During the first six years of the George W. Bush administration, government domestic spending has increased by 27 percent in real terms. Domestic discretionary (non-entitlement) spending has grown at a real annual rate of 4.5 percent over these six years, compared to 2.1 percent per year under Bill Clinton. Indeed, President Bush has been the biggest big spender since Lyndon Johnson and his Great Society policies of the 1960s.

Furthermore, government’s intrusiveness in the social and economic life of the country has also gone up dramatically. Bush and a Republican Congress enacted the Medicare prescription-drug benefit, the largest new entitlement program since President Johnson signed the Medicare bill four decades ago. Bush also expanded the tentacles of federal control over education by pushing No Child Left Behind, which promises more and more regulation and national standards imposed by Washington. Federal spending on education has increased by more than 50 percent; the Department of Education budget has gone up from $33.6 billion in 2001 to $51.1 billion today.

A Republican Congress happily passed bill after bill that increased the spending on a pork barrel full of programs to benefit every conceivable special-interest group. The most notorious are “earmarks,” which target money for particular states and designated constituents. The corruption scandals of the last few years have merely been the tip of the iceberg of a Republican congressional mentality that nothing was more important than reelection and power.

In his new book, *Leviathan on the Right*, Cato Institute policy analyst Michael D. Tanner details the degree to which the Republicans in charge of Congress from 1995 through 2006 were drawn into the vortex of political plunder and abuse. That politicians, regardless of their ideological labels, take advantage of political office is nothing new. Eighty years ago, Austrian economist Ludwig von Mises pointed out that “Even [classical] liberal politicians, on gaining power, have usually relegated their liberal principles more or less to the background. The tendency . . . to abuse political power . . . is too deeply ingrained in the mentality of those who control the government apparatus of compulsion and coercion for them ever to be able to resist it voluntarily.”

What Tanner tries to explain is why the American political party that claimed to defend individual freedom and limited government over the last 70 years has seemingly turned its back on those ideas. The essence of this story is the transformation of American conservatism into what has become known as neo conservatism. Tanner points out that before World War II American conservatism was really classical liberalism. But after the war, the anti-statist movement was made up of two distinct strands of thought: libertarianism, which continued to uphold the classical-liberal banner, and a reconstructed conservatism that emphasized tradition, was suspicious of policy based on reason alone, and adhered to a religious foundation for liberty.

At the same time, however, there was slowly emerging a different brand of political thought that now bears the label “neoconservative.” Its founders included Sidney Hook, Lionel Trilling, Irving Kristol, Gertrude Himmelfarb, and Daniel Bell. They had been Trotskyite Marxists who opposed Stalinism in the 1930s and 1940s. In the postwar period they concluded that Stalinism was an inescapable part of Marxism and became vocal anticom munists.

Another group, including Norman Podhoretz, Midge Decter, Harry Jaffa, Allan Bloom, Paul Wolfowitz, and Robert Kagan, were all influenced by classical philosopher Leo Strauss of the University of Chicago. Strauss believed that rationalism and liberalism had undermined the foundations of traditional Western civilization and had opened the floodgates to the barbarism of Nazism and communism. Strauss rejected classical liberalism and
free-market capitalism because they supposedly fostered a rootless individualism and pandered to the baser material desires of man. Civilization required a renewal of the classical Greek ideals of virtue, the heroic, and the notion of a higher collective calling. The means for restoring the virtuous society was a strong government that inculcated the appropriate values among the citizenry.

Religion was essential, too, because it gave man a sense of a divine meaning to life and provided the Archimedean point to justify the belief in universal truths. But what if “God is dead”? Still, the masses must be made to believe God exists, otherwise chaos and destruction will be man’s fate. If Marx had considered religion to be a harmful “opiate of the masses,” the Straussians considered it a useful and necessary narcotic.

Furthermore, these two strands of modern neoconservatism were not, in principle, against the welfare state. True to their earlier socialist roots, many of them considered it the duty and responsibility of the government to provide essential “social safety nets” since these could not and should not be left to the uncertainties and amorality of blind market forces. The neoconservative critique of the welfare state, beginning in the 1960s and 1970s, was based on the idea that in its current form political paternalism undermined the ethics of family, work, and personal responsibility that are essential to social stability. What was needed was reform of the welfare state but not its repeal. The state should be used to create the “right” incentives to get people to develop the “correct” behavioral characteristics.

For these reasons, Tanner argues that modern American liberalism and neoconservatism are both ideologies of state manipulation of human conduct. Their differences merely concern a vision of the good society that activist government policy should try to create, and the regulatory and interventionist means to bring it about.

Another element of neoconservatism, represented by William Kristol and David Brooks, is what Tanner calls “national-greatness conservatives.” They reject the notion that in the free society each individual should find his own purpose and meaning to life and that those who share beliefs should associate and advance their private visions through the voluntary institutions of civil society. These neoconservatives believe that Americans must be made to share and work for common national objectives to give them a sense of united community through government projects and propaganda—at taxpayers’ expense, of course.

Tanner also explains how the neoconservatives have come to make common cause with the religious right in America. Even though many neoconservatives are non-Christians, indeed sometimes agnostics or atheists, they have aligned themselves with a variety of conservative Christian policies that require government restriction on free-market activities. Here we see the Straussian emphasis on the need to inculcate religious ideas, even if those who do the inculcating do not personally believe in them.

For Tanner it is not surprising that the last six years have seen such an explosion in government spending and power. Not only was this nearly inevitable when one party came to control both the executive and legislative branches of government, but it was also reinforced and indeed fostered by a neoconservative ideology that has turned its back on the traditional American conservative ideals of limited government and individual freedom. The task in the years ahead, Tanner says, is to return conservatism to its original roots and away from this neoconservative mutation.

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Re-Thinking Green: Alternatives to Environmental Bureaucracy
Edited by Robert Higgs and Carl P. Close
Independent Institute • 2005 • 440 pages • $22.95 paperback

Reviewed by Michael Sanera

Readers of The Freeman don’t need to be reminded that freedom works better than coercion, but when I hike a wilderness trail I sometimes think there might be some small role for government in protecting the environment. If you’re inclined to drift in that direction, Re-Thinking Green pro-
vides the antidote. Robert Higgs and Carl Close have collected 22 articles that cover the gamut of environmental issues—population, global warming, endangered species, coastal management, urban planning, air pollution, and energy. The common theme is the explanation of how the good intentions of environmental groups, policy makers, and bureaucracies fail to produce improvements in the environment. Since it isn’t possible to do justice to each chapter, I have chosen three examples to provide the reader a flavor of this gem of a book.

Elephants occupy a special place in most of our hearts, and they’re especially appealing to children. Think of Babar and Dumbo. Environmental groups have converted many to their cause by describing in vivid detail the road to elephant extinction. As a result, the 1989 international ban on the ivory trade was celebrated as a great environmental victory. Yet this ban was passed over scientific and economic objections by leading conservationists who demonstrated that it would harm elephant populations. How did this harmful ban pass in the face of scientific and economic evidence?

William Kaempfer and Anton Lowenberg’s article, “The Ivory Bandwagon: International Transmission of Interest-Group Politics,” provides the answer. The crux of their analysis is that environmental groups observed that the “save the elephant” crusade brought in truckloads of money and busloads of new members. Therefore, leaders of those organizations turned a deaf ear to the scientific and economic evidence and joined the competition for funding and membership. All the better if elephant populations suffered—just more evidence of the need for activism.

Energy has been a national concern for decades, and when gasoline topped $3 a gallon in 2006 it became a national obsession. The media often provide the public with a melodrama featuring environmental groups protecting pristine wilderness from being despoiled by greedy, profit-hungry oil companies.

In “To Drill or Not to Drill: Let the Environmentalists Decide,” Dwight Lee argues that the incentives provided by private property rights help us to solve the conflict over drilling without the good-guys-against-bad-guys melodrama. Lee notes that an environmental group such as the Audubon Society opposes drilling in the Alaska Arctic National Wildlife Refuge (ANWR) because it is publicly owned land; for Audubon, the risk of an oil spill is a cost not balanced by any benefit.

On the other hand, give the Audubon Society private property rights and its incentives and behavior change. Proof of this proposition need not rest on economic theory because the Audubon Society owns 26,000 acres in Louisiana called the Rainey Wildlife Sanctuary. This area also happens to have deposits of oil and natural gas, and the Society allows production on its property. It has concluded that an estimated $25 million in annual royalties is worth the small chance of environmental damage. Lee notes that environmentalists’ “adamant verbal opposition to drilling in ANWR is a poor reflection of what they would do if they owned even a small fraction of the ANWR territory containing oil.”

The lessons learned by the collapse of the Soviet and Eastern European communist systems, due in large part to the failures of central planning, is lost on advocates of “smart growth.” Randal O’Toole notes in “Is Urban Planning ‘Creeping Socialism’?” that our urban areas are experiencing socialist planning on a grand scale through the use of extreme forms of zoning regulation. Planners and their political allies want more power to force the rest of us to live urban lifestyles of their choosing. Smart-growth advocates press local officials to require high-density and “affordable” housing. Autos in these centrally planned smart-growth cities are nearly regulated out of existence. Limits on parking, narrow streets, and an end to new road construction are designed to increase traffic congestion and encourage (read: force) people onto public transit.

In the final analysis, smart growth is a threat to individual freedom because it’s an attempt to use government coercion to reverse two great liberating trends of the twentieth century: increased individual mobility provided by inexpensive autos and the desire for increased privacy provided by larger homes and lots.

Re-Thinking Green is the indispensable handbook to consult the next time you need to win an environmental debate.

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The End of Poverty: Economic Possibilities for Our Time
by Jeffrey D. Sachs
Penguin Press • 2005/2006 • 396 pages • $27.95 hardcover; $16.00 paperback

Reviewed by Jude Blanchette

In the mid-nineteenth century Baptist preacher William Miller predicted the second coming of Christ on March 21, 1843, or between that date and March 21, 1844. When Christ failed to show, Miller “discovered” that the actual date of arrival was October 22 of that same year. This day came and went with nary a hint of Christ’s arrival. Undeterred, Miller awaited Christ’s return until his death in 1849. As Miller was to write in his memoir, “Were I to live my life over again, with the same evidence that I then had, to be honest with God and man, I should have to do as I have done.”

I was reminded of this tragically comic event as I read Jeffery Sachs’s The End of Poverty: Economic Possibilities for Our Time, a purported “blueprint” to solve global poverty. In clear, concise, and at times convincing prose, Sachs shames the world for not doing more to promote development in poor countries and argues for an increase in foreign aid to jump-start the growth process. His obdurate faith in foreign aid contradicts the majority of empirical evidence gathered over foreign aid’s 60-year modern history. Undeterred, Sachs forges ahead with a flawed strategy.

Sachs uses as his blueprint the United Nations Millennium Project, which, among other things, seeks to halve the number of individuals living on less than $1 a day and reduce by two-thirds the mortality rate for those under 5 by 2015. Ambitious stuff, no doubt. After a couple of hundred pages of autobiographical ruminations, Sachs finally outlines his course for reaching these goals: money, money, money. Rich countries, writes Sachs, have consistently shorted the developing world in foreign aid. Accordingly, he called on the U.S. government and their Western counterparts to increase “Official Development Assistance” to 0.44 percent of GDP in 2006 and to 0.54 percent by 2015. Approximately $7 billion needs to be spent by 2015 on scientific research to address climate change, energy production, and health care in poor countries, Sachs writes.

For people familiar with the history of foreign aid, this simply sounds like more of the same failed policy that development “experts” have been pushing for decades. Since 1960 Africa has been the constant recipient of development aid from the West, but standards of living are no better than before. There are now several governmental and quasigovernmental agencies specifically tasked with helping lift poor countries out of poverty. The U.S. government alone has spent over $500 billion in development aid. Sadly, there’s little evidence that any of these international welfare programs have done anything for sick and hungry people. As economist Peter Boone concluded, “Aid does not significantly increase investment and growth, nor benefit the poor as measured by improvements in human development indicators, but it does increase the size of government.”

If foreign aid fails to bring about growth, what will? According to MIT economists Daron Acemoglu and Simon Johnson and Berkeley political scientist James Robinson, “Economic institutions encouraging economic growth emerge when political institutions allocate power to groups with interests in broad-based property rights enforcement, when they create effective constraints on power-holders, and when there are relatively few rents to be captured by power-holders.” Douglass North made much the same point in his 1993 Nobel Prize lecture: “Institutions form the incentive structure of a society and the political and economic institutions, in consequence, are the underlying determinant of economic performance.” In short, a constitutionally limited government that respects property rights and promotes the rule of law is the best foundation for economic growth.

Unsurprisingly, the world’s poorest countries fail to provide these basic functions. Law, instead of being a tool that provides security and reliability, is arbitrary and selectively enforced. The right of property is nonexistent, and trade, often the engine of growth, is tightly controlled by the state. In much of Africa, for example, high barriers to trade are the norm. As one World Bank study found, “African tariffs are more than three times higher
than those in the developing countries with the highest growth rates and more than five times higher than those in OECD countries.”

With all the book’s failings, however, the optimistic message should not be discarded. Sachs is correct that we have the tools and the knowledge to end extreme poverty. But the world’s leaders—and one of its better-known economists—are not interested in the one proven recipe for economic progress. Instead of heeding Sachs’s advice, policymakers would do better with that of Adam Smith, who in 1755 wrote that “Little else is requisite to carry a state to the highest degree of opulence from the lowest barbarism but peace, easy taxes, and a tolerable administration of justice: all the rest being brought about by the natural course of things.”

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Reason: Why Liberals Will Win the Battle for America
by Robert Reich
Vintage • 2005 • 257 pages • $14.00 paperback
Reviewed by George C. Leef

Robert Reich, a Brandeis University law professor and former secretary of labor in the Clinton administration, fancies himself something of a public intellectual. This book offers his views on the state of affairs in America. Reich says that he’s frightened by the rise to power of the broad coalition that doesn’t like left-interventionist policies. He labels the entire group “Radcons” (radical conservatives), thus placing under the same imaginary tent Rush Limbaugh and Milton Friedman, Robert Bork and Ron Paul, the Moral Majority and FEE. All the Radcons, you see, have villainous designs on America, but Reich is here to save the day by exposing their ideas to the light of reason. Once people have been shown the true way—kindly “liberal” laws and regulations that help people and bring about fairness—they will abandon the Radcons and the nation will once again be safe.

That’s how Reich and his publisher want people to see things, but I dissent. Reason has precious little reason in it. Rather than confronting Radcon positions with argumentation, Reich is content to pound away at straw men. And by painting all his opponents with a wide, coarse brush, Reich avoids confronting his most formidable adversaries—libertarians. For an intellectual, this book is an embarrassment—or should be.

First, Reich complains that Radcons have distorted “liberalism” (meaning interventionism of the FDR-LBJ sort) and have “demonized” their opponents to gain the upper hand. They win by cheating, in other words. Of course, some opponents of Reich’s liberalism resort to language tricks. Plenty of its defenders do the same. The point Reich deliberately obscures is that many opponents of his political agenda use nothing except impeccably honest, scholarly arguments that don’t distort anything. The battle of ideas has always had its hatchet men, but in a book that purports to confront the opposing case, they’re irrelevant. In fact, Reich is guilty of the very thing he accuses Radcons of—trying to make easy points by demonizing those who disagree with him.

Reich’s tactic of putting all his opponents in one easily sinkable boat is especially annoying. He writes that Radcons are in favor of launching preemptive wars, stifling dissent, and restricting civil liberties. That’s true about some of the people Reich wants to discredit, but is he so ill informed as to be unaware that libertarians (and some conservatives) consistently oppose foreign military escapades and all laws that interfere with free speech and civil liberties?

Speaking of civil liberties, I can’t resist mentioning that as secretary of labor, Reich once said that during strikes labor unions need to be able to “strap their members to the mast”—that is, prevent them from returning to work if they conclude that the strike is not in their best interest. How’s that for a restriction on civil liberty? To “liberals” like Reich freedom is a good thing when they favor the result (say, opposing a war they don’t like) but not when the result isn’t to their liking (say, under-mining “labor solidarity”).

Organizations like FEE are part of Reich’s rampaging Radcon horde, and he calls those of us who favor a limited state that only protects life, liberty, and property
“free-market fundamentalists.” The term is intended as a put-down, implying that we have an irrational attachment to economic liberty. You would think it child’s play, then, for Reich to crush the arguments of the fundamentalists against his beloved left-interventionism. But in one of the very few instances where he deigns to mention a serious free-market thinker, Milton Friedman, here’s how it goes. He quotes Friedman as saying that the trouble with governmental welfare is that it “has a bad effect on the fabric of society.”

Does Reich provide a counterargument to prove that politicizing the support of the indigent actually has no harmful effects on the social fabric? No. Instead, he delivers this little pep talk to his faithful readers: “To [Friedman] and his followers, the free market has the same intoxicating quality that religion has to born-again Christians. Facts aren’t especially relevant. The perfection of the market has to be accepted as a matter of faith.”

That’s it. No refutation, but just an inaccurate generalization pretending to be a refutation.

Reich simply won’t admit that his “liberal” paradise might be flawed. Typically, he blames the defeat of Clinton’s plan to take the nation into government-run health care on an evil cabal of Republican politicians who merely wanted to hand Clinton a political defeat. He never mentions the great volume of scholarly work which showed that the plan would have many bad effects.

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