

One

Government and the Common Good

“What the hell is going on?”

*Michael Chertoff*¹

It was business as usual for the president. It was the end of August and he was on vacation in Crawford, Texas. Certainly some things could have been better. The prices of oil and gas were high (but his friends in that business did not seem to mind). And a woman whose son had died in Iraq was outside, living in a little tent, protesting the war with some friends.

But basically things were OK. When Congress returned the first thing it would take up was an extension of the big 2001 tax break for the rich. And, just maybe, his social security plan was not entirely dead. George W. was cruising.

Sure, his aides had told him about a big hurricane out of the Gulf of Mexico that had hit New Orleans. He had done his part by sharing with reporters that, as a younger man, he had enjoyed partying there. He then went to California to raise money for the Republican Party.

It was business as usual.

1 Michael Chertoff, secretary of homeland security, asked this probing question after an NPR interviewer told him about the problems at the convention center in New Orleans. It was three days after Katrina had hit, and the best information Chertoff had was that about 1,500 people were at the center and needed help. After the reporter suggested that Chertoff didn't know what he was talking about, the secretary ordered someone to find out. The first two reports confirmed that about 1,500 people were at the center. On the third try, someone looked in all the rooms and found the number was between 10,000 and 15,000 people. Average citizens watching TV or listening to the radio knew more about the situation in New Orleans than the Department of Homeland Security.

6 The War Against the Common Good

In order to somehow get the commander-in-chief to take Katrina seriously, his staff prepared a video. They took clips from TV news stories to actually show him the devastation wrought by the powerful, deadly storm.

The rest of the country had already realized that what was going on was horrible. To make matters worse, the only person with the power to do anything about it was on vacation.

All over the country people began to ask how such a thing could happen. There was a sense that it was more than merely incompetent people in high places. The failure seemed systemic; it was the kind of failure that might occur in a Third World country but would never happen in the United States.

In truth, there is a way in which the non- and then inadequate response to Katrina had been brewing for years. It is, in no small part, a reflection of the political decisions that have been made for the past quarter of a century.

What follows is the story of how we as a nation have reached this point. It is a story about those who have waged war on our common good and, as we will see, have been winning.

In this chapter we will introduce the idea of the common good and how it has developed over the course of U.S. history. We will then review the conflicting visions of the concept in order to provide some perspective on why a concept of the common good is so essential, and why some people find it, apparently, find such a concept so threatening.

Finally, we will quickly review the politics of the last twenty-five years to foreshadow the more in-depth discussions of the rest of the book. Ronald Reagan and the conservative revolution of the 1980s are central to what we need to know. The chapter ends with a discussion of George W. Bush and the role of religion in American society and politics.

We need to keep in mind that the war against the common good in its current form comes from a marriage of convenience between free-market capitalists and fundamentalist evangelical Christians. In this chapter, we present our sense of how this has developed since the mid-1970s.

The Common Good

The idea of a common good is certainly not new. Aristotle, in his *Nicomachean Ethics*, argued that although citizens differ on what they want, they share habits of mind and behavior that enable them to live together.² The purpose of these shared habits is to encourage moderation, so people can get on with the business of doing justice.

The world is now infinitely more complicated than during the time of Aristotle, but the core of his idea is essentially correct: In order for us to live together in a just society, there needs to be agreement about what we have in common. Those shared habits of mind and behavior have come to mean agreed-upon rules, safeguards, protections, and services that each citizen deserves and that can be supplied only by government.

To skip forward thousands of years, exactly how that government should be constituted and what it should be doing have been at the center of debate in the United States since the Constitutional Convention in 1787. That convention was held because the Articles of Confederation gave too much power to the states: the weak center could not hold. The Constitution united the states, but there has always been controversy about what government should and should not do, and about how collective powers should be divided between the local, state, and federal governments. What the Convention produced was a written document, the Constitution, that is often broad and general and open to a variety of interpretations.

The history of the United States during the nineteenth and twentieth centuries was, in no small part, full of various struggles for inclusion. As the country filled in and as technology united us, and then the world, more and more was asked of the central government. There were issues that needed working through: slavery, monopoly capitalism, inadequate rights for women and blacks, laws against unions, dirty air, dirty water, unclean food, child labor, and, to symbolically top it off, a Great Depression.

It seemed that at every phase, the power of government was used to ensure that more and more citizens were included in what we collectively agreed was a just society. Presidential campaigns reflected the desire for

2 Aristotle, *Nicomachean Ethics*, 2nd edn., trans. Terence Irwin (Indianapolis, Ind.: Hackett, 2000), Bk. I, Ch. 4; Bk. II, Ch. 1; Bk. IV, Ch. 6; and Bk. V, Ch. 5.

change. Voters decided they wanted a “Fair Deal,” or a “New Deal,” or a “Square Deal.”

And though government continued to provide more and wanted services, we should remember that these changes took place in a country that was politically and culturally committed to individualism. Our common good, in order to be successful, needed to acknowledge the agreed-upon forces of liberalism, capitalism, and individualism.³

In the inaugural speeches of two presidents, Lyndon Johnson and Ronald Reagan, we can see two very different visions of what was best for the country. There was no question that Lyndon Johnson believed that there is a common good that we could all work toward, while Ronald Reagan’s inaugural address foreshadows the war on that very idea. First, Johnson’s 1965 inaugural speech:

They came here—the exile and the stranger, brave but frightened—to find a place where a man could be his own man. They made a covenant with this land. Conceived in justice, written in liberty, bound in union, it was meant one day to inspire the hopes of all mankind. And it binds us still. . . . In a land of great wealth, families must not live in hopeless poverty. In a land rich in harvest, children just must not go hungry. In a land of healing miracles, neighbors must not suffer and die untended. . . . Men want to be part of a common enterprise, a cause greater than themselves. And each of us must find a way to advance the purpose of the Nation, thus finding new purpose for ourselves. Without this, we will simply become a nation of strangers. . . . No longer need capitalist and worker, farmer and clerk, city and countryside, struggle to divide our bounty. By working shoulder to shoulder together we can increase the bounty of all. We have discovered that every child who learns, and every

3 A description of these and related core values is in Seymour Martin Lipset, *American Exceptionalism: A Double-Edged Sword* (New York: W.W. Norton, 1997). The version of these values that held sway during the period from the 1930s until 1980 is referred to here as Keynesianism, after the British economist John Maynard Keynes. See his *The General Theory of Employment, Interest, and Money* (Cambridge: Cambridge University Press, 1978 [1936]). For an example of how confident economists and elites were with Keynesian ideas applied to economic and social problems, see Michael Reagan, *The Managed Economy* (New York: Oxford University Press, 1963).

man who finds work, and every sick body that is made whole—like a candle added to an altar—brightens the hope of all the faithful.⁴

In this well-articulated vision of the common good, Johnson paid special attention to “public servants” and argued they were necessary for our country to actively pursue our common goals. The government had to have people whose motivation was something other than profit, and who would work for goals greater than their own interests.⁵

Sixteen years later, Ronald Reagan gave his first inaugural speech:

You and I, as individuals, can, by borrowing, live beyond our means, but for only a limited period of time. Why, then, should we think that collectively, as a nation, we are not bound by the same limitation? . . . From time to time, we have been tempted to believe that society has become too complex to be managed by self-rule, that government by an elite group of people is superior to government for, by, and of the people. But if no one among us is capable of governing himself, then who among us had the capacity to govern someone else? All of us together, in and out of government, must bear the burden. . . . We are a nation that has a government—not the other way around. And this makes us special among the nations of the Earth. . . . It is time to check and reverse the growth of government which shows signs of having grown beyond the consent of the governed. . . . Can we solve the problems confronting us? Well, the answer is an unequivocal and emphatic “yes”. . . . In the days ahead I will propose removing the roadblocks that have slowed our economy and reduced productivity. Steps will be taken aimed at restor-

4 Johnson’s speech was delivered on January 20, 1965.

5 We could recall Franklin Roosevelt’s “Four Freedoms” speech, January 6, 1941, where he said:

The basic things expected by our people of their political and economic systems are simple. They are:

Equality of opportunity for youth and for others.

Jobs for those who can work.

Security for those who need it.

The ending of special privilege for the few.

The preservation of civil liberties for all.

The enjoyment of the fruits of scientific progress in a wider and constantly rising standard of living.

ing the balance between various levels of government . . . and to lighten our punitive tax burden.⁶

This was also an articulate and clear vision of what was best for the country. The emerging Reagan/conservative vision could not be more plain: government was the enemy. Everything would be all right if people were just left alone. Government-run collective causes simply made no sense (with the exception of war). The principle of every person for himself or herself would be the new heart of society. The collective acts of selfishness would produce the emerging common good.

That ideological position has had serious ramifications.

The Context of 1980

Before we look at what Ronald Reagan did as president, we need to remember both the context of the times and the issues of the day.

Since the 1930s the federal government had grown to be huge; it provided services, enforced regulations, and administered programs that would have been unthinkable to previous generations. Add to that the social and cultural rebellions of the sixties, and it is easy to see that the world of the elder Ronald Reagan was not the world Ronald Reagan grew up in.

Table 1.1 provides a sense of how government has grown from the adoption of the Constitution until now. What we see is a list of agencies and programs that were created to serve what we have come to think of as the common good. From education to civil rights to national defense to regulating commerce; from ensuring that our air is clean, that our water is not poisoned, and that our drugs are safe; to providing medical care for the poor and social security for those who are retired, the government got into the business of protecting our citizens as well as helping those in need.⁷

6 Reagan's speech was delivered January 20, 1981.

7 For an account of how government grew in each era, and how the concept of the common good took root during the Progressive Era, see Richard Hofstadter, *The Age of Reform* (New York: Vintage, 1960). A more recent and more detailed account is Robert Higgs, *Crisis and Leviathan: Critical Episodes in the Growth of American Government* (New York: Oxford University Press, 1987). Hofstadter approved of the development of the idea of the common good, Higgs did not.

There were serious reasons for the establishment of each agency and department. There was enough of a consensus for the president and the Congress to agree that a solution to a problem needed to be found, and then to create a public administration to achieve it. These programs met felt needs on the part of many citizens. There were many compromises among elected officials, but the programs had the approval of the general population.

But by 1980 there was a gathering sense that the government was too big. It took too much taxpayer money. Dependence on public services had weakened the moral fiber of the individual citizen, that same citizen who was the backbone of American society. Government was out of control. Government had become the enemy.

The politics of the time were, at best, a mess.⁸ From the mid-1970s to the election of 1980 the country went through a series of crises. There was a war in the Middle East in 1973, and for several years (on and off) there was an oil crunch in the United States. The Organization of Petroleum Exporting Countries (OPEC) began to manipulate both the supply and price of oil. In once oil-independent America, motorists found themselves sitting in long lines for sometimes only a minimal amount of suddenly high-priced gasoline.

South Vietnam fell to North Vietnam in 1975, marking what was felt as a defeat of the United States even though its main combat forces had left in 1972. The Shah of Iran, who had been a key U.S. ally in the Middle East, was overthrown in 1979, and for more than a year, the Americans in the U.S. Embassy in Teheran were held hostage by militant Islamists. They were not released until after the 1980 presidential election.

President Jimmy Carter did not seem to be the kind of leader best suited to rally the United States and somehow deal with these reverses. In a famous speech, he talked about the growing malaise in the country. This speech received mixed reviews. While many Americans were angry at what they saw as Carter's lack of optimism, others believed that he had,

8 Useful accounts of the politics of the time are included in E.J. Dionne Jr., *Why Americans Hate Politics* (New York: Touchstone, 1991); and Herbert Stein, *Presidential Economics: The Making of Economic Policy from Roosevelt to Clinton*, 3rd edn. (Washington, D.C.: American Enterprise Institute Press, 1994).

Table 1.1 Selected U.S. Government Agencies, Year Created, and Major Purposes

The Founding Era	
State Department, 1789	Develops foreign policy, handles international negotiations, helps citizens abroad
Treasury Department, 1789	Collects taxes, pays bills, issue money, supervises banks
Justice Department, 1789	Enforces the laws, advise the president, oversees prisons
Defense Department, 1789	Organizes military forces; originally called the War Department
The Nineteenth Century	
Interior Department, 1849	Oversees federal lands, Indian affairs
Agriculture Department, 1862	Assists farmers and ranchers
The Progressive Era and the 1920s	
Commerce Department, 1903	Conducts census, grants patents, promotes business interests
Labor Department, 1903	Enforces labor laws, promotes labor interests
Federal Reserve, 1913	Originally regulated banks, now sets monetary policy
Federal Trade Commission, 1914	Regulates business practices
The Keynesian Era, Including the New Deal and the Great Society	
Federal Emergency Relief Administration, 1933	Developed system of unemployment relief
Tennessee Valley Authority, 1933	Developed flood control; generates electrical power in a poor region
Federal Deposit Insurance Corporation, 1933	Insures bank deposits, oversees regulated banks
Securities & Exchange Commission, 1934	Regulates commerce in stocks and securities
Social Security Board, 1935	Provides for public pensions; became Social Security Administration in 1946
General Services Administration, 1949	Property and purchasing manager for the national government
National Science Foundation, 1950	Promotes scientific research

The Keynesian Era (cont.)

Health, Education and Welfare (now HHS), 1953	Promotes public health and welfare programs; ran educational programs until Department of Education
Civil Rights Division, Justice Department, 1957	Enforces federal antidiscrimination laws
National Aeronautics & Space Administration, 1958	Runs U.S. nonmilitary space programs
Equal Employment Opportunity Commission, 1964	Enforces laws against prohibited discrimination
Housing & Urban Development, 1965	Promotes urban interests, plan and develop urban communities
Transportation Department, 1967	Runs highway, mass transportation programs
Environmental Protection Agency, 1970	Enforces environmental laws
Amtrak, 1970	Operates national passenger rail system
U.S. Postal Service, 1970	Delivers mail, new corporate organization for agency created in 1789
Occupational Safety & Health Administration, 1971	Part of Labor Department; regulates workplaces to promote worker safety
Consumer Product Safety Commission, 1972	Protects public from dangerous products
Federal Elections Commission, 1974	Enforces federal election laws
Energy Department, 1977	Runs federal energy programs, conservation
Education Department, 1979	Split from HEW; independently runs federal education programs

The Reagan Era

Veterans Affairs, 1988	Promotes interests of veterans; provides health care to veterans
Homeland Security, 2003	Consolidation of 22 existing agencies; a response to the 9/11/01 attacks

Source: Adapted from Jeffrey D. Greene, *Public Administration in the New Century: A Concise Introduction* (Belmont, Calif.: Wadsworth, 2005), Table 3.2, pp. 94–95; Table 3.3, p. 97; Table 3.4, p. 98; Table 3.5, p. 99; also various U.S. government websites.

essentially, told the truth. Things were bad, and people were unhappy.

Economically, what concerned people most was the high rate of inflation. While the rate of inflation was significantly higher during the 1970s and early 1980s than it been earlier in the postwar era, Table 1.2 shows that, historically, it was not unprecedented.⁹

We can see that inflation rates vary. They go up, usually in response to crises such as wars, and then they come down. *For our purposes, what is most interesting is the conservative reaction to these particular inflation rates. In that reaction were the beginnings of the war on the common good.*

The conservative argument was that inflation was a serious social crisis that was caused by government policies, and could be defeated only through a reversal of the Keynesian approach to government.¹⁰

In essence, the conservative reaction to inflation was to cut back the size of government and promote a school of economics that would refute Keynesian economics. Conservatives considered inflation as an invitation to change the system. In no small part, they wanted to return to the pre-Franklin Roosevelt days of, essentially, economic anarchy. There were three main parts to their strategy.

FIRST: Conservatives made the claim that increased government regulation caused inflation. One argument was that property owners could solve problems like pollution. There was no reason to have an Environmental Protection Agency or a Consumer Product Safety Commission.

9 Perhaps what was most important about the 1979–1981 period was that the generation of elites then in power in government, business, and academia had never seen anything like it.

10 See Mark Blyth, *Great Transformations: The Rise and Decline of Embedded Liberalism* (Cambridge: Cambridge University Press, 2002). Stein, *Presidential Economics*, pp. 377–411, explains that policymakers did not have reliable explanations of inflation, and were continually surprised by events surrounding the response to the 1970s and early 1980s bout with inflation. Blyth goes further, describing significant changes in mainstream economists' explanations for inflation, about once each decade. He argues (pp. 147–51) that the evidence supporting the claim that inflation was the paramount economic evil is weak. He shows that developments in rational expectations theory and public choice theory were important in elite interpretations during this period, a discussion that we have chosen to omit here. Economists often look at the winners and losers in an inflationary economy, and their work is briefly summarized in economics textbooks, such as Campbell R. McConnell and Stanley L. Brue, *Economics: Principles, Problems, and Policies*, 14th edn. (Boston: Irwin McGraw-Hill, 1999), pp. 161–68.

Table 1.2 Annual Rates of Inflation, 1914–2004

1914	1.0	1933	-5.1	1952	1.9	1971	4.4	1990	5.4
1915	1.0	1934	3.1	1953	0.8	1972	3.2	1991	4.2
1916	7.9	1935	2.2	1954	0.7	1973	6.2	1992	3.0
1917	17.4	1936	1.5	1955	-0.4	1974	11.0	1993	3.0
1918	18.0	1937	3.6	1956	1.5	1975	9.1	1994	2.6
1919	14.6	1938	-2.1	1957	3.3	1976	5.8	1995	2.8
1920	15.6	1939	-1.4	1958	2.8	1977	6.5	1996	2.9
1921	-10.5	1940	0.7	1959	0.7	1978	7.6	1997	2.3
1922	-6.1	1941	5.0	1960	1.7	1979	11.3	1998	1.6
1923	1.8	1942	10.9	1961	1.0	1980	13.5	1999	2.2
1924	0.0	1943	6.1	1962	1.0	1981	10.3	2000	3.4
1925	2.3	1944	1.7	1963	1.3	1982	6.2	2001	2.8
1926	1.1	1945	2.3	1964	1.3	1983	3.2	2002	1.6
1927	-1.7	1946	8.3	1965	1.6	1984	4.3	2003	2.3
1928	-1.7	1947	14.4	1966	2.9	1985	3.6	2004	2.7
1929	0.0	1948	8.1	1967	3.1	1986	1.9	2005	3.0*
1930	-2.3	1949	-1.2	1968	4.2	1987	3.6		
1931	-9.0	1950	1.3	1969	5.5	1988	4.1		
1932	-9.9	1951	7.9	1970	5.7	1989	4.8		

*Estimated

Source: Federal Reserve Bank of Minneapolis

Government regulations were simply a damper on the economy, and a cause of the high inflation rate. One intellectual source for their position was the work of Ronald Coase, winner of the 1991 Nobel Memorial Prize in economics.

Conservatives were especially attracted to the Coase Theorem, first published in 1960.¹¹ The idea is that government is not needed to solve problems like pollution if property rights are clearly assigned. Put simply, Coase theorized that the private sector needs no outside interference. The theorem implied that the private sector could solve problems involving pollutants and the use of natural resources, and by extension, most regulatory issues by itself.

11 Ronald H. Coase, "The Problem of Social Cost," *Journal of Law and Economics* 3 (1960), pp. 1–44. Reprinted in Ronald H. Coase, *The Firm, the Market and the Law* (Chicago: University of Chicago Press, 1988).

Coase was smart enough to include important caveats in his theorem. While the details of the caveats are not necessary for this discussion, we need to note that they radically limit the conditions under which the theorem actually works. In other words, there are only rare occasions when the Coase Theorem applies to the real world. Conservative ideologues ignored these limiting conditions and simply adopted the central idea as a matter of faith.

SECOND: The conservatives adopted monetarism. This is the belief that government will fail in any attempt to manage the money supply, and will not be able to achieve the right balance of inflation control and employment. Monetarists argued that government should adopt policies that would steadily increase the money supply at a rate consistent with the underlying rate of economic growth. The monetarists believed that, if left alone, the markets would perform the balancing act of getting the right levels of prices and employment.

Monetarism is a radical departure from the assumptions of Keynesian theory that had served as the operating economic theory since the 1930s. The new political/economic theory was this: Unemployment increases because people refuse to work for the wages offered—it therefore is voluntary. Inflation, the seeming cause of the crises at that time, had been made worse by governmental policies. By cutting back on government interference, economic problems could be solved through the workings of the free market. It is not the job of government to manage employment and price levels.¹²

THIRD: The final idea was supply-side economics. The basic argument is this: The Keynesian principle of managing the economy through taxing and spending policies was backwards. The best way to increase economic growth, according to the theory, was to free up the forces of supply. The best way to do that was by cutting taxes. Lower taxes would mean that people and businesses would have more money to spend. Businesses would

¹² This argument is most effective if one ignores history. To accept the theory, one has to assume a kind of historical dead-space from 1929 to 1939. If you take into account the events of those ten years, monetarism falls apart. To go back further, there would need to be similar dead-spaces during the nineteenth century. An account of how reputable economists have abandoned monetarism is in Paul Krugman, *Peddling Prosperity* (New York: W.W. Norton, 1994), pp. 34–40, 172–78.

invest more and, of course, hire more workers. More workers would buy more things and more of them would pay taxes. All of that would stimulate growth. Supply-side advocates claimed that the revenue lost through tax cuts would be recovered through economic growth.

The supply-siders' claim is simply bad economics, but it is brilliant politics.¹³ What is not to like about this argument: You can help your country best by paying lower taxes. The less the government does, the more the economy will grow.

The great fear of inflation brought these ideas into the national debate about the best way to proceed. They carried, for some, the promise of a diminished government and an opportunity to do business with little or no regulation. Supply-side ideas entered office on the coattails of Ronald Reagan after his victory over Jimmy Carter in the 1980 presidential election.

Ronald Reagan

Ronald Reagan was in the right place at the right time. The presidency of Jimmy Carter had taken hits even from his own party. Edward Kennedy challenged him for the party nomination, and although Kennedy's candidacy failed, his supporters seemed to have no interest in helping to re-elect the sitting president. From the time Democrat Lyndon Johnson supported civil rights and Richard Nixon opted for a "southern strategy," the once solidly Democratic South had been trending toward the Republicans. In 1980, white evangelical Christians left Carter for Reagan. Since then, they have become the base of the emerging Republican majority.¹⁴

When Reagan was elected in 1980, there was no reason to believe that the country was in for a major political change. His campaign promises were vague, in the best tradition of what politics has always been about. It was believed that Carter lost as much as Reagan had won. One political

13 The best-selling economics textbook, McConnell and Brue, notes that evidence for supply-side effects of economic policy does not exist. See *Economics*, pp. 343–55.

14 Thomas Byrne Edsall, with Mary D. Edsall, *Chain Reaction: The Impact of Race, Rights, and Taxes on American Politics* (New York: W.W. Norton, 1992), pp. 133–44. The Edsalls emphasize the importance of race in understanding the shift to the Reagan era. A central reason in the shift among white Southern voters was that Carter (through his Internal Revenue Service commissioner) favored revoking the tax-exempt status of segregated private Southern schools, and Reagan made it clear that he did not.

scientist wrote that “there is no evidence that indicates a turn to the right by the nation. Reagan was not elected because of [the] increasing conservatism of the country.”¹⁵

While Reagan was not elected because of an increasing conservatism, he did become a major force in refocusing politics. In 1981 he began to implement his vision of government. Acting quickly and with a certain amount of drama, Reagan took on a group of governmental employees.

The Professional Air Traffic Controllers Organization (PATCO) went on strike in August 1981. The bargaining sessions for a new contract had not gone well, the controllers were feeling great stress in what is a tough job, and they finally voted to strike. Like almost all government employees, PATCO members worked under statutes prohibiting strikes. They apparently calculated that, as public safety workers, their strike would be tolerated—and they calculated wrong. It didn’t take long for Reagan to make a televised speech aimed at the striking workers, announcing that striking members would be fired in two days if they didn’t return to work. They did not return. They were fired.

The message for government employees could not have been clearer: Public employees had no political voice, and were replaceable if they got out of line. The underlying theme was equally clear: workers could no longer look to government for help. Such agencies as the National Labor Relations Board would no longer be their friend.

Reagan believed that the common good was best served by strong, unregulated competition. He thought that the results of the free market would always be in the best interest of everyone. In his vision, the work performed by government could be better handled by people who were in business to make a profit.

During the Reagan presidency governmental priorities began to change. As we saw earlier, many of the programs created between 1932 and 1980 were aimed at dealing with problems encountered by large groups of citizens—poverty, unemployment, inadequate education or health care, inad-

15 Kathleen A. Frankovich, “Public Opinion Trends,” quoted in Gerald M. Pomper, *The Election of 1980: Reports and Interpretations* (Chatham, N.J.: Chatham House, 1981), p. 113. As Pomper notes, pp. 49 and 53, the key issues for most Republican voters were not economic.

equate access to voting, food or workplace safety, environmental degradation and economic management. With so many citizens served by these programs, it was politically foolish for Congress to enact Reagan's boldest ideas. Those in Congress knew they could not be re-elected if they began shutting down necessary and popular governmental programs.¹⁶

That is not to say there were no changes. Reagan appointed conservatives as judges and heads of departments and regulatory commissions. He relied on a president's influence on public administrators to enact a great many of his policy changes. While Congress was willing to pass massive tax cuts, it was not willing to make wholesale changes in laws and policies. Reagan therefore did what he could through appointments and regulations.¹⁷

From Reagan's presidency until 2000, the electorate has been wary of the conservative vision, and has often been willing to split its vote. The first President Bush had to deal with a Democratic Congress, and Bill Clinton had a Republican Congress for most of his term of office. The second President Bush has worked with a Republican Congress and, as we shall see, the ideas that began percolating around the time of the first Reagan election have been put into practice.

(We should remember that George W. Bush won the 2000 election by one vote in the Supreme Court. He won re-election by the slimmest of margins. With all the advantages of a sitting president, had 60,000 voters in Ohio changed their votes in 2004, we would be writing about President Kerry. It seems reasonable to assume that the electorate remains remarkably evenly divided.¹⁸)

16 It was widely understood at the time that Reagan's appeal to voters was due to his personal attributes and symbolic messages, not his positions on issues. See Paul R. Abramson et al., *Change and Continuity in the 1984 Elections*, rev. edn. (Washington, D.C.: CQ Press, 1987), pp. 180, 183.

17 Reagan's early success in enacting major budget changes is described in William Greider, "The Education of David Stockman," *Atlantic Monthly*, December 1981, pp. 17–54. It is reprinted in Greider's *The Education of David Stockman and Other Americans* (New York: Dutton, 1982). On the limits of the appeal of Reagan's ideas, see Stein, *Presidential Economics*, pp. 307–22.

18 As Thomas E. Patterson points out, this is strong evidence the electorate is not sold on conservative ideas. See *We The People: A Concise Introduction to American Politics*, 5th edn. (Boston: McGraw-Hill, 2004), pp. 238–40. Citizens with firmly Republican core beliefs make up about 29 percent of the electorate. The people who are firm Democrats

Together with fundamentalist evangelical religion, the ideology that began gathering strength when Reagan was first elected is at the heart of the war against the common good. The idea that the results of a free-market economy are equal to—or better than—the agreed-upon goals of our collective decisions is simply foolishness. The idea that fundamentalist religion should dictate public policy might be even worse. We will show that America’s economy and society work *because* of government, not in spite of it. Success in the private realm depends, in no small part, on the stability, services, and initiative of the public realm.

We will question the place of a small, militant religious group pushing for space in our politics.

We will argue that what began with Reagan has born a kind of bitterness and selfishness that goes against the grain of traditional American individualism. We will see that without an inclusive common good, there can be no freedom, or even safety, in the private realm.

Financing Change

One of the huge changes in our politics has been how contemporary conservatives have become active and influential. Their activities have changed the context of our politics, and much of this change has to do with money.¹⁹

This part of the story begins with Richard Nixon. In 1972 his campaign raised a huge amount of money from his mostly wealthy constituency. A

make up about 41 percent of the electorate. As we saw in the 2000 and 2004 presidential elections, most people in the middle vote Republican based on two key issues: aggressiveness in foreign policy and personal approval of the candidate George W. Bush. Those issues can change quickly. Democrats disagree with each other on several issues, and the same is true for Republicans. What separates supporters of the two parties is this: the Republicans are more optimistic about the future, and believe that most of the problems they face can be handled by the individual. Due in large part to demographic changes, the “red” states have a higher proportion of these voters. See “Beyond Red vs. Blue: Republicans Divided about Role of Government—Democrats by Social and Personal Values,” (Washington, D.C.: Pew Research Center, May 2005). The survey was conducted in December 2004 and March 2005.

19 See Blyth, *Great Transformations*, pp. 152–72; Dick W. Olufs III, *The Making of Telecommunications Policy* (Boulder, Colo.: Lynne Rienner, 1999), pp. 101–28; Sidney Blumenthal, *The Rise of the Counter-Establishment: From Conservative Ideology to Political Power* (New York: Times Books, 1986).

million-dollar contribution could buy an ambassadorship. Large amounts of cash were given to the campaign that were never reported—and, as we know, some of that cash was paid to the Watergate burglars.

The resignation of Nixon, in the face of immanent impeachment, was one of the low points in our national life. Congress decided that faith in the electoral process could be restored by passing legislation regulating how campaigns were financed. In order to limit the amount of money an individual could contribute to a political campaign, Congress passed new laws that enabled the formation of political action committees (PACs). A PAC is simply a legal entity that can raise money from its members, employees, and others, and can give that money to candidates. PACs can be set up by anyone, but generally people and organizations with money create them.²⁰ The original model PAC was the AFL-CIO's Committee on Political Education (COPE), which unions had for many years used to support sympathetic politicians.

Congress believed that by creating PACs it could limit the amount of money given by individual contributors. The new law was successful: it did limit the amount of money given by individuals. In an almost textbook case, the unintended consequences were, however, at least as bad as the original problem. When the reforms were passed, there were about 150 PACs; today, there are about 4,000 of them. Most PACs represent business, and the growth of the conservative agenda is, in no small way, the story of how business has become more and more active in politics.

People have found easy ways to circumvent the limits on PAC contributions. Far from ensuring clean financing of elections, PACs have become a major problem. Our point is not that, seemingly every year, legislation is introduced to limit the power of PACs; our point is that one of the major results of the law that created PACs was the entry of money from conservative sources into our electoral process.

By the 1980s, business interests understood that they had long been losing the battle of ideas. They began giving large amounts of money to think-

20 By the 2004 election, people began to understand how to use the Internet to raise money. They realized that a huge number of small contributions could balance a small number of big contributions. In other words, you didn't need a lot of money to organize a PAC.

tanks that would produce ideas they wanted to promote. The American Enterprise Institute, the Heritage Foundation, and the Hoover Institution have served their masters well. And big business opened lobbying offices in Washington, D.C. When Nixon was president, only a small number of large corporations had offices in Washington, but by the time Reagan was in office, about 80 percent of large corporations had offices in the nation's capital.²¹

This is the way the new politics worked:

The model followed by the American Enterprise Institute suggests the possibilities for getting ideas into the policy process. First, a resident scholar would write a paper. The paper would be sent to influential people who might mention the idea. For example, Jack Kemp could be convinced to use the notion of enterprise zones in a speech. Next, an institute member would encourage newspaper columnists to write about the idea contained in the speech. The author of the original paper (in the case of enterprise zones, Stuart Butler) would write a book on the subject, which would be sent to senior White House aides. Finally the idea would get into a presidential speech. At that point, the idea is at the door of policymaking institutions.²²

As these groups became more powerful and sophisticated, they moved into other areas of government. For example, they now influence the appointment process for judges and government officials, collecting information and writing papers supporting or criticizing nominees. One of the great marriages of conservative think-tanks and presidential politics occurred in 2001. The person in charge of making appointments for the new administration was Lynne Cheney. Ms. Cheney, the wife of the incoming vice-president, was a long-time conservative activist and an employee of the Heritage Foundation.

21 The story of this large increase in corporate influence in the nation's capital is told by William Greider, *Who Will Tell the People? The Betrayal of American Democracy* (New York: Touchstone, 1992). See also Blyth, *Great Transformations*, pp. 152–61.

22 Olufs, *Telecommunications Policy*, p. 107.

It was no surprise that many employees of the Heritage Foundation became members of the new Bush administration.

To be clear, there are liberal think-tanks that do the same kinds of things that conservative think-tanks do. Our point here is how well-funded, powerful, and successful the conservative think-tanks have become over the last three decades. They are well-organized, well-coordinated, and sharply focused. Liberals have not done nearly as well.

There is, of course, a broader and more significant question: Is our democracy well served by this struggle of well-funded, well-connected think-tanks?

As the final piece of the political landscape, we should at least mention the media. Over the years, as our media have become more widespread and ever present, the nature of what we hear and see seems to have changed.

The mainstream and even cable media seem to have become less critical of people in power. Famously conservative Fox sells its product as being “fair and balanced.” Their belligerent conservatism is in part the loss of critical perspective and in larger part an aggressive search for a larger audience and increasing advertising income.

The major networks have lobbied against FCC rules that required public service as a condition of using public airwaves. When media businesses were required to have public service broadcasts, required to be more fair in their content, and limited in how many outlets a single company could own, the media were much more critical of the governments of the day, and of corporations as well.²³

Huge corporations now own huge chunks of the media. There is consolidation in radio, television, and newspapers. Media, while breaking up like crazy at the edges because of the Internet, is also centralizing. It looks, in some cases, like monopoly capitalism.

23 These developments, and suggestions for improving the situation, are described in David T.Z. Mindich, *Tuned Out: Why Americans under 40 Don't Follow the News* (New York: Oxford University Press, 2005). For an account of how government officials influence the content of the news, see Ken Auletta, “Fortress Bush: How the White House Keeps the Press under Control,” *New Yorker*, January 19, 2004. Conservatives frequently claim that most media have a leftist bias, as seen at www.mediaaresearch.com. The evidence for this claim is weak and highly selective. See Eric Alterman, *What Liberal Media?* (New York: Basic Books, 2003).

Since the mid-1970s, and certainly since the first election of Ronald Reagan, business and conservative ideologists have joined together in very effective ways. The marriage of money with true believers has changed politics in the United States. From humble beginnings, the war on the common good is now fully engaged.

One more chart can help us see how deep we are into that war. Earlier, in Table 1.1 we reviewed a list of federal agencies and departments and the services they provide. Those government agencies were created for the purpose of promoting our common interests. They reflected pieces of those shared habits of mind and behavior that Aristotle believed were needed for a just state to exist.

Table 1.3 shows a list of laws taken from a book published in 2004.²⁴ Table 1.1 referred to some of the same laws creating a variety of federal agencies. The difference in the two charts lies in the vision of how these laws are understood and interpreted. The title of the book is *How Capitalism Saved America*, and author Thomas DiLorenzo's theme is a familiar conservative one: government is the enemy.

There is no ambiguity in what DiLorenzo has to say. From civil rights to toxic waste, from attempting to help Americans with disabilities to trying to clean the air, the government of the United States is just making things worse. When bad things periodically happen, they must surely be the result of government regulation. In the following chapters, we will see, in some detail, how this war on the common good is being fought and we'll look at some of the results.

For now, all we need to know is that the political environment is now dominated by well-organized think-tanks, well-funded PACs, and increasingly narrowly focused media. Since the Reagan administration, conservatives have been particularly successful in presenting their ideological version of reality. As their power has increased, the idea of the common good has both changed and declined in importance.

Politics are not what they were when this war began.

24 Thomas J. DiLorenzo, *How Capitalism Saved America: The Untold History of Our Country, from the Pilgrims to the Present* (New York: Crown Forum, 2004), pp. 227–28.

Table 1.3 Government Infringements on the Property Rights of Business Owners, 1974–1993

Law	Property Rights Obstruction
1974 Warranty Improvement Act	Government mandates warranties (which interfere with a business's ability to determine what products and services the business will and will not offer)
1975 Energy Act	More government control over the energy industry
1976 Hart-Scott-Rodino Antitrust Amendments	Require companies to notify Department of Justice of planned mergers
1976 Toxic Substances Act	Restricts use of chemicals
1977 Energy Act	Created Department of Energy
1987 Surface Mining Act	Federalizes mining regulations
1980 Superfund Act	Socializes cost of environmental cleanups
1984 Insider Trading Act	Criminalizes securities trading with vague and undefined "nonpublic information"
1986 Superfund Amendments	Require companies to report emissions to the government
1986 Age Discrimination Act	Further federalizes labor policy
1990 Clean Air Act Amendments	Broadens the EPA's powers (the laws have been shown to have actually worsened air pollution)
1990 Americans with Disabilities Act	Defines over 70 new areas of "disability," including alcoholism
1991 Civil Rights Act	Further legalizes workplace discrimination in favor of politically favored groups
1993 Family and Medical Leave Act	Gives employees an "entitlement" to take time off with "job reinstatement rights"

Source: Thomas J. DiLorenzo, *How Capitalism Saved America The Untold History of Our Country, from the Pilgrims to the Present* (New York: Crown Forum, 2004).

Faith

Religion has come to play a much larger role in our politics. In this section we will look at how faith is influencing both the decision-making process and the decisions that are made. We will see how fundamentalist evangelical Christianity can be a threat to the common good.

There is little need to go into great detail about the role of religion in our history. While we have always insisted that our politicians be religious, we have also (more or less) separated state matters from church matters.

The Founding Fathers seemed clear that there should be no official, state religion, and one of our undeniable rights has always been the freedom to worship in the religion of our choice, or to not worship at all.

It has been easy to ignore the fact that the Puritans, who came to America to escape religious persecution, would not have minded establishing a Puritan Nation. As the second-generation of Puritan colonists moved out of the Boston area, the first-generation found it impossible to impose a single, narrow religious Puritan orthodoxy. From that beginning, what was to become the United States seemed destined to be a place where religious diversity would simply be a political fact.

Again, our history shows how that diversity developed. For centuries the United States was dominated by white, Anglo-Saxon Protestants from northwestern Europe. With increased immigration, other religions began to matter. There were enough Catholics to make a political difference, and Jews formed a solid voting group, and later other ethnic groups with different religions from Asia and the Middle East gained influence. By the last quarter of the twentieth century, we had become a religiously diverse nation. With the exception of John F. Kennedy, our presidents have been white, Anglo-Saxon Protestants, yet the nation they have led has become home for a wide variety of religious cultures.

The tension between faith and politics can be traced back to our Founding Fathers. The most influential of the Founders (George Washington, Thomas Jefferson, and Benjamin Franklin) were Deists. The world, according to their belief, was rational. The universe was like a big clock that God had set in motion. As science became more and more sophisticated, as people gathered more and more facts and discovered more and more underlying laws, they believed that it would be possible to understand how the universe worked. They believed that was the case with God, and that organized religion did not matter much.

Our Founding Fathers began with these biases: 1) the universe is fact-based and knowable; and 2) there should never be a state-supported religion. By the beginning of the twenty-first century, the idea of a fact-based universe was under attack. A different kind of faith had come into play.

George W. Bush and a Faith-Based Presidency

We know the general outline of how George W. Bush grew up. That he was a privileged student, an unsuccessful businessman, and an alcoholic is not really the point. What is important is that, in his early forties, his parents got so mad at him that they set up an intervention. They called family friend Billy Graham to their home in Maine and asked him to help their son. For three days Graham and George W. had serious talks. The result was that George W. Bush was born again.

It was a serious rebirth, and it changed his life. What makes the story interesting is that those talks seem to have changed the course of history. That is what we need to understand.²⁵

Jim Wallis, a minister, wrote a book titled *Faith Work*, a book that President Bush particularly liked. Wallis met Bush once, and the meeting did not go well. After the meeting, Wallis had concerns about the kind of faith the president had. In an interview with Ron Suskind, Wallis had this to say about faith:

Faith can cut two ways. If you're penitent and not triumphal, it can move us to repentance and accountability and help us reach something higher than ourselves. That can be a powerful thing, a thing that moves us beyond politics as usual, like Martin Luther King did. But when it's designed to certify our righteousness—that can be a dangerous thing. Then it pushes self-criticism aside. There's no reflection. . . . Real faith, you see, lead us to deeper reflection and not—not ever—to the thing we as humans so very much want . . . easy certainty.

Bush has a self-proclaimed faith-based presidency and, from all the evidence, that faith is the kind that does not lead to reflection.

One of the things that comes from Bush's lack of reflection is great self-confidence. Put differently, it makes him appear to be a strong leader. The coincidence of events (a faith-based president when the 9/11 attacks took place) created a perfect situation for Bush. He took charge, he knew evil when he saw it, he was the picture of a person in control. (Those who saw

²⁵ Unless otherwise noted, what follows comes from Ron Suskind, "Without a Doubt," *New York Times*, October 17, 2004, magazine section.

the movie *Fahrenheit 9/11* may recall a remarkable scene when Bush was told that a plane had hit the second World Trade Center tower. No strong leader there—he sat still until an aide ended the session. At the time it seemed necessary for the country to ignore that reality and believe that Bush was a strong president who knew what to do.)

There is no secret that Bush campaigned as God's candidate. In a question-and-answer period during the 2004 election, someone said to the president: "I've voted Republican from the very first time I could vote. . . I also want to say this is the very first time that I have felt that God is in the White House." Bush simply said: "Thank you."

To a group of Amish farmers, Bush reported to have said: "I trust God speaks through me."

Finally, someone introduced Bush at a rally in Popular Bluff, Missouri, with these words: "The United States is the greatest country in the world. President Bush is the greatest president I have every known. I love my president. And more important, I love Jesus Christ."

Running as a strong leader and as a faith-based president barely got Bush re-elected. In a fear-based campaign, the candidate who looked strongest won. The problem for the common good is that the particular kind of faith practiced by this president has serious shortcomings. His is the most private and personal kind of faith. There is no reason to believe that his faith is at all related to our collective lives, or things we hold in common. In fact, it is not difficult to see how his faith-based style has gotten the country into trouble.

For Bush, being faith-based is the opposite of being fact-based. In any kind of organization, information flows to the decision-maker. In a classic bureaucracy, information goes up and decisions come down. What seems to be happening in the Bush White House is that decisions come down without the benefit of information.

From cabinet members like Paul O'Neill, Christine Todd Whitman, and Colin Powell, to the generals fighting in Iraq, we hear that it was not unusual to be told—regardless of the facts—that the president had made decisions based on his "gut," or his "instinct," or that he has "prayed over it." In a sense, information is still flowing to the leader; however, it is not necessarily fact-based information gathered by responsible people in for-

mal organizations. The fundamentalists believe that Bush is a messenger from God, and so does he. Information comes down from God to Bush, who then issues a declaration.

The war in Iraq seems the most obvious example. The American people (as well as the United Nations) were told that Iraq had weapons of mass destruction. They were also told that a war in Iraq was a war against terrorism. Both assertions were factually wrong. No weapons of mass destruction were ever found, and those who attacked the United States had no ties to the Iraqi government.

Five days after 9/11, Bush began to make the case for what would be a faith-based war. He said: "This is a new kind of—a new kind of evil. And we understand. And the American people are beginning to understand. This crusade, this war on terrorism is going to take a while." The key word, of course, is *crusade*. The Christian West, several hundred years ago, waged war on the Muslim world to reconquer Palestine. We know those wars as the Crusades. Muslims worldwide were shocked by his used of that term to describe America's intervention in Iraq.

In early October of that same year, President Bush addressed the nation to announce the U.S. attack on Afghanistan.²⁶ Bruce Lincoln, a biblical scholar, did a line-by-line analysis of the speech. He "identified a half-dozen veiled borrowings from the Book of Revelation, Isaiah, Job, Matthew, and Jeremiah. He concluded that for those with ears to hear biblical subtext, 'by the [speech's] end America's adversaries have been redefined as enemies of God and current events have been constituted as confirmation of scripture.'"

The speech appealed to those "with ears to hear a biblical subtext." It is not unusual for a president to evoke, in both subtle and less than subtle ways, a higher authority. Indeed, presidential talks often end with these words: God bless the United States of America. But a familiar way of ending a speech is much different than defending the decision to go to war for religious reasons.

As Ron Suskind was gathering material for his article about the Bush White House, he had the following conversation with a "senior adviser to

26 This comes from Paul Krugman, "The Wars of the Texas Succession," *New York Review of Books* 51, no. 3 (February 26, 2004).

Bush.” The conversation fully illuminates what the White House is about. Suskind writes: “The aide said that guys like me were ‘in what we call the reality-based community,’ which he defined as people who ‘believe that solutions emerge from your judicious study of discernible reality.’ I nodded and murmured something about Enlightenment principles and empiricism. He cut me off. ‘That’s not the way the world really works anymore,’ he continued. ‘We’re an empire now, and when we act, we create our own reality. And while you’re studying that reality—judiciously, as you will—we’ll act again, creating other new realities, which you can study too, and that’s how things will sort out. We’re history’s actors . . . and you, all of you, will be left to study what we do.’”²⁷

So much for the Founding Fathers’ faith in a rational universe. So much for the Enlightenment idea that we can make sense of our human condition by studying our world. So much for a decision-making process in which information is gathered by those in the organization and passed on to the leader so he or she can make a decision. History, according to this White House, will be made by those acting on faith. They will act and the rest of us will study what they have done. They will continue to act—and the rest of us will always be at least a step behind.

They will act and, it seems, we will be left to clean up the messes they make.

Bruce Bartlett was an advisor to Ronald Reagan and a treasury official for the first President Bush. Here is what he has to say about the second President Bush:

27 It was clear that the government of Afghanistan harbored the people who attacked us, and it was not difficult to justify that war. See Jean Bethke Elshtain, *Just War Against Terror* (New York: Basic Books, 2003). But as we know, the decision to invade Iraq was not a response to an attack, was not in pursuit of terrorists, but was instead the plan of people who for years had wanted to invade Iraq for other reasons. See Todd S. Purdum, *A Time of Our Choosing: America’s War in Iraq*, rev. edn. (New York: Times Books, 2004); Richard A. Clarke, *Against All Enemies: Inside America’s War on Terror* (New York: Free Press, 2004); and Mark Danner, “The Secret Way to War,” *New York Review of Books*, June 9, 2005. A copy of the “Downing Street Memo,” the subject of Danner’s article, appears there as an appendix. See also Thomas Powers, “How Bush Got It Wrong,” *New York Review of Books* 51, no. 14 (Sept. 23, 2004), and Kenneth M. Pollack, “Spies, Lies, and Weapons: What Went Wrong,” *Atlantic Monthly*, January/February 2004. Pollack had been a strong supporter of the war.

This is why George W. Bush is so clear-eyed about al-Qaeda and the Islamic fundamentalist enemy. He believes you have to kill them all. They can't be persuaded, that they're extremists, driven by a dark vision. He understands them, because he's just like them. This is why he dispenses with people who confront him with inconvenient facts. He truly believes he's on a mission from God. Absolute faith like that overwhelms a need for analysis. The whole thing about faith is to believe things for which there is no empirical evidence. But you can't run the world on faith.

Al-Qaeda and George W. Bush are well-matched enemies. Both are making history based on their faith. Faith, at least that kind of faith, is the most private good there can be. The Bush aide is right: their private visions are now overwhelming any other notion of a common good.

And So

The war against the common good is now being fought on two fronts. The first is the front that was opened during the Reagan years. The principle of this campaign was that the results of the free market were good, and the results of government action were bad. There has been a sustained effort to eliminate government services and regulations. The government could wage war and enforce certain moral principles, but most any other action could not be tolerated.

The second front has been fundamentalist evangelical Christianity. It is the faith-based idea that the Lord will tell the Leader what to do. If God is the decision maker, then every decision is the right one.

You do not have to look too carefully to see that citizens are left out of each equation. There is no collective good; no sense that there is, in Lyndon Johnson's words, a place for people to be part of "a common enterprise, a cause greater than themselves."

The essence of the marriage between free-market and religious fundamentalisms is selfishness. On the one hand it's about personal wealth; on the other it's about personal salvation, defined in a narrow-minded way. It is lunacy to believe that a common good can result from the tyranny of those who are self-absorbed.

We can return to the beginning of the chapter and think about our reactions to Hurricane Katrina. There was that nagging sense something was very wrong—and that it had little to do with merely incompetent government appointees. The sense was that something had gone wrong systemically. There was a feeling that this disaster had been building for years.

If you are the president and have faith that the free market and evangelical Christianity can answer all questions, then your first instinct is *not* to send help. Powerful market forces, and even more powerful holy forces, will make certain that everything is all right. The collective power of the people, as represented by its government, need not come into play. Government, after all, is the enemy.

And if you are the president, you certainly want like-minded people in high government positions. Apparently, ideological like-mindedness is, in this calculation, the same as being competent.

Those with faith act while the rest of us are a step behind—angered by their sin of pride and dutifully trying to clean up their mess.

What follows is an in-depth discussion of how these antigovernment beliefs and policies came about and what the results have been. In the next chapter, we take up one policy area—education—and see how free-market advocates are shaping schooling for their own purposes.