



Written by [William F. Jasper](#) on May 18, 2020

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## Correction, Please!

### **Coronavirus Serves as Pretext for Larger, More Invasive Government**

**Item:** *The cover story and feature editorial in the Economist's issue for March 28-April 3 focus on the response to the coronavirus pandemic. The editorial is entitled "Everything's under control," with the subtitle reading, "Big government is needed to fight the pandemic. It may not shrink again afterwards." The "record suggests," says the Economist, "that crises lead to a permanently bigger state with many more powers and responsibilities and the taxes to pay for it." The publication opines that many of the changes "will be desirable" — mentioning, for example, a larger "investment" in "public health" in many nations, specifically the United States, where such "reform" is said to be "badly needed."*



**Item:** *Time magazine in its April 6 issue features a paean for an organizer (named Ady Barkan) and the belief that "COVID-19 is yet another reason to pass Medicare for All." This is said to be an "opportunity," in part because "the Democratic base — moderates and liberals alike — appears to support some version of Medicare for All."*

**Item:** *The Financial Times, an international paper headquartered in London, declares in its edition dated April 3 that, because of the pandemic, "Radical reforms are required to forge a society that will work for all." Here, among others, is what is being promoted by the editors: "Redistribution will again be on the agenda; the privileges of the elderly and wealthy in question. Policies until recently considered eccentric, such as basic income and wealth taxes, will have to be in the mix."*

**Item:** *Writing in the New York Times for March 18, columnist Jamelle Bouie states that "even the most ambitious proposals are nowhere near powerful enough to actually stop the coronavirus from destroying the economy. To do that, policymakers have to go beyond stimulus or bailouts for select industries. They have to take responsibility for economic life on a scale not seen since the New Deal."*

*The column is entitled "The Era of Small Government Is Over." (The piece somehow fails to note that "small" government spending in 2018 was a substantial 37 percent of Gross Domestic Product.) The article promotes, among others, a progressive program where "workers would remain formally employed but receive unemployment benefits." Also advocated is legislation that calls for "unconditional cash assistance, with universal programs that would assist all of us."*

*Now, according to the Times columnist, is an "opportunity to once again embrace direct state action as*



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*a powerful tool for preserving and promoting prosperity.”*

**Correction:** Leftists relish crises as pretexts for grabbing power and more revenues for their causes. While the hoi polloi has to scramble to feed their families because millions of jobs have been destroyed, elitists with a longer view envision globalist controls, widespread redistribution of wealth, and centralized regime programs.

It is happening now. And the demands for even bigger government schemes are seemingly endless. Many have little or nothing to do with stopping the spread of the coronavirus. Here’s just a sampling of what the Left is pushing: more generous unemployment benefits, some that could serve as a disincentive to rejoining the workforce; universal basic income; weakening of state election laws by federal mandates for early voting and mail-in voting; requiring same-day voter registration, though not allowing voter-ID laws; and even requiring American women to register for the military draft (a project of one congressional panel).

Here’s more, with most of these being projects of a Democratic Party “idea factory” called the Center for American Progress: work-sharing; dramatically enhanced state and local aid; larger and automatically extended direct payments to households; and requiring more universally available paid leave — “all while filling gaps in those programs that leave out people who are experiencing severe need.” Also: mandatory support for child care; subsidized abortions; additional food assistance; aid for illegal aliens; canceling of student loans; and securing “critical services and medical care for LGBTQ people.”

Steve Hanke, a professor of applied economics and co-director of the Institute for Applied Economics, Global Health, and the Study of Business Enterprise at Johns Hopkins University in Baltimore, writing in *Central Banking*, notes that liberals in France also want more state controls. He writes, “Indeed, the cries in Paris for more ‘state’ and less ‘private’ are deafening — never mind that government expenditures already account for more than 55% of French GDP.”

Professor Hanke does not ignore the United States, noting in April that

the drums for more central government are beating louder with each passing day. And that’s despite reportage about massive government failure in the face of the coronavirus pandemic. Indeed, as I write, Reuters has just issued a special report entitled, “How federal government snafus slowed testing at a top US hospital.”

Undaunted, the wizards on the Left rarely notice the holes in their logic when pressing the federal government to do much more — even after it has proven incapable of acting appropriately in the first place. Case in point: Donald Trump’s political enemies berate him as a “fascist,” while also insisting that he nationalize industries to better fight the virus.

Such statisticians also would like to place the United States under the control of a single-payer healthcare system. Yet, consider the shoddy counter-virus record of the central government. Christian Britschgi, writing for *Reason*, summarized how the Centers for Disease Control and Prevention (CDC) “monopolized testing for the virus early in the year, and then shipped out defective tests to labs, likely blowing the country’s best shot of containing COVID-19 early on.”

The CDC is assuredly not alone in its stumbling. Other agencies were also involved. Michael Tanner, a senior fellow at the Cato Institute, discussed the process after the coronavirus was seen as a threat. As



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Tanner recounted,

the most egregious errors have actually been made by government organizations, from the FDA to the CDC to FEMA, while many of the breakthroughs that we've seen, such as rapid tests, potential treatments, and possible vaccines, have originated in the private sector. We might have seen even quicker results from the private sector without the government regulations and bureaucracy that slowed it down.

Does anyone really believe that we should put the same government that can't manage the acquisition and delivery of ventilators and personal protective equipment in charge of even more of our health-care decisions?

The question answers itself.

Indeed, the progress gained against the spread of the virus largely took place when government regulations were relaxed or waived. That should prove instructive.

Steven Greenhut, writing in California's *Orange County Register* in April, also commented on the inaccuracy of the CDC's COVID-19 tests. Moreover, as he observed, companies in the private sector "were forbidden from developing tests unless they went through the long process of Food and Drug Administration approval. The Trump administration has temporarily waived those rules, but they left our country in a precarious position when a pandemic struck."

Federal regulations are ubiquitous. And nothing seems to be more permanent than a "temporary" government regulation. Deregulation, in contrast, works. Thus, when public pressure about the virus revealed the extent of holdups, the Department of Transportation began "waiving restrictions on how many hours truck drivers can work," wrote Greenhut. And as he put it, the Department of Health and Human Services has been "waiving privacy laws so more Americans can use telehealth services — allowing them to access medical advice from home."

Yet statisticians want to add to the rules. And they get them. Robert Higgs, a professor of political economy, dubbed this the "ratchet effect." He documents how the additional powers that are assumed by government during an emergency do not get completely relinquished when the crisis wanes.

Accordingly, in Higgs's words, "crisis typically has produced not just a temporarily bigger government but also permanently bigger government." He documents such episodes of American government from the Progressive Era through two world wars and beyond in his classic book *Crisis and Leviathan*.

Following the ideological transformation of the Progressive Era, as Higgs wrote in his book, each genuine crisis has been the occasion for another ratchet toward Bigger Government. The Progressive ideological imperative that government must "do something," must take responsibility for resolving any perceived crisis, insures new actions. The actions have unavoidable costs, which governments have an incentive to conceal by substituting coercive command-and-control devices for pecuniary fiscal-and-market means of carrying out their chosen policies.

The professor cites multiple examples:

Military conscription, wage-price controls, assignment of official priorities and physical allocation of selective commodities, countless economic and social regulations, import quotas and export controls — all confirm the hypothesis. Knowing how much a crisis facilitates Bigger Government, special interests



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always use such propitious occasion[s] to seek whatever governmental assistance they think will promote their own ends.

As he concludes, “Once undertaken, governmental programs are hard to terminate.”

The global record in this regard spans centuries. The same issue of the *Economist* previously cited also recapitulates a number of such outcomes. Since the Napoleonic wars, says the publication, the “responses to crises” have “further consolidated the power of the state.” For instance, the top rate of income tax in France

was zero in 1914; a year after the first world war it was 50%. Canada introduced [the] income tax in 1917 as a “temporary” measure to finance the war. During the second world war [the] income tax in America turned from a “class tax” to a “mass tax”, with the number of payers rising from 7m in 1940 to 42m in 1945 (today more than twice as many Americans are caught in the net). The second world war also led to calls for the introduction of cradle-to-grave welfare systems.

When it comes to the aftermath of the coronavirus, the numbers keep mounting — in lives, expenditures, and debt. As we write, the government in Washington is spending almost \$4 trillion more this year than it will receive in revenues.

Additional spending and debt are being planned as we write. The United States, on average, borrowed 2.1 percent of its Gross Domestic Product each year between the end of World War II and 2019, according to Phil Gramm of Texas, the former chairman of the Senate Banking Committee; yet, this year to date the federal government is in line to borrow an astounding 20.6 percent of GDP.

What will we learn from this experience? Perhaps there might be a silver lining if we realize that the vaunted “models” that helped to drive the wholesale closing of the U.S. economy were erroneous, often badly. This happened in part because the data being input about the virus kept changing, sometimes daily. (As for a potential lesson: Consider that many of the same progressives who demand that we retool the nation’s entire economy because of their “climate change” projections insist that we trust their models. These “scientific” versions of crystal balls supposedly forecast the fine points of Earth’s temperature a hundred years hence.)

Worse than huge spending and larger deficits, our very freedoms face additional threats, as happened after 9/11.

The communists in China — the apparent origin of the coronavirus — already use drones and informers to track potential carriers of the disease and to augment their other widespread surveillance systems.

Can’t happen here? Police in New Jersey already have deployed drones to warn people to stop gathering if they appear to be breaking social-distancing guidelines. And radical New York City Mayor Bill de Blasio recently announced a snitch line so dwellers in the Fun City can turn in their neighbors who might be breaking the rules for social distancing. “It’s simple,” the mayor assured his subjects on Twitter. “Just snap a photo and text it” to the provided number.

All of these restrictions and mandates, big and small, are said to be necessary for our protection. Edmund Burke put it differently in his letter to the sheriffs of Bristol in 1777, warning, “The true danger is when liberty is nibbled away, for expedients, and by parts.”

— William P. Hoar



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