



Larger government cannot make things better

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OPINION:

Over the period from 1980 and 2018, “the world’s population rose by 71.2 percent, yet the average working time to earn enough money to buy 50 kinds of energy, food, raw materials, and metals fell by 71.6 percent. Put differently, the amount of effort required to buy 1 basket of the 50 commodities in 1980 bought 3.5 baskets in 2018.” The above quote comes from an important and interesting new book, *Superabundance*, by Marian L. Tupy and Gale L. Pooley.

The authors correctly argue that the capitalist system will result in most everything becoming less expensive and better if destructive know-nothing political actors do not destroy it. It has been approximately 400 years since the beginning of the Age of Enlightenment and about 300 years since the beginning of the industrial revolution in England. John Locke, David Hume, Adam Smith, Isaac Newton, Benjamin Franklin, others who contributed to the Enlightenment, and their disciples like Thomas Jefferson and James Madison codified the political/economic system that has served America and much of the rest of the world so well over the last two and half centuries.

Out of a lust for power, stupidity, and/or ignorance, many have tried to destroy the Enlightenment success model. The socialists, communists, fascists, and others have sought to replace the working natural order with schemes that have only destroyed liberty and economic progress. Despite their never-ending failures, they continue to sell the gullible with the siren call that next time we will get it right.

The thinkers of the Enlightenment did not try to create a whole new society, but instead observed the evolution (primarily in Scotland and England) of the existing political/economic order and sought to describe why it both evolved and was succeeding. They understood the imperfections and recommended improvements. The U.S. Constitution in many ways is a summary and road map for the future by the students of the Enlightenment, the American Founders, among others.

The Enlightenment thinkers were well aware of the dangers of authoritarian governments and thus were for the most in favor of small government (like modern-day libertarians), but not ‘no

government' because they realized its functions in protecting property rights, contract law, and essential liberties – which might require a militia.

Periodically, Americans and others have come to believe, despite centuries of evidence, that an activist, larger government can make things better. The U.S. is going through one of those periods at the moment. The government is growing much faster than the private sector, which is obviously unsustainable.

Economic growth and the sustained rise in personal income occur when people are willing to invest because they believe their property rights are secure and that the rule of law will apply evenly to all. Regulations that do not meet real cost-benefit tests and excessive tax rates destroy the incentives to work and invest. We should be entering a golden age of almost never-ending rises in the standard of living for everybody, because knowledge begets knowledge of how to do everything better – including producing less expensive and more reliable energy, which undergirds almost everything people produce, most importantly food.

The steam engine was the innovation that really began the new economic world because it freed people from physical drudgery. In the early 1700s, the first steam engines were used to pump water out of coal mines. And as the engines improved, people found never-ending uses for them including moving people and goods on steam-powered ships and railroads – causing the time and cost to travel to be a tiny fraction of horse-drawn carts. The power of steam still underpins our prosperity – most electricity is created by steam turbines. The steam comes from the heating of water by wood, coal, oil, gas or nuclear fission. Many of those in the green lobby want to shut down almost all forms of steam production – showing their engineering and scientific illiteracy and their childlike belief that windmills and solar can reliably produce all of the electricity needed without huge increases in cost.

The U.K. is on the verge of bankruptcy because of its zero-emissions policies that have just caused the price of energy to rise 80%, after a 40% increase early in the year. The Germans are looking at a cold, dark winter because of their zero-emissions policies. All of this economic and political madness will result in huge increases in deaths because of exposure and food shortages. Rather than learn from these disasters, the Biden administration and the Congressional Democrats are headed down the same suicidal road. The subsidies and restrictions from going green will cause economic stagnation or worse. There is no amount of new government spending that can compensate for the costs of shutting down low-cost, reliable, power generation – like natural gas and nuclear – and partially replacing it with less reliable and more costly energy sources.

Government spending as a share of GDP – on green schemes or most anything else – will slow economic growth. Incomes adjusted for inflation will decline, particularly for those at the lower end of the income scale. The political class will try to protect their own. But when the money runs out, those who suck at the teat of government and their media allies will also find themselves on a cold, dark, hungry beach like everyone else.