

If you're paying, I'll have top sirloin

By Russell Roberts

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As Congress tries to cut spending, I am reminded of an evening last fall at the St. Louis Repertory Theater, our local company. Before the curtain rose, the company's director appeared and encouraged us to vote against a ballot proposition to limit state taxes. He feared it would lead to reduced funding for the company.

I turned to the woman sitting next to me and asked her if she felt guilty knowing that her ticket was subsidized by some farmer in the "boot heel" of Missouri. No, she answered, he's probably getting something, too. She seemed to be implying that somehow it all evened out.

I left her alone. But I wanted to say: No, it doesn't even out. That's the whole idea behind much of what the government does. The subsidized theatergoer thinks she's getting a good deal, and so does the farmer. If it "evened out" for everybody, then matters would really be depressing: all that money shuffled around, all those people working for the IRS, all those marginal tax rates discouraging work effort just to get everybody to get the same deal.

Here in St. Louis we recently completed the Metrolink, a light rail system. It cost \$380 million to build. We locals contributed zero out of pocket, except for the usual federal taxes. Shouldn't we feel guilty making people in California pay for our trips to the hockey arena downtown? No, say the beneficiaries. After all, we paid for BART in San Francisco, MARTA in Atlanta and all the other extraordinarily expensive, underutilized public transportation systems whose benefits fall far short of their costs. It's only fair that we get our turn at the trough.

This destructive justification reminds me of a very strange restaurant.

When you eat there, you usually spend about \$6. You have a sandwich, fries and a drink. Of course you'd also enjoy dessert and a second drink, but they would cost an additional \$4. The extra food isn't worth \$4 to you, so you stick with the \$6 meal.

Sometimes, you go to the restaurant with three friends. The four of you split the check evenly. You realize after a while that the \$4 drink and desert will end up costing you only \$1 because the tab is split four ways. Should you order the drink and dessert? If you're a nice person, you might want to spare your friends from having to subsidize your

extravagance. Then it dawns on you that they may be ordering extras financed out of your pocket. But they're your friends. You wouldn't do that to each other.

But now suppose the tab is split not at each table but across the 100 diners at all the tables. Now adding the \$4 drink and dessert costs only four cents. Splurging is easy to justify now. In fact, you won't just add a drink and dessert, you'll upgrade to the steak and add a bottle of wine.

Suppose you and everybody else orders \$40 worth of food. The tab for the entire restaurant will be \$4,000. Divided by the 100 diners, your bill comes to \$40. Like my neighbor at the theater, you'll get your "fair share." But this outcome is a disaster. When you dined alone, you spent \$6. The extra \$34 of steak and other treats was not worth it. But in competition with the others, you chose a meal far out of your price range whose enjoyment fell far short of its cost.

Self-restraint goes unrewarded. If you go back to ordering your \$6 meal in hopes of saving money, your tab will be close to \$40 anyway, unless the other 99 diners cut back also. The good citizen starts to feel like a chump.

And so read of the freshmen congressman eager to cut pork out of the budget but in trouble back home because local projects will also come under the knife. Instead of being proud to lead the way, he is forced to fight for the projects, to make sure his district gets its "fair share."

Matters get much worse when there are gluttons and drunkards at the restaurant mixing with dieters and teetotalers. The average tab might be \$40, but some are eating \$80 worth of food while others are stuck with salad and an iced tea. Those with modest appetites would like to flee the premises, but suppose it's the only restaurant in town and you're forced to eat there every night. Resentment and anger come naturally. And since it's the only restaurant in town, you can imagine the quality of service.

Such a restaurant can be a happy place if the light eaters enjoy watching the gluttony of those who eat and drink with gusto. Many government programs generate a comparable range of support. But many do not.

How many Americans other than farmers benefit from agriculture subsidies? How many Americans other than train riders benefit from the Amtrak subsidy? How many Americans outside of the theater and its patrons benefit from the subsidy to the arts?

People who are overeating at the expense of others should be ashamed. The only way to avoid national indigestion is to close the government restaurant where few benefit at the expense of many.