

## POLITICS &amp; GOVERNMENT



*Patrick Henry arguing passionately for the colonies' rights ("Give me liberty or give me death!") before the Virginia Assembly in Richmond in 1775.*

### *Henry the Dissenter*

"The Democratic Faith of Patrick Henry" by Richard R. Beeman, in *The Virginia Magazine of History and Biography* (July 1987), P.O. Box 7311, Richmond, Va. 23221.

The political legacy of Patrick Henry (1736–1799) is difficult to measure. His speeches were never published, and survive only in partial reconstructions made decades after his death. Moreover, his enemies not only outlived Henry but also delighted in making vicious comments about him. For example, Thomas Jefferson, whose feud with Henry lasted at least 20 years, considered him an "avaritious & rotten hearted" man who was all "tongue and without head or heart."

Yet Henry, argues Beeman, a professor of history at the University of Pennsylvania, did more than shout "Give me liberty or give me death!" Henry's views, he says, helped provide the ideas that determined "America's ultimate destiny as a liberal democracy."

Henry began his career as a rabble-rousing Virginia demagogue. His fiery protests against British oppression, such as his denunciation of King George III during the Stamp Act Crisis of 1765, made him a leading radical opponent to colonial rule.

During the Revolutionary War, Henry began to rise in office, serving as governor of Virginia in 1776–79 and 1784–86, and as a member of the House of Burgesses (the state legislature) in 1780–84. His distaste for national government continued, as he became one of the leading "anti-federalists" opposed to the new Constitution. Henry argued that the Constitution was insufficiently democratic; he attacked James Madison's argu-

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 POLITICS & GOVERNMENT
 

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ment that U.S. senators should be elected by state legislatures rather than directly by citizens. Henry also worried whether America would be too large to be governed democratically by a central government.

Henry's opposition to the new Constitution, Beeman argues, was "ineffectual." In *The Federalist*, Madison showed that (in Beeman's words), "the spaciousness of the American republic was in fact a deterrent to tyrannical government." Henry refused to serve in the new U.S. government and retired to his farm near Brookneal, Virginia, until his death.

Beeman concludes that Henry's legacy resides in his strong commitment to democracy. He sees the current American political system as a combination of Madison and Jefferson's democratic structures and Henry's peppery populism. His "faith in the popular voice," says Beeman, ensures that Henry's ideas will continue to be an influence on the future direction of American politics.

### *The Hidden Deficit*

"How the Government Cooks the Books" by Phillip Longman, in *The Washington Monthly* (July-Aug. 1987), 1711 Connecticut Ave. N.W., Washington, D.C. 20009.

The federal budget deficit, which has risen from \$78.9 billion in fiscal year 1981 to \$220.7 billion in fiscal year 1986, is a source of constant political controversy. According to Longman, research consultant at Americans for Generational Equity, budget deficits are much higher than official government statistics indicate. The official budget deficit figure, he argues, "includes only a fraction of our actual debt."

The federal government currently frames its budget according to "cash-flow accounting," subtracting the amount spent each year from the amount of money taken in. Yet such accounting methods do not consider debts to be paid over a long period of time. For example, liabilities due under the federal government's 38 different retirement programs—including at least \$444.3 billion in military pensions and \$537 billion in civil service pensions—are not considered part of the budget deficit.

Federal insurance programs also involve "off-budget" losses, because the federal government "doesn't charge high enough premiums to cover the vast risks it has assumed," resulting in "unfunded liabilities," which will have to be paid with federal funds. These liabilities grow as federal insurance programs increase; for example, Maritime Administration payments to failed businesses have risen from less than \$100 million in 1984 to \$1.4 billion in 1986. The Pension Benefit Guarantee Corporation, which insures private pension plans, currently has deficits of \$2.4 billion. The Office of Management and Budget estimates that total government liabilities exceed \$3 trillion.

State and local governments also face hidden deficits. Robert Inman of the National Bureau for Economic Research determined that unfunded liabilities of state teachers' pensions amounted to more than \$400 billion in 1980, a 250 percent increase since 1970. Even small states can amass large pension liabilities; West Virginia currently has \$1.5 billion in teachers' pensions, which it cannot pay.