.