

The Washington Times

www.washingtontimes.com

Mission Impossible

By Richard W. Rahn

Published November 16, 2007

How much do you think you know about anything? If you reflect for a moment, you will realize you probably know relatively little, even about those areas of knowledge where you have the greatest expertise.

F.A. Hayek, who arguably was the 20th century's greatest economist and political philosopher, correctly contended that even the smartest and wisest of us could only know an infinitesimal amount of all the world's knowledge and that even the collective knowledge in large private or government organizations is very limited. Fortunately, both individuals and private organizations can obtain much of the collective wisdom through prices that are determined by free markets.

Market determined prices tell us what is abundant and what is dear, and whether or not we are allocating scarce resources correctly, whether they be human skills or physical and financial capital.

Hayek was a critic of big government, in part, because he understood that government bureaucracies, largely insulated from market prices, would assume they have knowledge they do not have, create unrealistic expectations, and misallocate resources they control. The politicians in Congress endlessly assert they have knowledge that they do not, and hence construct policies and organizations that make things worse rather than better.

In recent weeks, we have seen a Washington minidrama played out because of this lack of realism on the part of some members of Congress.

There have been a number of cases of unsafe toys made in China reaching stores in the United States and elsewhere. Members of Congress were "outraged" and, of course, immediately sought to blame someone else. The culprits were the Chinese toy manufacturers, but to make it a political issue, members of Congress immediately blamed Bush appointee Nancy Nord, chairman of the Consumer Products Safety Commission (CSPC).

The CSPC is charged with regulating consumer products "against unreasonable risks of injuries." It regulates more than 15,000 categories of products and literally billions of individual products, from toys to power equipment to furniture. It regulates virtually

everything we buy except food, drugs, cosmetics, medical devices, cars, boats, firearms, tobacco and alcohol. The CPSC is supposed to do all this with 420 employees.

The Senate then put together a bill demanding the CPSC do a number of things it does not have the resources to do, engage in a number of activities that would not be cost-effective, and do things beyond the commission's legal mandate, etc. In a politely worded letter to the senators, Mrs. Nord described what she and her staff believed were the problems with the proposed bill and advised the senators their proposed bill regarding her commission would likely make things worse rather than better. She was then hauled before the Senate committee and charged, both publicly and privately, by the senators and their staffs with not caring about children and being incompetent — a charge parroted and exaggerated by her critics' media allies.

This is, of course, the old Washington political game of attacking the messengers and holding them up to public ridicule when one disagrees with a person's viewpoint or the evidence or the bad news. Over the years, I have watched good people who not only did nothing wrong but were cleaning up previous messes nevertheless get driven out of office, such as Reagan Labor Secretary Ray Donovan. Then there were those who toughed it out through unbelievable abuse, such as former Reagan Attorney General Ed Meese, now properly regarded as one of the nation's wise men.

Despite demand for her resignation, Mrs. Nord has said she will not resign, nor should she, because she has done nothing wrong — except try to do the impossible.

She is from South Dakota, married to a federal judge, is the mother of a daughter and has those Midwestern virtues of fortitude under adversity and a rock-solid integrity.

She has served with intelligence and distinction for many years in a number of high-level government jobs, and in private-sector legal and management positions.

Over the years, I have had friendly debates with her regarding the proper role of government (she thought government could be more constructive than I did), and thus I have no doubt of her commitment to both children and her agency's mission.

The problem is that the CPSC, like so many other government agencies, has a "mission impossible." It is impossible to completely monitor 15,000 and more product categories and millions of manufacturers, no matter how large and competent the staff. Many of us argue that the problem of unsafe products can be handled as well through existing statutes against fraud and misrepresentation. Others, such as Nancy Nord, disagree. But when Congress demonizes able and dedicated government officials who are doing their best to carry out the impossible demands of Congress, it will be increasingly difficult to attract good people to even the most critical government jobs.

A few good people are necessary for any government to function properly, even one largely limited to the rule of law, and protection of person, property and liberty.

Richard W. Rahn is chairman of the Institute for Global Economic Growth.

<http://www.washingtontimes.com/article/20071116/COMMENTARY/111160006/1012>

Copyright © 2007 News World Communications, Inc. All rights reserved.