



CONGRESSMAN'S REPORT

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The Great Numbers Game or The Case of the Missing Factor: People

My mail is full of letters which complain of the ever increasing cost, size and debt of your government. I've recently done some checking and came up with facts that do indeed appear to be shocking:

- * Your government today has seven times as many civilian employees as it had in 1942.
- * Its spending programs are ten times larger than they were just 20 years ago.
- * Its debt is actually six times larger than it was then and over three times larger than it was just six years ago.

Those are the startling facts about your government. But I'm not talking about your federal government. I'm talking about your state government.

If as you read my introductory remarks you assumed I was speaking of the federal government you no doubt had a lot of company because most of the hue and cry about the rising cost and size of government is directed at Washington. But citizens ought to divert some of their attention to what is happening in the nation's statehouses and city halls.

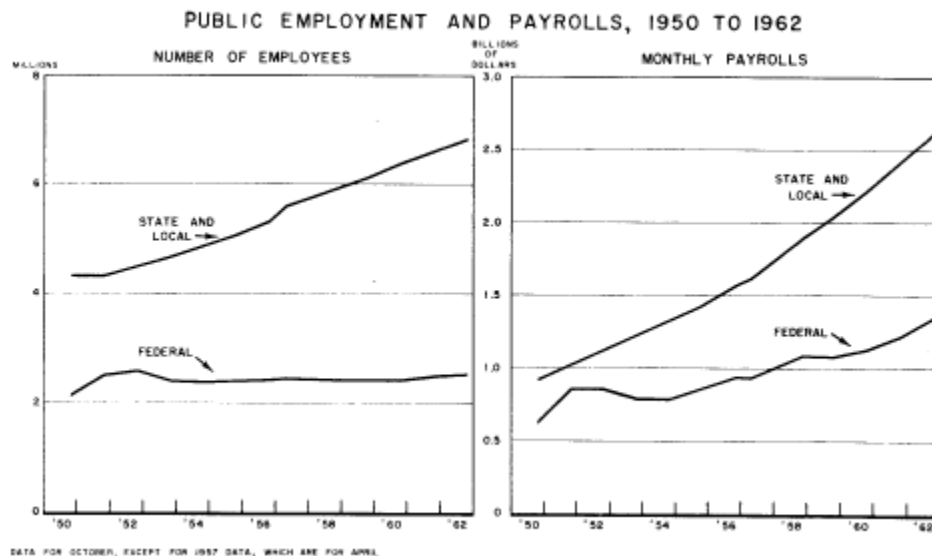
Here are some blunt facts:

- * Employment by state and local governments is soaring. Federal employment is actually dropping, in relation to our growing population.

- * Expenditures by state and local governments have increased nearly 375 per cent since World War II. Federal expenditures are up only 69 per cent.
- * Debt is being piled up by state and local governments at a furious pace. In 1950, state and local debt was less than a tenth of the federal debt. Now, topping \$80 billion, it is equal to a quarter of the federal debt.

EMPLOYMENT

Let's examine government employment first. We often hear speakers relate how the federal government is supposedly hiring people as rapidly as it can process the paper work; how we'll soon all be working for the federal government. These two charts tell a different tale:



While state and local employment soars, federal civilian employment follows an exactly opposite pattern: In 1946 there were 19 federal civilian workers serving each 1,000 Americans. The number dropped to 14 by 1956 and today it is down to 13. In 1954, there were 27 state and local employees engaged in serving each 1,000 Americans; today there are 37, an increase of 37 per cent.

There are about 9 1/2 million civilians employed today by all levels of government in the United States. Of these, about 7 million work for state and local governments. We have, therefore, about 2 1/2 million federal civilian employees.

Perhaps we can sum it up this way:

50 of every 1, 000 Americans work for some level of government
 37 of these 50 work for state and local governments
 13 work for Uncle Sam and they are employed like this:
 5 in Defense (total: 1 million)
 3 in Post Office (total: 600,000)
 1 in Veterans Administration (total: 200,000)
 4 in all other functions of the federal government (total: 650,000)

Thus if you subtract those working in Defense, Post Office, and VA, the federal government, for all its varied and important activities, employs less people than the telephone industry.

SPENDING

Since World War II, spending by state and local governments has risen sharply. In billions of dollars here is the picture:

	<u>State</u>	<u>Local</u>	<u>Federal</u>
1946	\$6.2	\$7.0	\$66.5
1954	15.8	17.8	77.7
1962	29.2	33.0	112.2
% increase '46-'62:	<u>up</u> 370%	<u>up</u> 371%	<u>up</u> 69%

Thus, in 1946, state and local governments accounted for only 16 per cent of all government spending. Today, they spend over 35 per cent.

This has happened despite the fact that the federal government is burdened by a cold war which, with the costs of past wars, accounts for four fifths of all federal spending.

DEBT

We hear much about the national debt and it is something with which we should be concerned. But once again we find the oft-berated federal government doing a much better job in stabilizing its debt than is being done by state and local governments.

In a mood of grim good humor recently one of my colleagues handed me a roughly hewn chart showing what has happened to federal debt compared with state and local debt since World War II. It goes something like this:

As you can see, such a chart not only creates difficulties for the printer but it also gives a rather startling view of the trend of public debt.

Here's a more informative picture of debt, showing how much each of us "owes" as a result of government borrowing:

Per Capita Debt

	<u>State</u>	<u>Local</u>	<u>Federal</u>	<u>Total</u>
1946	\$ 18	\$102	\$2,034	\$2,154
1954	61	185	1,713	1,959
1962	118	325	1,630	2,073

It is perhaps surprising to realize that the burden of our national debt (the debt of our federal government) is actually becoming lighter. But this relief is being offset by fast-growing state and local debt.

ARIZONA'S RECORD

Earlier in this newsletter I mentioned some of the astonishing increases in employees, spending and debt recorded by Arizona's state government. Here are the figures:

	<u>Employees</u>	Direct <u>Expenditures</u>	<u>Debt</u>
1942	2,864	\$ 20.3 million	\$ 3.7 million
1962	15,566	213.4 million	18.6 million
% increase '42-62	<u>up</u> 443%	<u>up</u> 951%	<u>up</u> 402%

Any study of municipal government in Arizona would show a similar pattern. The cities of Phoenix and Tucson, for example, have increased the number of city employees more than three times since World War II. Phoenix employed 1,100 people in 1946, and 3,799 last year. Tucson's city employment jumped from 426 in 1946 to 1,696 in 1962.

In March of this year, the Arizona State Legislature sent me an advisory memorial charging that "during the past decade the government of the United States has been

pursuing a fiscal policy which is endangering the fiscal stability of each citizen of the United States." The memorial admonished Congress to "set a firm fiscal policy." After reviewing the pattern of state employment, expenditures and debt, I am tempted to return the memorial with the endorsement, "Go and do thou likewise."

BUT LET'S BE FAIR

Unless the objective is to mislead or distort, one should not talk about the size or costs of government without discussing the number of people served by that government. A thoughtless Tucsonan, for example, might make a speech something like this:

"My friends, School District No. 1 is engaged in an outrageous grab for power and is squandering tax funds at an alarming rate. The District budget has gone up in just two years from \$20 million to \$25 million -- an increase of 25 per cent! This must stop!!!"

Now the speaker's statistics are quite true. A person hearing this speech might be impressed, incensed and inclined to hang the school board and the administrators.

But someone hearing the rest of the story might take a different view:

In those two years, enrollment went from 42,107 to 49,800, an increase of 19 per cent. These 7,700 new students are entitled to an education and this requires hundreds of additional teachers, maintenance workers and other employees and dozens of classrooms, all of which cost money.

AS POPULATION GROWS, SO GROWS GOVERNMENT

We in Arizona are adept at citing all sorts of statistics to show our state's phenomenal growth. The Arizona Development Board, for instance, proudly distributes throughout the country literature which asserts:

"Since 1900, Arizona has shown a greater percentage increase in population -- 948 per cent -- than any other state."

If one were to ignore that fact and merely point out that since statehood Arizona has increased its spending by 11,000 per cent he would likely be hooted off the platform. Most people recognize that state spending -- and spending by our cities and towns -- must climb because Arizona's population is growing.

My point is this: We ought to keep population in mind when discussing our federal government also. I'd like to do a little "supposing" to illustrate this:

- * Scientists in 1952 discovered (let's suppose) that Mexico would shortly be torn by earthquakes of such magnitude that the country would be completely devastated. The decision was made to move every citizen from the country to the United States.
- * Congress ordered the federal government to find places in the United States for all these people and to provide them with mail delivery, FHA loans, Social Security, public health services, roads, defense, courts and every other service regularly offered American citizens.
- * In addition, Congress ordered the federal government to do all of this and, simultaneously, to reduce the number of government employees

Preposterous? Impossible? Of course, but, in a sense, the federal government has done just that since 1952. Our country has grown by 29 million people -- more than the 1952 population of Mexico -- but we have fewer federal civilian employees today than we had then.

TWO CONCLUSIONS

The record I have detailed above leads to two unmistakable conclusions:

(1) It is false to charge that our federal system of divided responsibility for national, state and local government is dying. A typical charge of this kind was made recently by a governor who said:

"I can see clearly that, if the policies of the present Administration in Washington are adopted and are to continue, our State and local political subdivisions will cease to exist."

If the record I've cited in this report is one of dying state and local responsibilities, what would growth look like?

(2) It is a fact that no matter how diligently we search for economy in our federal, state and local governments, all these governments are bound to grow as long as our population grows. Whether or not continued world population growth is desirable is a subject I hope to explore at a later time.