

The Grace Report

By K. Alan Snyder
for the [American Conservative Union](#), 1984

What if you were asked to become a partner in a business and upon investigating the health of that business you discovered the following: first, that the business could not find a large part of its records; second, that it was not sure how its money was being spent; third, that the employees took 35% more vacation time than in other businesses; fourth, that it was so far in debt that the only way to cover the debt would be to double the prices of its products? Then, to top it off, suppose you found that a management expert had come up with a solution to the whole mess without raising prices and that the company executives had tossed it in the trash? How eager would you be to tie your fortunes to the future of such a business?

Amazingly enough, there is a business like this—it's called the Federal government. Even more amazing is the fact that someone *has* come up with a plan for bringing the system back from death, but nobody seems to care. No one is even trying to follow the plan. If the American people are tying their hopes to the future of the Federal government "business," somebody needs to take the proposed solution seriously.

The problem is well documented, so well documented in fact that our familiarity with government mismanagement has rather numbed us to the dire consequences which await us if something does not change. Instead of being numbed, shouldn't we be shocked when we are told that Medicare payments are being sent to 8,500 dead people? Shouldn't we be a little bit outraged when a Minority Business Development Agency grant is used to rent townhouses and cars for its executives, who then in turn "forget" to pay over \$300,000 in taxes? Or should the outrage be directed more at the government agency for not even noticing what was happening?

Private insurance companies can process a claim for \$3 to \$6; it only takes the Veterans Administration \$100 to \$140 to do the same. The private sector issues a payroll check at a cost of \$1; the Army accomplishes the same task for a "mere" \$4.20. Over at Health and Human Services, a letter needing the Secretary's signature whizzes through the bureaucracy in just 47 days. That should easily qualify for a new Olympic event—we could call it "The Big Government Shuffle."

Who pays for this? Who else but the taxpayer. That is why President Reagan set up a private sector commission, at *no* cost to taxpayers, to find ways to require some degree of efficiency in the Federal work force. This commission, under the guidance of corporate executive J. Peter Grace, found 2,478 ways to bring down the cost of government and streamline its inner workings—without tax increases or any cuts in defense or social welfare. This massive report is available to anyone who is interested in its conclusions. It can be purchased through a certain publishing company for \$10; if ordered through the Government Printing Office, the cost is only \$19. What else is new?

Yet official Washington has sighed its usual weary sigh, clucked on about the "impossibility" of ever doing anything about the situation, and figuratively tossed the solution in the trash. Too many vested interests are at stake; too many pork barrels would have to be emptied. Yet the nation is at a crossroads—now is the time to act.

The American public is not the Washington establishment—and vice versa. Common sense could still prevail. It is time for outrage and constructive action to overrule the petulant squeals from the Federal quarter. Wouldn't it be nice to save \$424 billion in the next three years? If the Federal government were your business, what would you do? Come to think of it, it *is* your business—*of* the people, *by* the people, *for* the people, right? Are you going to allow it to perish from the face of the earth?