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The Problem with the 'Otherwise, People Will Die' Argument for Big Government

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It has become the go-to policy argument for many liberals and the media: People will die. Repeal Obamacare . . . and people will die. Cut any social-welfare program by so much as $1 . . . and people will die. Reform unsustainable entitlement programs like Social Security and Medicare, and, you guessed it, people will die.

While in some cases this argument is debatable and in others it's ridiculous, it is always politically potent. Who wants to argue about economic incentives when lives are at stake?

In the bigger picture, though, it gets things exactly wrong. The reality, born out by hundreds, if not thousands, of years of experience, is that economic growth does more to save lives than any government program ever could. After all, nothing, except maybe war, kills like poverty. Yet poverty globally is at an all-time low. And, as a result, life expectancies have soared. A century ago, the average person could expect to live to around 54 years old. A boy born today can expect to live to be 76, and a girl can expect to live about five years longer than that.

Consider what daily life is like in this country today compared to just just 100 years ago. By every measure we are better off. Even the poor today have access to goods and services that were undreamed of by the rich not so long ago. As recently as the 1960s, for instance, nearly a third of poor households had no telephone. Today, telephone ownership is nearly universal. Roughly half of poor households own a computer, more than 98 percent have a television, and two-thirds have two or more TVs. In 1970, less than half of all poor people had a car; today, two-thirds do.

It is not government that has brought all this progress about, but the economic growth that comes from free-market capitalism. As the economist Deidre McClosky points out, if all the profits generated by American businesses were immediately handed over to "the workers," those workers would be roughly 20 percent better off than they are today. On the other hand, the rise in real wages since, say, 1800, has made workers roughly 9,900 percent better off.

Not only do we know the benefits of economic growth, but we also know what leads to it: the rule of law, a stable currency, free trade, liberal labor policies, and limited government intervention. Policies — such as high taxes, out-of-control spending, and excessive regulation — that slow economic growth may do far more harm than good. One might even say that those policies mean people will die, reductive though such an argument would be.

Too often, advocates of big government look only at one side of the equation: They see the theoretical benefits of whatever program they are proposing while ignoring the costs it will impose on the economy.

Some 250 years ago, the French economist and philosopher Frederic Bastiat referred to the example of a farmer who plans to hire a worker to dig a ditch on his property, but is unable to do so because the money he'd have used to pay the ditch-digger went instead to pay taxes. A government bureaucrat is able to use those taxes to spend on various projects. Of course, everyone can see the results of that spending, which undoubtedly makes the bureaucrat popular. But what goes unseen is the loss suffered by the poor ditch digger.

In fact, he might even die.

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