

I, Government

by *D.W. MacKenzie*

I am government—the institution known the world over to all who pay taxes, get subsidies, and face regulation.

Coercion is both my vocation and my avocation; it is in my very nature to compel others to do that which they otherwise would not do. My nature should then be of great concern to you as I impinge on your liberty. My nature affects your life profoundly. Indeed, there is little in your life that escapes my grasp. I am also a mystery to many. Some see me as benevolent, though I murdered 119 million people in the twentieth century.¹ Some see me as omniscient, though I face an insurmountable knowledge problem in trying to comprehend the society I seek to control.² Some see me as an absolute necessity, though people have lived in societies without me.³ But those whom I use seldom recognize any of this. These naïve convictions grant me an unwarranted place in society. These misconceptions have imposed great hardships on ordinary people, though they have served an elite of rulers well.

I, government, inspire wonder and awe in many. Some persist in this admiration even when confronted with my worst atrocities.⁴ It is in my interest that you never truly understand me, for if you did, you would see that, at the very best, I am merely the defender of your personal and property rights and, at worst, the most efficient

violation of these rights. In fact, if all did come to know my true nature, they would view me with distrust rather than with wonder. If you all knew what I have done throughout history, you would look on me with contempt rather than with awe.

I benefit few at the expense of the many. Small groups organize easily, and large ones do not. Hence if I serve any interests other than those of actual rulers, I serve narrow interests.⁵ I grant monopoly privileges to influential industrialists and trade associations. I do this with tariffs and import restrictions that hobble foreign competitors. I do this with regulations that place burdens on new businesses. I do this with licensing laws that restrict access to professions. Of course, these interests pay me to get what they want. Sometimes they pay me simply to leave them alone.⁶

My form is difficult to comprehend as well. I am vast and complex. No one can fathom me in all my complexity. I comprise a gargantuan array of agencies, statutes and regulations, and discretionary policies. No one would have the time or the intellectual capacity to know me fully even if he were to try. There is little point in trying anyway. One person can do nothing to me. No significant election has ever turned on a single vote, so voters have no obvious incentive to learn about me.⁷

I waste resources. I employ labor in tasks that people do not want to pay for. My bureaucracies are rife with individuals who

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get paid to perform tasks that generate no value to others.⁸ Some of these tasks are even odious—things that people would pay to stop. I do supply some useful things, but at a high cost. My schools cost more than private ones (which get better results). My postal service loses billions each year and cannot compete with the private sector.⁹

I cause industrial depressions. My central banks disrupt commerce by distorting interest rates with inflated money supplies. This inflation causes unsustainable economic expansions that lead to crashes. I compound this problem with wage controls, welfare, and anti-firing laws that hinder labor markets.

I devastate the environment. Where I reign supreme, the earth is a commons that all want to use and none want to care for. In Eastern Europe I created some of the worst environmental disasters the world has seen.¹⁰ When I care for animal herds their numbers dwindle.¹¹

War and Bigotry

I wage wars. People express nationalistic and ethnic bigotry through me.¹² I use my power to tax and conscript to marshal resources for combat. This has caused immense hardship, destruction, and death throughout history.

I am responsible for all the worst unnatural tragedies and unnecessary burdens that mankind has endured. Yet it seems that no one knows how to stop me. How can this be? My true nature is not easy to discern.¹³ When tragedy strikes, I am called into action. If I raise taxes to fund the effort to deal with crises, all can see my costs clearly. If I instead expand my authority to conscript

resources, I hide my true costs, thus causing many to overestimate the net benefit of my actions. This instills unduly favorable beliefs about me in many minds.

I have suffered setbacks. There have been successful efforts to restrain me for extended periods of time. There have been tax, currency, and regulatory reforms that have rendered me less effective in some places at some times. In such places, people have prospered.¹⁴ But I have often succeeded in making strong comebacks.¹⁵ Some seek to limit my power with constitutional rules.¹⁶ However, there are strong reasons to doubt the efficacy of these rules.¹⁷ Persons who have power to enforce constitutional rules also have the power to flout them.

Why then do I ever fail? This is a tough question. There must be an answer, because I do sometimes falter. But it must be a difficult matter because my failures are relatively uncommon. As difficult as the issues here are, they are vitally important—to you—because the continued success of free societies hinges on them. What is more important to you than that? □

1. R.J. Rummel, *Death by Government* (New Brunswick, N.J.: Transaction Publishers, 1995), p. 9.

2. F.A. Hayek demonstrated that central planners could never comprehend the society that they intend to plan. See “The Use of Knowledge in Society” in *Individualism and Economic Order* (Chicago: University of Chicago Press, 1996 [1948]).

3. See David Friedman, *The Machinery of Freedom* (La Salle, Ill.: Open Court Publishing, 1989), chapter 44, for his discussion of anarchism in Iceland. Also, recent events in Somalia have left it with neither government nor a war of all against all.

4. Paul Hollander discusses the delusions that many notable Westerners had regarding twentieth-century socialist dictatorships they traveled to. See *Political Pilgrims* (New York: Oxford University Press, 1990).

5. Mancur Olson discusses the importance of concentrated interests in *The Logic of Collective Action* (Cambridge, Mass.: Harvard University Press, 1965).

6. Fred McChesney distinguishes between rent-seeking, where individuals use the government to extract rents from other private citizens, and rent-extraction, where the govern-

ment refrains from harming private interests in exchange for protection money. See his “High Plains Drifters: Politicians’ Lucrative Protection Racket,” *The Freeman: Ideas on Liberty*, January 1998.

7. “Rational ignorance” occurs when the private costs of information exceed their private benefits. See Anthony Downs, *An Economic Theory of Democracy* (New York: Harper and Row, 1957), p. 259.

8. For discussions of bureaucratic inefficiencies see Ludwig von Mises, *Bureaucracy* (New Rochelle, N.Y.: Arlington House, 1970 [1944]), Gordon Tullock, *Politics of Bureaucracy* (Washington, D.C.: Public Affairs Press, 1964), and William Niskanen, *Bureaucracy and Public Economics* (Brookfield, Vt.: Edward Elgar, 1994).

9. Scott Esposito, “Time for the Mail Monopoly to Go,” *Ideas on Liberty*, February 2002.

10. See Murray Feshbach, *Ecological Disaster: Cleaning Up the Hidden Legacy of the Soviet Regime* (New York: Twentieth Century Fund Press, 1995), and Alfons Georges Buekens and Vasily Victorovich Dragalov, eds., “Environmentally Devastated Areas in River Basins in Eastern Europe,” NATO ASI Series, Partnership Sub-Series 2, *Environment*, vol. 45, January 1999.

11. Tyler Cowen compares commercial versus public care for elephants. See “Public Goods and Externalities” in David R.

Henderson, ed., *The Fortune Encyclopedia of Economics* (New York: Warner Books, 1993), p. 76.

12. See Geoffrey Brennan and Loren Lomasky, *Democracy and Decision: The Pure Theory of Electoral Preference* (New York: Cambridge University Press, 1997), pp. 50–51, for a discussion of the belligerent nature of political expression.

13. Robert Higgs, *Crisis and Leviathan* (New York: Oxford University Press, 1987), argues that government expands because of errors in perceiving the true net benefits of government actions during crises.

14. See James Gwartney and Robert Lawson, *Economic Freedom of the World: 2001 Annual Report* (Vancouver, B.C.: Fraser Institute, 2001).

15. Mancur Olson, *Rise and Decline of Nations* (New Haven, Conn.: Yale University Press, 1982), describes how distributional coalitions arise following waves of prosperity.

16. James Buchanan and Gordon Tullock, *The Calculus of Consent* (Ann Arbor, Mich.: University of Michigan Press, 1962), and James Buchanan and Geoffrey Brennan, *The Limits of Liberty* (Chicago: University of Chicago Press, 1977), argue in favor of constitutional limits on governmental powers.

17. Anthony de Jasay, *The State* (New York: Blackwell Publishers, 1985), argues that constitutional rules offer no real limits on governmental powers.

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