
Ideology Versus Reality

George H. Blackford © (2013, updated 5/15/2014)

For the past forty years the [Conservative Movement](#) has incessantly attacked the American government as if the solution to all of our problems is to be found in lowering taxes, cutting government expenditures, and in getting rid of government regulations.

Few people seem to realize that this movement is attacking the same government that created the Social Security System to provide old age and disability insurance; Medicare, and Medicaid to provide health insurance for the aged and the indigent; the Veterans Administration to serve our veterans; unemployment compensation to soften the blow of unemployment for the unemployed; the Food and Drug Administration to protect us from tainted food and worthless or dangerous drugs; the Security Exchange Commission to fight fraud in the financial sector of our economy; the Federal Reserve System to control the money supply and provide for economic stability; the Bureau of Consumer Protection to protect us from dangerous consumer products and fraudulent business practices; the newly created Consumer Finance Protection Bureau that has been created to protect us from the fraudulent and predatory practices of the financial services industries; the Environmental Protection Agency to prevent the poisoning of the air we breathe, the water we drink, and the very ground on which we live; the Occupational Safety and Health Administration to provide for a safer workplace; the National Institute of Health to promote health research; the Centers for Communicable Disease and public health departments that fight the spread of communicable diseases; the National Science Foundation that promotes basic scientific research; and countless other institutions and regulatory agencies that promote the general Welfare, as is called for in the Constitution.

It is also the same government that created the [transcontinental railroad](#) and [interstate highway](#) systems along with all of our state highways, county roads, and city streets; the military that provides for our national defense; the police and judicial systems which set the rules and provide for law and order within society; our firefighters who fight our fires;

our national, state, and local park systems; and our land-grant college system and other public college, university, secondary, and elementary school systems devoted to the concept of universal education that has proved to be the backbone of economic and social development within our society for the past 150 years. And this is the same government that won [World War II](#) and the [Cold War](#) and that has fueled the most powerful economic engine in the world.

These are all the products of our government, and it is this government conservatives have been attacking for the past forty years—the government of the United States of America as created by the [Constitution of the United States of America](#). ([Kuttner Lindert Amy](#))

Why We Regulate Markets

Contrary to what free-market ideologues would have you believe, there are reasons why we have government regulations. In the real world, government regulation is essential to the efficient and safe functioning of markets. We regulate the markets for food and drugs and other consumer goods because without regulation it is inevitable that dangerous foods and drugs and consumer goods that have the potential to cause great harm to innocent people will be fraudulently or negligently foisted on an unsuspecting public.

We regulate markets to control pollution because without regulation it is inevitable that our air and water, rivers and streams, fish and fowl, and even the very Earth on which we live will become contaminated and poisonous to human beings.

We regulate the work environment because without regulation it is inevitable that the forces of competition and the drive for profit will lead to increasingly dangerous and harmful work environments with sixteen to eighteen hour days and eight and ten year old children working in coal mines.

Finally, we regulate financial markets not only because without regulation it is inevitable that greed and the lust for profit will lead to fraudulent, reckless, irresponsible, and foolish behavior on the part of those in charge of our financial institutions that will cause

a great deal of harm, not only to the individual victims who are directly affected by this kind of behavior, but because throughout history, time and time again, we find that this kind of fraudulent, reckless, irresponsible, and foolish behavior has led to economic catastrophes that have brought the entire economic system to its knees—catastrophes that have led to an unconscionable amount of hardship, misery, and suffering on the part of innumerable individuals who had nothing to do with the nefarious behavior that brought on these catastrophes.

It is the presence of government regulation that moderates the forces within a capitalist system that, if left unchecked, would lead to injury and harm to a great number of innocent people, and it is the height of foolishness to think that somehow life would be better for the vast majority of the population if we did away with government regulation. In the absence of a powerful force to intervene in free markets to constrain them to serve humane ends, Capitalism promises to become a cancerous growth on humanity that [will devour the very planet on which we live](#). The only force available to intervene in in this way is a democratic government, and it is clear from the history of Capitalism—or at least it should be clear—that [we deny this reality](#) at our peril. ([Smith](#) [MacKay](#) [George](#) [Marx](#) [Veblen](#) [Roosevelt](#) [Haywood](#) [Jones](#) [Fisher](#) [Josephson](#) [Keynes](#) [Polanyi](#) [Schumpeter](#) [Boyer](#) [Galbraith](#) [Musgrave](#) [Domhoff](#) [Kindleberger](#) [Minsky](#) [Skidelsky](#) [Stewart](#) [Zinn](#) [Stiglitz](#) [Phillips](#) [Kuttner](#) [Morris](#) [Taleb](#) [Lindert](#) [Bogle](#) [Harvey](#) [Dowd](#) [Galbraith](#) [Baker](#) [Stiglitz](#) [Klein](#) [Reinhart](#) [Fox](#) [Johnson](#) [Amy](#) [Sachs](#) [Smith](#) [Eichengreen](#) [Rodrik](#) [Graeber](#) [IPCC](#) [Blackford](#))

We have been cutting back on government programs for forty years now, and it hasn't exactly worked out for the best as we continue to struggle with the end result of these cutbacks, namely, the worst economic crisis since the Great Depression and a governmental system that can barely function today.

Free-Market Ideology

The free-market ideologues that inspire the [Conservative Movement](#) have a very simplistic view of reality based on their concept of liberty and freedom. It is their belief that individuals should be allowed the freedom to fend for themselves in free and

unfettered markets to provide for their own economic well being without government interference or guarantees. It is the free choices of individuals in free markets that create prosperity and wealth in society, in their view, and individuals owe nothing to society save to honor the contracts they freely enter into. And they definitely do not believe in government mandated social insurance. Government mandated social insurance interferes with the liberty and freedom of those, such as themselves, who do not wish participate in or pay for these programs. They simply do not believe that it is the purpose of government to promote the general Welfare, other than to provide for national defense and to protect property rights. ([Friedman](#))

The leadership of the [Conservative Movement](#) also believes that if government will just get out of the way, the free choices of individuals in free and unfettered markets will optimize human well being within society through the discipline of the marketplace. Those who work hard and are productive will be rewarded by the marketplace through higher incomes and their ability to accumulate wealth in proportion to their contribution to society. Those who do not work hard, are not productive, and do not contribute substantially to society will not be so rewarded.

To the extent government interferes with this market discipline, people no longer have an incentive to work hard, productivity falters, output falls, and we are all made worse off. In this view, the distribution of income and wealth so determined by free and unregulated markets is fair and just, and anything the government attempts to do beyond national defense and enforcing property rights is unfair and unjust and does more harm than good as it destroys market discipline and causes productivity and output to fall.

The arguments explaining this view of reality are put forth with elegance and logical infallibility in such works as [Ayn Rand's ,*The Fountainhead*](#) and [Atlas Shrugged](#), [Friedrich von Hayek's, *The Road to Serfdom*](#), [Milton Friedman's, *Capitalism and Freedom*](#) and [Free to Choose](#), [Lu dwig von M ises's , *Human Action*](#), and the [American Conservati ve Union 's , *Statement of Principles*](#), works that have inspired conservatives

to ever higher levels of passion over the past sixty years as well as having provided the backbone of their arguments.

In addition, the academic discipline of economics has provided a logically consistent and mathematically elegant model of market behavior that describes how this ideal system of human interaction in markets is supposed to work as well as the prerequisites for the existence for such a system to actually work. ([Kuttner](#) [Taleb](#) [Dowd](#) [Galbraith](#) [Fox](#) [Musgrave](#) [Stiglitz](#) [Klein](#) [Johnson](#) [Smith](#))

It should not be surprising that the logically infallible works listed above combined with the heroic efforts of academic economists to explain how free markets are supposed to work have provided the intellectual foundation for an ideological view of society that is totally out of touch with reality. After all, you can prove anything with logic! All you have to do is start with a false premise, and the logically infallible works listed above are filled with false premises, beginning with the fact that the literature that provides the passion for this ideological view is based on a straw-man caricature of tyrannical government that completely ignores all of the essential functions that government performs in our daily lives and without which civilized society is impossible—the kinds of functions so beautifully explained by [Douglas Amy](#) in his website, www.governmentisgood.com.

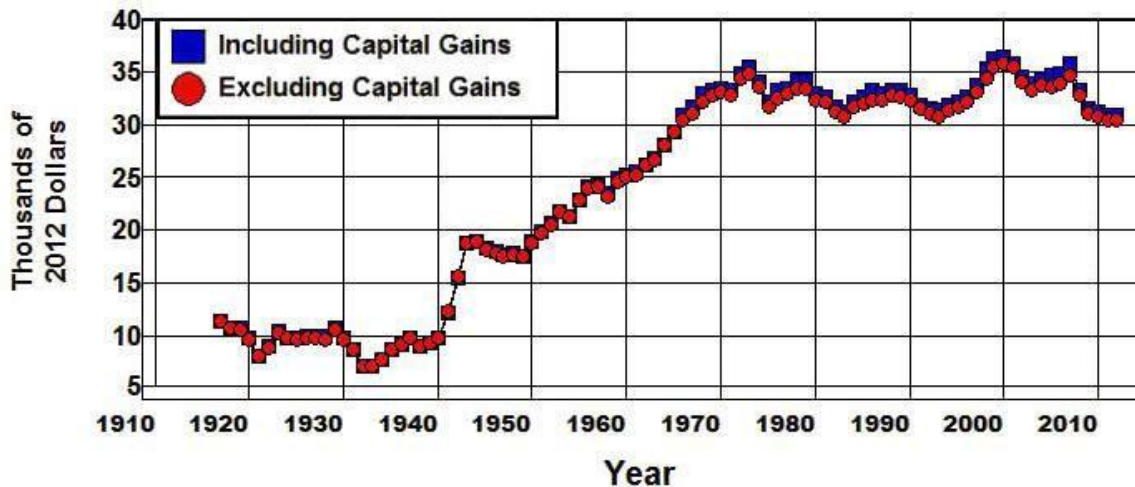
By the same token, the academic model that explains how, and under what circumstances such an economy is supposed to work not only completely ignores the role of government in our economic and social lives, but the assumptions on which the logical consistency of this model depends—the most important being that no economic actor has the power to directly [influence market prices](#), all market participants have [perfect information](#) as to the determination of market prices, that there are no [external costs or benefits](#) associated with the production or consumption of goods, and that [people behave rationally](#)—are impossible to achieve in the real world.

Income in the Real World

The free-market ideologues who dominate the Conservative Movement tell us that lower taxes, less government, and deregulated free markets will solve all of our economic

problems and make everyone better off. Yet, when we look at the era at the beginning of the twentieth century in **Figure 1** when taxes were low, government was small, and regulation was virtually nonexistent—a state of nature that conservative ideologues hold as ideal—we find that there was no increase at all in average real income of the bottom 90% of the income distribution. The real incomes of the bottom 90% didn't begin to increase during the twentieth century until 1933 at the beginning of the [New Deal](#), that is, until the era of higher taxes, more government, and more regulation of the economic system ushered in by the New Deal began.

Figure 1: Average Real Income of the Bottom 90% of the Income Distribution, 1917-2012.



Source: [The World Top Incomes Database](#).

What's more, when we look at the 40 year period that followed the beginning of the New Deal we find that the average real income of the bottom 90% (excluding capital gains) increase fivefold as it went from \$6,940 (measured in 2012 prices) in 1933 to \$34,956 in 1973.

We also find that during the 39 year period of lower taxes, less government, and deregulation that followed 1973 there was a repeat of the period that preceded 1933—no increase in the average real income of the bottom 90%. From 1974 through 2012, the average real income of the bottom 90% exceeded the high it had achieved in 1973 for only a brief, two-year period in 1999 and 2000, and by 2012 it had fallen back to \$30,439, which was below the \$31,205 level the bottom 90% had achieved in 1967.

In light of this history, the conservative's notion that lower taxes, less government, and deregulation lead to prosperity for all is clearly absurd. ([Blackford](#))

Winners and Losers

It is obvious to all but free-market ideologues that the incomes people receive, and the wealth people are able to accumulate as they participate in an unregulated market economy, do not necessarily correspond to how hard they work or how productive they are or by how much they contribute to the society as a whole. It is also obvious that the accomplishments of individuals are not achieved by their own efforts alone, but are crucially dependent of the social system in which they live that makes their individual accomplishments possible.

No one can deny that the fortunes accumulated by [Bill Gates](#), [Paul Allen](#), [Steve Jobs](#), [Steve Wozniak](#), [Robert Noyce](#), [Gordon Moore](#), [Andrew Grove](#), and countless others who have made immeasurable contributions to the micro computer revolution over the past forty years are comparable to their immeasurable contributions to the well being of the society as a whole and are well deserved on that account alone. They are living examples of everything the mythical world of unregulated, free-market capitalism is supposed to be about.

It is also true, however, that they did not achieve their immense accomplishments on their own. Their accomplishments were built on the backs of giants throughout history who developed the science that made their successes possible and depended crucially on the university system that has evolved over the centuries that made that science possible. Their successes would have been impossible without the tremendous technological breakthroughs in the aerospace program and as a result of government sponsored computer research during World War II, and there is a certain amount of noncompetitive monopoly power that has contributed to the size of their fortunes. At the same time, it is impossible to deny that luck played a major role in determining the size of their fortunes as well—that had they been born in a different era or into families living in desperate straits in Sub-Saharan Africa or some other desperate place in the world rather than in this era and into moderately well to do families in the United States they

would have been far less successful in life. As a result of all of these social factors, and many more, *they owe an immense debt of gratitude to the society that made it possible for them to flourish in the way they have flourished.* ([Alperovitz](#))

When we look at the income received and wealth accumulated by others in today's world, however, we see a very different picture. When we look at the incomes received and fortunes accumulate by the [executives of General Motors](#) as they drove the world's largest automobile company into bankruptcy; by the savings and loan [owners and managers](#) as they financed the [commercial real estate bubbles in the 1980s](#); by [the corporate raiders](#) who drove American businesses deeper and deeper into debt and countless firms into bankruptcy; by [those who hyped worthless internet stocks](#) in the 1990s; by the executives of [Drexel Burnham Lambert](#), [Enron](#), [Global Crossing](#), [WorldCom](#), [Fannie Mae](#), and countless other individuals that used insider information, stock manipulation, or phony accounting practices to generate paper profits to justify increases in their multimillion dollar salaries and bonuses as they ran the businesses they headed into the ground; by [those who originated millions of subprime and alt-A mortgages](#) through fraud and deception in the 2000s; and by those who gave unwarranted triple-A ratings to the mortgage backed securities, securitized these mortgages, and created the worldwide crisis we are in the midst of today we do not find living examples of everything the mythical world of unregulated, free-market capitalism is supposed to be about. Instead, we find living examples of what real-world, unregulated, free-market capitalism is actually about.

The unconscionable incomes and massive fortunes these individuals accumulated have nothing to do with economic efficiency or the contributions these individuals have made to the society as a whole. Their contributions to economic efficiency and to society as a whole were negative, and even if they returned all of the income they received and wealth they accumulated to the society that made their success possible there would still be a tremendous net loss.

Yet somehow, in the eyes of the free-market ideologue, the current economic catastrophe is supposed to be the fault of the individuals who lost their homes, their

jobs, their life's savings, and their hopes and dreams for the future while those who perpetrated the fraud that caused this disaster and made billions of dollars in the process are not only held blameless but are, in fact, idolized by virtue of the fact that they made money on the deal. There is a terrible perversion in an ideological view of the world that blames the victims for allowing themselves to be preyed upon and extols the virtues of the predators who made fortunes in the process of creating a disaster for the rest of society.

The ideological explanation for the fall in real income for 90% of the families over the past forty years in terms of their refusal to work harder or because they haven't increased their productivity or contributed more to the society as a whole makes no sense at all. Hours of overtime worked in the manufacturing sector increased by 67.9% from 1980 through 1995 while output per hour worked increased by at least 30% (and probably more than 50%), and total manufacturing output increased by 42.8%. At the same time, the average hourly earnings in the manufacturing sector decreased by 7.2% in real terms after adjusting for the increase in consumer prices. In other words, even though hourly workers in the manufacturing industries worked harder, were more productive, and the total output they produced to the benefit of the society as a whole increased, they were rewarded by a decrease in their real wage.

The incomes people receive and the wealth people are able to accumulate as they participate in a market economy depend as much on economic and political power as on hard work, productivity, and economic efficiency, and who has that power depends crucially on government policy. ([Dillow](#)) When government policy

1. opposes public financing of political campaigns and allows the money provided by Political Action Committees (PACs), corporations, and wealthy individuals to dominate the political process,
2. favors unregulated markets,
3. allows the concentration of monopoly power into the hands of larger and larger corporations,

4. allows the profits of international banks and corporations to determine international trade and financial policy,
5. not only opposes collective bargaining on the part of labor unions, but employs government power to suppress strikes and refuses to enact and enforce laws against unfair labor practices,
6. provides massive subsidies to industry through the provision of public infrastructure, national defense, enforcement of civil law and order, and public education for the labor force as well as for the population at large, while at the same time
7. imposes a tax structure on the populace that does not recoup the costs of these subsidies from those who benefit from them the most, but, rather, places this burden on the backs of those who benefit from them the least

economic and political power gravitates into the hands of the economically and politically powerful few, and as their incomes and wealth soar to astronomical heights, fraud and predation flourishes, the [public infrastructure](#) and [social capital](#) that made their success possible declines to the detriment of future generations, and the vast majority of the population founders in the wake of the economic catastrophes that result.

On the other hand, when government policy

1. provides public financing for political campaigns and offsets the money provided by PACs, corporations, and wealthy individuals by providing equal time and equal funds to political campaigns,
2. favors regulating market behavior to promote the general Welfare,
3. prevents the concentration of monopoly power into the hands of larger and larger corporations whenever desirable and regulates the monopoly power that cannot be eliminated whenever necessary,
4. maintains a balance in trade that benefits the American people rather than maximizes the profits of international financial institutions and corporations,
5. not only encourages collective bargaining on the part of labor unions, but employs the power of government to enact and enforce laws against unfair labor practices,

6. provides massive subsidies to industry through the provision of public infrastructure, national defense, enforcement of civil law and order, and public education for the labor force as well as for the population at large while at the same time,
7. imposes a tax structure on the populace to recoup the costs of these massive subsidies from those who benefit from them the most and does not place this burden on the backs of those who benefit from them the least

economic and political power gravitates from the privileged few into the hands of the vast majority of the population, and, while the incomes and wealth of the few still grow to astronomical heights, the income and wealth of those few do not soar to such dizzying heights that the vast majority of the population is left behind; income and wealth does not flow from the kinds of massive fraud and predation that lead to economic catastrophes, and the [public infrastructure](#) and [social capital](#) that made their success possible is able to grow to the benefit of future generations. ([Amy Kuttner](#) [Musgrave](#) [Johnson](#) [Lakoff](#) [Galbraith](#) [Stewart](#) [Smith](#) [Black](#) [Rodrik](#) [Lindert](#) [Prasad](#) [Fieldhouse](#) [Diamond](#) [Sides](#) [Blackford](#))

Capitalism and Socialism

In the utopian world of free-market ideology it's all so simple: Deregulate the financial system; get rid of the [EPA](#), [SEC](#), [FDA](#), [CFTC](#), [Social Security](#), [Medicare](#), [Medicaid](#), [unemployment compensation](#); cut government expenditures; lower taxes, and all of our problems will go away. But in the real world it's not that simple.

You do not have to be an economist to look around the world and see that unregulated, free-market capitalism is not the *sine qua non* of economic prosperity and social wellbeing. All of the most prosperous countries of the world, especially in North America and Western Europe, contain significant and essential elements of what right-wing ideologues call socialism with a major portion of their economies dominated by government. Not only do they all have government provided public infrastructure (things like roads and highways, ports and airports, public health and sanitation, legal and criminal justice systems, and public education), they all have government provided social-insurance programs such as Social Security, government provided healthcare,

unemployment compensation, and welfare assistance for the less fortunate. At the same time, the vast majority of people who live in non-'socialist' countries live in abject poverty. The fundamental difference between the prosperous and free, and the impoverished and enslaved throughout the world is the quality of their governments.

The fact that all of the economic powerhouses have a substantial portion of the economies dominated by government is no accident. A capitalist system cannot prosper without government provided public infrastructure and social insurance.

Without public infrastructure it is simply impossible for the system to prosper. Where would American industry be without its public transportation, educational, health, and legal systems? We would be living in the kind of tribal society they have in Afghanistan or Somalia, and our economic system would be equally dysfunctional.

Nor can a capitalist system prosper in the absence of a social insurance system. In the utopian world of free-market ideology there is no need for social insurance because market discipline forces everyone to be productive and everyone is rewarded in proportion to their productivity. If someone isn't productive it's their own fault. They deserve what they get, which is, of course, nothing. As a result, everyone is forced to be productive and we all live happily ever after.

While this is the way it works in the make-believe, utopian world of free-market ideology, this is not the way it works in the real world. In the real world the ability for people to prosper depends not only on their own efforts but on the way in which the entire economic system functions. When that system functions smoothly and efficiently opportunities to be productive abound, and everyone, save the most foolish and lazy, are able to prosper, but when the system falters opportunities evaporate and large segments of the population are left destitute. When this happens, those who are still able to prosper can look down their noses at those who are left destitute and say "It's your fault! I can prosper, why can't you?", but this misses the point.

While those who are able to prosper may think it is the fault of the losers for their lot, those who are left destitute don't think that way, and whether it is their fault or not is

irrelevant in the grand scheme of things. Those who are left destitute suffer unbearable hardship in this situation, and in the real world people do not suffer unbearable hardship quietly unless they are forced to do so. Unbearable hardship leads to civil unrest—which is a polite way of saying riots in the streets and mob violence of the sort we are witnessing in the Middle East today—and if left unchecked, the resulting civil unrest threatens the very foundation on which the social and economic systems of society rest.

Those who are able to prosper when the economy falters have but two choices in the face of this violence: They can either provide public assistance or suppress the civil unrest. Suppressing civil unrest, if successful, has the effect of keeping those who are able to prosper in power while forcing those who are left destitute out of the productive sectors of the economic system. This has the effect of limiting the economic possibilities of the system as a whole as the economy stagnates, which has been the fate of innumerable countries around the world where repressive governments have forced large segments of their populations out of the productive sectors of their economies in order to maintain the power of the economically and politically powerful few. The result is large segments of their populations in which people live at a subsistence level, barely able to feed themselves.

On the other hand, if the attempt to suppress civil unrest is unsuccessful, the result is inevitably a complete destruction of the existing social and economic orders as exemplified by the histories of countries such as France, Russia, Italy, Germany, China, Cuba, and Vietnam.

Those countries with repressive governments are to be compared to those in North America and Western Europe where, instead of suppressing civil unrest, governments have provided public assistance through the development of social-insurance programs such as Social Security, unemployment compensation, welfare, and government organized healthcare. These countries have not only been able to quell the civil unrest that results when the economic system fails to provide for a substantial portion of its population, they have been able to incorporate the vast majority of their populations into

the productive sectors of their economies as employers, employees, and customers. In so doing, these countries have been able to create and sustain the domestic mass markets needed to justify mass-production technologies, and, as a result, they have become the economic powerhouses of the world.

The point is, there are certain things that are essential for economic prosperity, some of which (market regulation, public infrastructure, and social insurance) only government can provide and others (the profit motive and markets) only private enterprise can provide. It takes both government and private enterprise to make the economic system prosper, and for the economic system to prosper there must be a balance between the two. All you have to do to see how this works in the real world is compare the economic prosperity of those countries in the world that have provided this balance in the past—the countries in North America and Western Europe—with those that have not.

Government and Freedom

Not only are the simplistic ideas of free-market ideologues simply wrong when it comes to denying the need for government regulation within the economy, their simplistic caricature of government as being little more than a tyrannical force that must be resisted at all cost ignores the vital and essential role government plays in guaranteeing the freedom and liberty of individuals in our society.

This caricature fails to acknowledge that there can be no individual freedom or liberty for the vast majority of the population within society in the absence of an effective government dedicated to guaranteeing these rights. For those who doubt this proposition, I invite you to spend your next vacation in Juarez, Baghdad, Kandahar, Mogadishu, Damascus, or any of the innumerable other places on this lonely planet where the government is either unable or unwilling to protect the rights of all individuals from the predations of others. In so doing you will be able to gain firsthand experience with what individual freedom and liberty are like in a world with a nonfunctioning government or a government that only protects the rights of the privileged and powerful few and ignores the rights of the rest of the population. If the government does not

protect your rights against those who would otherwise have the power to limit your freedom and liberty within society who will? ([Amy Kuttner](#))

Free-market ideologues are simply wrong in their simplistic belief that government interference with free markets must necessarily lead to economic inefficiency and a lack of individual freedom and that the only way to achieve economic efficiency individual freedom is through unfettered free markets. The clear and unambiguous lesson of history is that the lack of government interference in markets [leads to appalling levels of waste, fraud, and inefficiency](#) combined with an appalling level of human degradation for those who lack the personal, political, or economic power necessary to defend themselves from those who seek to prey on the vulnerable.

No matter how mathematically eloquent, logically irrefutable, and emotionally appealing the simplistic beliefs of free-market ideologues may be as they pertain to the magical powers of free-market capitalism to create individual freedom and economic efficiency in a world free of government intervention, the simple fact is that these beliefs are completely out of touch with the real world. They only apply to [the mythical world free-market ideologues have created in their own minds](#), and all of economic history belies the relevance of these simplistic beliefs to the real world in which we actually live. ([Smith](#) [MacKay](#) [George](#) [Marx](#) [Veblen](#) [Roosevelt](#) [Haywood](#) [Jones](#) [Fisher](#) [Josephson](#) [Keynes](#) [Polanyi](#) [Schumpeter](#) [Boyer](#) [Galbraith](#) [Musgrave](#) [Domhoff](#) [Kindleberger](#) [Minsky](#) [Stewart](#) [Zinn](#) [Stiglitz](#) [Phillips](#) [Kuttner](#) [Morris](#) [Taleb](#) [Lindert](#) [Bogle](#) [Harvey](#) [Dowd](#) [Galbraith](#) [Baker](#) [Stiglitz](#) [Klein](#) [Reinhart](#) [Fox](#) [Johnson](#) [Amy](#) [Sachs](#) [Smith](#) [Eichengreen](#) [Rodrik](#) [Graeber](#) [Blackford](#))

The fact is, there is no such thing, and there never can be such a thing, as a free market that is independent of government. It takes the heavy hand of government to make markets work, and for whom they work—the society as a whole or the economically and politically powerful few—depends crucially on government policy. When markets fail there is a chance that government can do something about it. When governments fail all is lost. The single most damning failure of the free-market ideologues who have driven the Conservative Movement for the past forty years is their failure to grasp this obvious

and simple fact along with the equally obvious and simple fact that the benefits of good government are not free, but [must be paid for with taxes](#).

An efficient, well functioning government that promotes the general Welfare and protects the rights of all people is an essential prerequisite for civil order in society. ([Amy](#)) When the government fails to promote the general Welfare or to protect the rights of all people and, instead, allows fraud and predation to run amuck, the growing inequities that accumulate as the rich get richer and the poor get desperate inevitably leads to violence—individual and mob violence on the part of those who are desperate or whose rights are abused for lack of state intervention, and state violence on the part of the government to suppress those who strike out in desperation or rise up to protest their grievances.

This is the story told in the United States by the [Anti-Renter Movement](#) of 1839-1846, the [Molly Maguires](#) of the 1870s, the [Great Rail Strike](#) in 1877, the [Haymarket Riot](#) in 1886, the [Coeur d'Alene Strike](#) in 1892, the [Homestead Strike](#) in 1892, the [Western Federation of Miners](#) founded in 1893, the [Pullman Strike](#) in 1894, the [Leadville Strike](#) in 1896, the [Lattimer Massacre](#) in 1897, the [United Mine Workers of America](#) founded in 1900, the [Cripple Creek Strike](#) in 1904, the [International Workers of the World](#) founded in 1905, the [Pressed Steel Car strike](#) in 1909, the [Lawrence Massachusetts Strike](#) in 1912, the [Italian Hall Disaster](#) in 1913, the [Ludlow Massacre](#) in 1914, the [Everett Massacre](#) and [Preparedness Day bombing](#) in 1916, the [Palmer Raids](#) in 1918 through 1921, the [Great Steel Strike](#) in 1919, the [Wall Street Bombings](#) in 1919 and 1920, the [Battle of Blair Mountain](#) in 1921, the [Ford Hunger March Massacre](#) in 1932, the [Pixley Cotton Strike](#) in 1933, the [General Textile, Minneapolis Teamsters, Auto-Lite, San Francisco longshoremen strikes](#) in 1934, the [Little Steel, Massillon, Youngstown, and Memorial Day Massacres](#) in 1937. This is also the story told throughout the world by [World War I](#), the [Great Depression](#), and [World War II](#).

This is all part of our history, and with the triumph of free-market ideology over rational thought these past forty years we are well on our way to repeating it. ([Boyer Zinn](#) [Haywood Jones](#) [Amy Klein](#) [Stiglitz](#) [Domhoff](#) [Shirer](#) [Kindleberger](#) [Tuchman](#) [Blackford](#))