

Introduction

The Paradox of Big Government

America, the frontier of noble ideals and new departures, has been engaged in a long experiment with big government. For the first century of the country's existence, the federal establishment was little more than a desk and a chair in the wilderness: a small army and navy, a tiny patent office, and the Library of Congress. Then, around the turn of the twentieth century, reformers came forward with the idea of using government to fix society's problems, and the federal government began to grow until it has become very, very large.

These early activists were enthusiastic about using government as the national problem solver. In 1889, Edward Bellamy—whom we shall meet again later in these pages—published the utopian novella *Looking Backward*, which postulated a country run from top to bottom by the federal government. This government's supervision was assumed to be so wise and compassionate that “No man any more has any care for the morrow, either for himself or his children, for the nation guarantees the nurture, education, and comfortable maintenance of every citizen from the cradle to the grave.”

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His book sparked the formation of scores of “Bellamy clubs” and led a flood of other authors to pen their versions of big-government utopias. There was, so to speak, not a cloud in the sky of the vision of salvation through government. The many activists differed among themselves about details, but they all were fired up with the vision of a nation wisely and fairly managed by government.

Their enthusiasm found its way into policy. The Teddy Roosevelt and Woodrow Wilson administrations refocused the federal government as the nation’s comprehensive problem solver, and since then just about every administration has contributed to the expansion of government’s reach.

What do Americans think about this experiment with big government? They appear to hold two opposite opinions at the same time. On the one hand, the vision of salvation by government has indeed grown clouded, and the enthusiasm has waned. Americans now mistrust and disparage big government. One sign of the lack of confidence has been the decline of ideological left-wing political parties. Gone are the Bellamyites, the Progressives, the socialists, and the Communists. Today, if anyone were to announce that government can achieve utopia, he or she would be considered childishly naive. Opinion polls mark the same loss of conviction. Generations ago Americans had great confidence in the federal government and a high opinion of its officials’ honesty and capacity. In 1958, three-quarters of Americans said that they trusted the government in Washington to do the right thing just about always or most of the time. Today, the proportion having this level of trust has declined to one-quarter of the population.

Yet the great paradox of modern politics is that this skepticism

about government has not led people to rely less on it. Former Federal Reserve chairman Paul A. Volker notes the strange contradiction: “Nothing is more certain in American political life,” he writes, “than complaints about the performance of the federal government. At the same time, there are insistent demands for government to do more—to provide more security, personal, national, and financial; to improve health care; to protect the environment; to build transport systems.”

This remarkable inconsistency about government prevails among all classes of people, from untutored, apathetic citizens to highly educated participants. “Here in Washington,” says one speaker, “we’ve all seen how quickly good intentions can turn into broken promises and wasteful spending.” This speaker is not a crusty conservative, pleading for a return to the limited government of yesteryear, but President Barack Obama. In the very same speech in which he made this comment deploring government’s wasteful spending and broken promises, however, he urged a great expansion of the federal government, a \$787 billion “stimulus” bill that funneled increased spending to government agencies and programs. He urged this new spending, as he took pains to say in his prepared speech, “not because I believe in bigger government—I don’t.” Here is the paradox of big government voiced by the nation’s first citizen: I don’t believe in big government, but I want more of it.

New York lawyer and political activist Phillip Howard is deeply disappointed with how government works. In 1994, he wrote *The Death of Common Sense: How Law Is Suffocating America*, a book that harshly criticizes the vast web of modern government regulations. All this regulation does more than cause enormous waste, he says; it “crushes our goals and deadens our spirits.”

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He cites dozens of cases of government regulation that have produced harmful results. For example, Mother Teresa's Missionaries of Charity wanted to remodel a burned-out building in New York City for a homeless shelter. They didn't want and would refuse to use an elevator, but regulations insisted they spend the extra \$100,000 to put one in. The impasse led the nuns to give up on the project—an absurd outcome in Howard's view. "There are probably 1 million buildings in New York without elevators. Homeless people would love to live in almost any one of these."

What's the way to prevent this kind of regulatory mischief? The obvious answer is to get government out of the position of deciding things such as who must have an elevator—or, put more broadly, to make big government smaller. This elementary solution is beyond this expert on "common sense." Howard praises the "effective action" of Franklin Roosevelt's regulatory-rich New Deal and firmly believes that government should be involved in *everything*—education, health, business, environment, product safety, housing, and more.

The passage of time has done nothing to alert Mr. Howard to the painful contradiction between his anger at big government and his commitment to it. In April 2009, fifteen years after *The Death of Common Sense* appeared, Howard wrote an op-ed in the *New York Times* lambasting the medical malpractice liability system, which, he said, "terrorizes doctors," "corrodes relationships with patients," and contributes to waste in the health care system "upwards of \$1 trillion per year."

But stop a moment. The medical liability system is a government program. Government sets the rules and limits for it, government courts apply it, and government police implement

the courts' awards. Therefore, government itself might scale back its liability system in a dozen ways: by limiting awards, by limiting lawyers' fees, by limiting the time period for complaints, and so on.

None of these solutions occurs to Howard, who appears to be unable to contemplate any kind of government downsizing. Instead, he recommends *more government!* He proposes that Congress create a system of "health courts" to deal with medical malpractice. His faith that this new government system would be fair, prompt, and cost effective is astonishing. Despite having spent decades documenting how even well-intentioned government programs go awry, Howard has faith that *this* new program will work just fine. He doesn't like how government works, but he wants more of it.

This inconsistent attitude toward big government is a worldwide pattern. The public in all countries is generally critical of national leaders and skeptical about government's capacity to operate successfully. Yet this same public is eager for government to take a bigger role in addressing every problem that attracts its notice, from transportation to scientific research, housing, and labor relations.

In 1853, the British commentator Herbert Spencer noticed the inconsistency in England of his day: "Take up a daily paper and you will probably find a leader [op-ed] exposing the corruption, negligence, or mismanagement of some State-department. Cast your eye down the next column, and it is not unlikely you will read proposals for an extension of State-supervision. . . . Ever since society existed Disappointment has been preaching, 'Put not your trust in legislation'; and yet the trust in legislation seems scarcely diminished."

The Role of Illusions

To explain the paradoxical view of big government, we need to understand what lies behind the two contradictory perspectives, distrust on the one hand and longing on the other. It's rather easy to see where the distrust comes from. It is due to failure—or as Spencer put it, “Disappointment.” Government programs go awry again and again and often in quite catastrophic ways. In recent times, the public has witnessed the savings-and-loan scandal and bailout, security lapses that led to the terrorist acts of September 11, 2001, flawed intelligence that led to the Iraq invasion, inept responses to Hurricane Katrina, the space shuttle *Columbia* disaster, negligent medical care of veterans, and the subprime mortgage meltdown and the bankruptcy of the government lending agencies Fannie Mae and Freddie Mac. Beyond the high-profile breakdowns are innumerable failing programs that come to light as reporters and scholars—such as Philip Howard—dig behind the scenes in defense, welfare, agriculture, homeland security, environment, energy, job training, and other areas.

When we look more broadly across the world and down through history, government malfunctions are even more noticeable. Governments have plunged countries into appalling wars, carried out shocking genocides, ruined economies, and killed writers and artists. Bad governments rank above plagues and earthquakes as enemies of the human race.

So there's plenty of reason to be skeptical about government. The question is, Why doesn't this skepticism lead people to turn away from big government? Some commentators attempt to explain the growth of government by pointing to a school system that indoctrinates each generation of students into wanting more

government. Another factor might be the array of special-interest groups and government officials who enjoy government benefits and who lobby to ensure an ever-increasing flow of tax dollars into their pockets.

There is an element of truth to these explanations. Most teachers tend to be progovernment and to pass their views on to their students. Self-interested officials and special interests certainly do play a role in defending and increasing appropriations. However, I do not believe that such factors are the main explanation. Schoolteachers, politicians, and pressure groups would not have succeeded in fostering big government if people in general were not already receptive to it.

I believe that big government's appeal despite its numerous failures lies in a set of illusions about what government is and what it is capable of accomplishing. I choose the term *illusion* advisedly. The errors I point to are not mere mistakes—errors of fact or simple misinformation. They are impressions that the naive mind has when first presented with the phenomenon of government. They are like the impression of a flat earth gained from looking across a prairie. The land does indeed look flat, and if someone tells you it's not, your mind retains the impression of flatness. But first impressions are important, and these impressions retain a hold even in the mature mind.

Government is a gigantic, complicated structure that has no counterpart in our daily lives and personal experiences. As soon as we hear about it, we start forming opinions, opinions based on first impressions and naive assumptions. These opinions are illusions, ideas that are fundamentally false and misleading, but that nevertheless become embedded in our personal worldview.

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When the untutored mind first contemplates government, fragmentary perceptions make it seem that government really is a wealthy, powerful, and effective problem-solving institution. A child just becoming aware of government and public policy will normally say that government should fix things and take care of us. His mind produces this opinion in just the way that it produces the opinion that the world is flat.

As he matures, he begins to overcome the illusions. He gains more knowledge about government, and he also brings to bear his own innate “illusion-busting” cognitive abilities. This process of maturation produces, in the typical case, political views that are a mixture of the underlying illusions and more sophisticated understandings. The illusions are no longer accepted in simple, unvarnished form, but they still influence thinking about what government should do and what it can accomplish.

In the National Gallery in Washington, D.C. hangs a spectacular painting by the American landscape painter Thomas Cole, a panel that depicts in allegory the theory I’m presenting here. Titled *The Voyage of Life: Youth*, it shows a young man cruising in a boat down a placid river, his gaze fixed on a shimmering alabaster castle that lies ahead in the distance. Alas, this structure is a castle in the clouds, an insubstantial optical illusion. The river does not go to this castle; instead, in a feature the boy does not notice, the river takes a sharp turn and plunges down steep rapids. One can hardly imagine a starker contrast: the glowing future that the young sailor in his naive self-confidence expects versus the grim reality that actually awaits him.

The same kind of contrast between hopes and reality overtook the early movements of reform. In the grip of simplistic beliefs about government, the activists had the highest hopes. Alas, the

shimmering alabaster city was an illusion: the ideal of a fair, prosperous, happy society managed by government was a destination logically impossible to reach. As the country drags its way toward the bitter end of the experiment with big government, the appeal of this image has faded. Yet the illusions that gave rise to it are still at work in our politics today, preventing well-intentioned idealists from turning away from the big government they keep deploring.

To a large extent, this book tracks my own intellectual journey, for I began my career as a political scientist in the grip of the illusions discussed in the following pages, and I had very high expectations about what government can accomplish. Perhaps clever people knew about these fallacies, but my teachers did not bring them to my attention. It took decades of research and reflection on my own to recognize these everyday errors and to realize how deeply they were embedded in my thinking.

It's true: the really important ideas about government I learned after I got my Ph.D. in political science. That's embarrassing for me to have to admit—and perhaps also an embarrassing reflection on my graduate school—but what's important is to get these elementary fallacies recognized so that future generations of students and would-be reformers will be aware of them.