

Cautionary Tale for DOGE

The buzz (can we say, vibe?) surrounding the newly established Department of Government Efficiency (DOGE) is undeniable. But the question remains: can DOGE truly deliver on their promise to reduce government spending? Proposing an extensive list of programs to cut is one thing—actually implementing those cuts is another.

This isn't the first time a president has launched a commission to identify ways to trim government expenses. The best comparison to today's DOGE is the Grace Commission, formally known as the Private Sector Survey on Cost Control. Established in 1982 by President Reagan through an executive order, the commission was chaired by J. Peter Grace, CEO of W.R. Grace & Co.

At the time, the federal debt-to-GDP ratio had climbed to 31.8% (today it's over 120%). Reagan charged the group with finding ways to “eliminate waste and inefficiency in the federal government,” even coining the phrase “drain the swamp.” Sound familiar?

Over 18 months, Grace created 36 task forces chaired by 161 leaders in business, academia and labor to scrutinize the depths of federal operations. In January 1984, the commission presented its final report, offering 2,478 recommendations to reduce the deficit by \$424 billion over three years. They also warned that without reform, the national debt would rise to \$13.0 trillion by 2000. With reform, they projected debt could be contained at \$2.5 trillion by the turn of the century.

Despite its ambitious goals and widespread publicity, the Grace Commission's recommendations saw limited implementation. Most of its proposals were not enacted. While it did spark some procurement reforms and led to military base closures, while inspiring ongoing discussions on government efficiency, the sweeping savings it envisioned never materialized.

One obstacle to budget reform is that nearly every line item has a dedicated constituency. Would farm-state senators support eliminating farm subsidies that benefit their voters? Likewise, the Inflation Reduction Act directed billions toward renewable energy projects, with Republican-led states receiving the largest share of funding. Some Republicans are already pushing back

against plans that would cut this spending. Once spending is underway, it is hard for politicians to vote to stop it. The Grace Commission remains a cautionary tale of the challenges to meaningful government reform, even with the best of intentions.

So, will DOGE be different? Can it finally tame the leviathan of government spending and bureaucracy? Many skeptics argue it's nearly impossible. After all, the majority of federal spending is locked into mandatory programs or deemed untouchable, such as defense expenditures and interest payments on the national debt.

These “mandatory” and “essential” categories accounted for nearly 86% of total federal spending in fiscal year 2024, and that share is projected to grow through FY 2028. Achieving meaningful reform and savings, without wading into these areas, would be hard.

Yet, consider who's leading DOGE.

Elon Musk has built a career on achieving what others call impossible. Time and again, he has defied the odds—whether by creating a mass-market electric car, pioneering reusable rockets, launching private space missions, cutting the cost of putting a kilogram into space to 1/50th of the price NASA paid, developing Starlink satellite internet, designing the world's first Mars-ready spacecraft, advancing brain-machine interfaces, or rebranding Twitter into X, a move that may well have safeguarded free speech in the digital age.

In addition, what the Grace Commission lacked, Musk has in spades: access to a global news platform – X – that can shine an unrelenting spotlight on government waste. Moreover, government is so much bigger and intrusive than it was in the 1980s, finding its way into every walk of life. As the public gains clearer insight into the inefficiencies and mismanagement of taxpayer dollars, the tide of opinion could shift dramatically. When voters see the scale of waste, it will become much harder for Congress to justify defending special interests.

With Musk at the helm and Vivek Ramaswamy by his side, it's risky to bet against them. May the Force be with them as they push back against the leviathan.