CRISIS AND LEVIATHAN

Critical Episodes in the Growth of American Government

Robert Higgs

A Pacific Research Institute for Public Policy Book

New York Oxford
OXFORD UNIVERSITY PRESS
1987

Contents

P	A	R	Т	T	Framework	
					I I AIIIL WUIK	

1.	The S	Sources o	f Big	Government:	Α	Critical	Survey	of	Hypotheses	
----	-------	-----------	-------	-------------	---	----------	--------	----	------------	--

3

20

35

Explanations of the Growth of Government

Modernization/Public Goods/The Welfare State/Political
Redistribution/Ideology/Crisis

Conclusions

2. How Much Has Government Grown? Conventional Measures and an Alternative View

Conventional Measures of the Growth of Government The Essence of Big Government: An Alternative View Ratchets: Conventional Measures versus Fundamentals Conclusions

3. On Ideology as an Analytical Concept in the Study of Political Economy

What Is Ideology?
Ideology and Political Action
Ideology in Analysis
Ideology and Rhetoric
Ideology: Exogenous or Endogenous?
Conclusions

ıviii	Contents
4. Crisis, Bigger Government, and Ideological Change: Toward an Understanding of the Ratchet	57
A Schematic View of the Problem Why Stage II? A Cost-Concealment Hypothesis Why Stage IV? A (Partial) Hypothesis on Ideological Ch Recapitulation: Why the Ratchet? The Task Ahead	uange
PART II. History	
5. Crisis under the Old Regime, 1893-1896	77
Creative Destruction Ideologically Sustained, 1865–1893 Depression and Social Unrest, 1893–1896 Saving the Gold Standard Maintaining Law and Order in the Labor Market Striking Down the Income Tax Conclusions	
6. The Progressive Era: A Bridge to Modern Times	106
Economic Development and Political Change, 1898-1916 The Ideological Winds Shift End and Beginning: The Railroad Labor Troubles, 1916 Conclusions	
7. The Political Economy of War, 1916-1918	· 123
Neutral Prosperity and the Shipping Crisis The Preparedness Controversy and New Governmental F War and Conscription Manipulating the Market Economy: The Major Agencie Labor Problems and the Railroad Takeover Supreme Court Rulings on War Measures Legacies, Institutional and Ideological Conclusions	
8. The Great Depression: "An Emergency More Serious Than War"	159

Economic Rise and Fall, 1922-1933

What Did Hoover Do?

	Interregnum of Despair Emergency, Emergency! Planting the First New Deal: The Hundred Days Cultivating and Pruning the First New Deal: The Supreme Legacies, Institutional and Ideological Conclusions	Court
9.	The Political Economy of War, 1940-1945	190
	De Jure Neutrality, De Facto Belligerency, 1939-1941 More Powers and Price Controls The Armed Forces and the Economy Work or Fight The Supreme Court Also Goes to War Legacies, Institutional and Ideological Conclusions	
10.	Crisis and Leviathan: From World War II to the 1980s	237
	The Mixed Economy: March into Socialism or Fascism? Crisis and Leviathan: The Recent Episodes Conclusions	
11.	Retrospect and Prospect	258
	Retrospect Prospect	
Арр	pendix to Chapter 2	263
Арр	pendix to Chapter 9	272
Not	res	275
Sele	ct Bibliography	32.
Inde	ex	34