

Palin rebate proposal makes sense

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COMMENT

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Are Alaskans redneck, red-state socialists? I don't think so, but it is easy to see how outsiders could get that impression. Americans across the country oppose government-mandated redistribution of wealth and yet are ready to embrace wealth transfer programs that would make Robin Hood blush.

Alaska stands out in this. As blogger and commentator Dave Schuler writes: "Nowhere is this attitude better exemplified than in the state of Alaska, whose citizens possess the seemingly unlikely combination of a rugged-individualist reluctance to have the government meddle in their affairs with a willingness to accept a nearly \$2,000-per-Alaskan handout from the Alaska Permanent Fund. ... It's a very Jacksonian, very American attitude." (For the rest of his post, see theglitteringeye.com/?p=3796)

According to Dennis Jakobe, the Gallup Poll's chief economist, "When given a choice about how government should address the numerous economic difficulties facing today's consumer, Americans overwhelmingly -- by 84 percent to 13 percent -- prefer that the government focus on improving overall economic conditions and the jobs situation in the United States as opposed to taking steps to distribute wealth more evenly among Americans."

This supermajority holds up across party lines and, remarkably, for respondents who are not wealthy. Folks with annual household incomes of less than \$30,000 vote 78 percent against redistribution and only 17 percent in favor.

Just days before Gallup took this poll, the most tangible and concrete step the government has taken to alleviate the nation's economic problems started arriving in American mailboxes -- the \$600 federal "tax rebate" checks. Like Robin Hood, the program collects disproportionately from the rich and "rebates" the entire \$167 billion to the nonrich. Singles reporting more than \$87,000 annual income (couples more than \$174,000) get nothing, and those making somewhat less don't get the full check.

What explains this disconnect between what people told these pollsters and the long-standing popularity of venerable programs like Social Security, Medicaid and Medicare, all of which significantly redistribute resources from the rich to the nonrich?

One way is by covering up the redistribution with a veneer of entitlement. Example: The principle behind Medicare is that everyone 65 and over is entitled to any medical care that prolongs life. If we subscribe to that, then who, if not the elderly, do we ask to pay the bill? The answer is we send the biggest part of the bill to the deepest pockets.

That seems to be the answer Gov. Sarah Palin reached in crafting her legislation to pay Alaskans a special \$1,200 "resource rebate" dividend. State government is the deep pocket. And the entitlement cover story is here too: "These payments represent a distribution of Alaska's resource wealth to the owners of the resource," Palin says.

I think she is right. This is the public's resource. Not surprisingly, many legislators disagree.

"The resources are owned in common, not individually, and the revenue is to be used to pay for government goods and services" is the way Rep. Mike Doogan explains his opposition to the special dividend. "In my [perfect] world, everyone would earn their own way."

Other legislators including Les Gara argue that it's wrong to give money to rich folks who don't need it. Gara has a point. The special resource dividend goes to everyone, rich and poor, but that's its beauty. Nobody gets special treatment, and nobody has to make value judgments about relative need.

A second argument is that a special dividend could never be ended because the public would come to think they were entitled to it. That may also be true, but any special dividend would have to be renewed every year by each Legislature. To me, that creates a healthy tension.

Legislators hate the idea of giving up control over that money, but the contrast between the deep and bulging pockets of state government and the shrinking budgets of Alaska households -- battered as they are by rising energy and food prices -- is just too blatant to be ignored.

My mother, who taught fifth grade in Anchorage, told me there was only one important question in life: "Compared to what?"

However much they fear the special PFD, let's hope legislators recognize -- as Palin apparently has -- that the "resource rebate" is better than the political alternatives, and it's infinitely better than letting Alaska families suffer as their government gets richer and richer. Does that make me a redneck, red-state socialist? I don't think so.

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