The “Return” of Activist Government?

by Joseph Stromberg

In the New York Times of December 13, 2001, John D. Donahue joins the crowd that is presently arguing—or hoping—that the events of September 11, 2001, have cleared a path for the “revival” of big, all-knowing government. I do not wish to argue, here, why that might be undesirable. I do contest Donahue’s historical construction of the question.

As I have pointed out elsewhere,* the whole claim that “government is back, hooray, hooray” supposes that at some point in living memory government actually receded to a detectably appreciable degree. Let us see how Mr. Donahue has mapped the terrain.

He first sets up his straw man. Evidently, Americans have been infatuated with markets and “market solutions” and have developed a whole “mythology” around that infatuation. But now things are changing, and “[a]fter fifty years of market ascendancy,” government may be about to “reclaim its role as an integral and admirable part of American life.”

Before one can say “Not so fast!”—he’s off. Security at airports “has been wrested from the market and entrusted to government.” Polls show greater “trust in the presidency, federal agencies, even Congress.” President Bush may be turning from budgetary cheese-paring and “massive tax cuts” to big spending. (Parenthetically, the “liberal” notion of what a massive tax cut consists of never ceases to amaze.) Evidence even exists that young people are once again looking favorably on government “service.” This libel on the younger generation should not go unrebuked, but that is a matter for another time.

This happy “rebound” of government may overcome the negative politics of Reagan, Bush I, Clinton, and Dubya, all of whom indulged themselves, rhetorically, in taking potshots at omnicompetent government. Now we come to the heart of Mr. Donahue’s causal-historical viewpoint. During the years he is so keen to discredit, “markets seemed infallible” and went from success to success. At the same time, Americans’ “wariness toward authority” grew into “cynicism about the competence of our public institutions.” In other words, people came to see that markets gave them what they wanted, while the state did not. Donahue concedes that changing perceptions rested on “no capricious shift.” Yet he still laments people’s lack of belief that government could “define and pursue shared goals” for society.

But fortunately, Donahue says, government’s dry spell is (or may be) behind us. It is odd that there is no mention of the present “war”—or past mobilizations—as a causal factor for any of the trends that so uplift Mr. Donahue’s spirit.

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Let us try to sort these things out. In the first decades of U.S. political history we see a fierce struggle between a program of American mercantilism and its opponents. No one disbelieved in markets as such, but there was plenty of room for conflict between those who argued that subsidies to industry, tariffs, and the like were the very essence of a properly organized market economy and those who held a laissez-faire view of the political economy.

It was the Secession War that first decisively ratcheted up the level of government activity. After the war the level receded until the next war, which coincided with Populist and Progressive demands for reform via a more powerful federal government. Progressive reform reached its high point during World War I. The Great Depression—never “cured” by the New Deal—gave way to World War II. In this period of state-building a much higher “normal” level of federal activity took hold.

In a real sense, the wars provided the key to state growth; the domestic reform programs were parasitic on the states’ role in wartime. The books of Bruce Porter, Robert Higgs, and Martin Van Creveld are revealing in this connection. Conservatives turn a blind eye to the war-reform linkage because they tend to take the wars at face value while objecting to the reforms. Modern liberals often glory in the connection. Hence all the Greatest Generation hype of late.

**Busy Government**

It is easy for Donahue to say that government was “weak” for 50 years, if the benchmark is the capacity of government to tax, conscript, seize, and confiscate that it enjoyed during World War II. But since, as Professor Higgs has shown in various articles, Cold War levels of military spending were somewhere in between normal peace-time levels and the level of World War II, there was quite a lot that government was in fact doing during those 50 years that Donahue sees as a civil servant’s nightmare.

Further, in the Cold War atmosphere of sustained “emergency”—to which no end was foreseen—all manner of interventions into economy and society gained a hearing, which otherwise might never have taken hold or would have been debated on their merits. Instead, they could be presented as essential to “winning” the Cold War. Among these might be numbered: the interstate highway system, coercive racial integration, state-subsidized nuclear power, and this is the barest beginning.

By the late 1940s there began a revival of classical-liberal ideas, symbolized by the wide readership found for F. A. Hayek’s *Road to Serfdom* (1944). Over those 50 years that seem “lost” to Donahue, much progress was made for classical liberalism in the war of ideas.

Knowledge of the workings of markets was, after all, abroad in the land in the days of Jimmy Carter, but such knowledge did not prevent, or even slow, creation of a whole useless cabinet-level bureaucracy. This was the Department of Energy, which is still with us despite the evaporation of its proximate cause or excuse, the international oil cartel, OPEC, whose evaporation was predicted by all sensible economists at the time of the department’s founding.

While Carter had only promised to preside over pragmatic reductions of government activity in some areas, Ronald Reagan came in breathing the rhetoric of so-called “neoliberalism,” that is, the standard rhetoric of American conservatism at that time. At this late date, I hope that no one actually believes that there was a Reagan Revolution that reduced the federal government to some shadow of its former self.

And so it went, down toward the present. The medical reform proposal (Hillary Care) went down, not because of wide respect for free-market ideas, but because the partisan politicians could not agree on the details of who would get what out of this huge potential barrel of pork.

As for Americans’ cynicism about government, this was well-earned, as each new reform worsened its services—public schools, for example. It is hard to think of government as “back.” It never went away. On the other hand, we should all fear a further upward turn of the ratchet.
Poet-Social activist Varavara Rao as he returns home to be placed under house arrest, in Hyderabad on Thursday, Aug 30, 2018. (PTI).

Revolutionary poet Pendyala Varavara Rao on Thursday said the Supreme Court order asking the Pune police to return him home in Hyderabad was a "slap on the face of the government". Rao, 78, is one of the five activists who were arrested by the Pune police in raids in five cities for their alleged links with Maoists on Tuesday.

In fact, the government itself has conspired against us, Rao said aloud before entering the apartment complex. Rao will be under house arrest till September 6, the Supreme Court has said. He cannot meet people outside his family and he cannot speak to people outside his home, even on his phone. Activists were announcing their campaigns on a Facebook group called 'Civil Disobedience Movement' which by Wednesday afternoon had more 150,000 followers within 24 hours of its launch.

"Our main goal is to accept only the government we elected," Aung San Min, head of 100-bed hospital in Gangaw district told AFP.

Doctors are posing for photos and raising three-finger salutes, a protest gesture used by democracy activists in neighbouring Thailand. Army chief Min Aung Hlaing (pictured) appointed himself head of a new cabinet stacked with former and current generals. The US has formally declared the military's takeover a coup and vowed further penalties for the generals behind the putsch.

Pro-democracy activists wear face coverings during a protest in front of Bang Khen Police Station on Dec. 21, 2020. BANGKOK Leaders of the pro-democracy protests that sought to oust PM Prayut Chan-o-cha appear undecided on Monday how their campaign would proceed, given the recent spikes in the number of coronavirus cases.

One of them, Panupong Jadnok, said no coronavirus infection has been traced to the demonstrations he and other activists organized.

"Over the past months that we have been on the streets, no one has ever caught the virus from attending a protest," he said. "People can take care of themselves, unlike the government who always let their guard down." Chief Kremlin critic Alexei Navalny returned to Russia from Germany today and was immediately detained. The 44-year-old opposition leader flew back to Moscow after spending several months in Germany recovering from a poisoning attack that he said was carried out on the orders of President Vladimir Putin.

Follow the latest developments on the Navalny return here:

21.40 Amnesty International has declared Navalny a prisoner of conscience.

21.15 Russian prison authorities confirm Navalny has been detained for violating the terms of his probation. He will remain in custody until the court hearing.