

February 20, 2006 The Senate concluded hearings last week on the federal mismanagement of Hurricane Katrina relief efforts, and the findings were troubling. In short, the federal government wasted literally billions of dollars responding to the disaster, dollars that did little to help Katrina victims at all. The grotesque amounts of waste, mismanagement, and outright fraud involving those funds are staggering. FEMA spent millions on unusable temporary housing that did not meet FEMA's own regulations for placement in flood zones. \$2000 debit cards were issued to nonexistent people; some cards were used for everything from tattoos to bail bonds. Emergency relief checks were issued to nearly one million bogus applicants. Some evacuees were housed in \$400 per night hotel suites. The list goes on and on. These abuses were inevitable, unfortunately. They are the direct result of a top-down, centralized, bureaucratic system that wrongly assumes Washington planners always know best, that every issue and problem should be addressed at the federal level. But clearly Washington officials were in no position to know what was needed in the gulf coast in the aftermath of a hurricane. Congress reacted to Katrina in typical Washington-knows-best fashion. It immediately appropriated over \$60 billion with no planning or debate, mostly to show that government was "doing something." Political grandstanding masqueraded as compassion. As with all rapid government expenditures, the money was spent badly. Every member of Congress must have known that throwing \$50 billion at FEMA, the very agency that failed so badly to prepare for Katrina, would not turn out well. All federal aid for Katrina should have been distributed as directly as possible to local communities, rather than through wasteful middlemen like FEMA and Homeland Security. Considering the demonstrated ineptitude of government at both the federal and state level in this disaster, the people affected by the hurricane and subsequent flood no doubt would have been better off if relief money simply was sent directly to them or to community organizations dedicated to clean-up and reconstruction. The best way to rebuild New Orleans is to provide entrepreneurial incentives for people and businesses willing to do the hard work involved. I voted for several bills last fall that provide some measure of tax relief for Katrina victims, but more could be done. Imagine the revitalization that would occur if Congress declared New Orleans a federal tax-free zone for 5 or 10 years. It's not compassionate simply to throw money at a problem, especially when that money is wasted and does not help the very people who need it most. It's not compassionate for politicians to spend money that doesn't belong to them. It's not compassionate to instill false hope that Washington can solve every problem and respond to every emergency. It's certainly not compassionate to create huge deficits that hurt poor people the most through inflation, as government prints more and more money to pay its bills.