

Economic history shows government desire for control

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Usually I am surrounded by writings and broadcasts that fawn over President Obama's policies and the philosophical and economic ideas surrounding them, but recently I spend an entire week at a Cato University conference during which extremely knowledgeable people presented carefully reasoned analyses about some other periods of American history during which the American and indeed the world economy was going through various gyrations and people were, as usual, blaming it all on "greed" and freedom just as many mainstream, Obama-supporting commentators do today.

I will not attempt to reproduce what I heard and learned, but I do wish to recommend at least one piece of reading material that could, if paid close attention to, set the record straight about how America got into its various economic messes.

I have in mind professor Robert Higgs' path-breaking "Crisis and Leviathan" (Oxford University Press, 1987). This book is a real gem. It shows with extensive research and analysis that those running governments repeatedly - and often deliberately - take advantage of economic troubles so as to amass power, and once the troubles have subsided rarely return the power to their populations. Instead they hoard it.

Some of the lectures I heard included PowerPoint presentations, and it was fascinating to see direct quotations and sometimes video and audio records of major government officials being openly gleeful about how the current economic fiasco provides them with the chance to grab power. They didn't even think of disguising their opinions but declared unabashedly that this is a great time to take advantage, for all those who like meddling government.

Something else that was clear from many of the lectures is that a great many people in American government, both at the time of the New Deal and now, reject completely the ideas and ideals of the major American Founders and believe, with the likes of Alexander Hamilton, that America should be a top-down political system, a monarchy.

Such people denied then, and do now, that individuals have any rights except the privileges granted to them by administrators of governments (just as in the past such people believed that it is the king who hands out privileges, selects the favored in the population, with no regard to anything like natural, individual rights).

In one of my lectures I laid out how the Lockean theory of individual rights presents us all with bulwarks against tyranny by requiring the limitation of governmental powers. Because of this revolutionary theory, the U.S. Constitution laid out a very limited set of powers for government and recognized that it is citizens who have sovereignty, not states.

Just now, of course, this idea is not even given the slightest respect by Obama and Co. When, for example, Obama claimed that all economists agree with him about the need for a massive stimulus, some researchers at the Cato Institute produced a document with the names of about 250 respected professors of economics from universities and colleges around the country who disputed the wisdom of the stimulus.

What was especially fascinating about the historical lectures at Cato University is that they showed

that the same kind of prevarications dominated previous episodes of economic crises even though in every case the cause of them was widely known to be earlier government malpractice. Despite this, the lies are now repeated by some of the most prestigious academic cheerleaders of Obama's policies!

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