

2. The Moral State of the Union

Recent polls listed "big government" and "declining values" as the two most serious threats to the nation's future. It is no coincidence that those two concerns are voiced at the same time. The growth of government has politicized life and weakened the moral fabric of society. Government **intervention—in the economy, in the community, and in society—has increased the payoff from political action and reduced the scope of private action.** People have become more dependent on the state and have sacrificed their freedom for a false sense of security. In the process, there has been a decline in the spirit of enterprise, a loss of civility, and a debasement of moral principles.

A sea change, however, is under way. The recent election was a referendum on the role of government, and the message was loud and clear: "Get off our backs; leave us alone!" If the new Congress is serious about rolling back the state, it needs to go beyond the Republicans' Contract with America and uphold the original constitutional contract with the American people. Both Democrats and Republicans need to take their oaths of office seriously and breathe new life into the Founders' Constitution of liberty by adhering to its fundamental principle of limited government.

To begin the transformation of government and to restore a sense of moral order, Congress should

- **review existing legislation for its consistency with constitutional principles and, in the case of new legislation, ask, "Is there constitutional authority for this law?"**
- **openly debate the role of government in a free society, the relation of the individual to the state, the meaning of justice, the relation between rights and values, and the connection between morality and rights;**
- **recognize that what gives life meaning and order is not politics but the informal rules of conduct—the manners and morals—that lie outside the domain of government;**

- **hold members to the same moral standards that apply to nonmembers and bind itself by the same laws it imposes on the rest of society.**

The moral state of the union is on the decline because people have put too much trust in government and have lost sight of the principles on which our nation was founded. Political life has **been** elevated to a height that was never intended by the Founding Fathers. The night-watchman state has become a paternalistic state with the resulting growth of special interests and the **politicization** of economic and social life. Corruption has crept in as the power of the state has grown, and that corruption has strained the moral fabric of the nation.

The Broken Moral Compass

People have grown accustomed to holding government responsible for nearly everything from their health to their wealth. That dependent attitude has been fostered by the rise of the welfare state, by the secularization of religion, and by a conscious effort to make public education amoral.

When government rewards dysfunctional behavior, sends the message that people have a "right" to welfare (that they are entitled to other people's money), teaches children that premarital sex is all right as long as it is safe, implies that **disadvantaged** groups should be held to a different set of moral standards than other groups because they are victims of past injustice, and tries to cultivate virtue by the force of law, the moral state of the union is sure to decline.

The most obvious signs of moral decay in America are the prevalence of **out-of-wedlock** births (68 percent of black births and 22 percent of white births are to unwed mothers), the breakup of families (nearly 40 percent of all marriages end in divorce), the sorry state of public education (especially in inner cities), and the infestation of society by crime (a quarter of all households are touched by crime). But there are other signs as well: the decline in civility, the lack of integrity in both public and private life, and the growth of litigation as the chief way to resolve disputes.

One cannot blame government for all society's ills, but there is no doubt that economic and social legislation over the past 40 years has had a negative impact on virtue. The growth of the transfer society (nearly 50 percent of federal spending is now devoted to transfer payments) has weakened personal responsibility and reduced the incentive to practice **self-restraint**, to work hard and persevere, and to save for the future.

Moreover, a proliferation of laws and regulations has produced more crime, less integrity, and less tolerance. In trying to promote virtue, the government has promoted vice.

Individuals lose their moral bearing when they become dependent on welfare, are rewarded for having children out of wedlock, are not held accountable for their behavior, and rely on government for their moral education. The internal moral compass that normally guides individual conduct—and is supported by loving parents, religious teachers, and community standards—will no longer function when the state has pointed the needle in the wrong direction.

Freedom and Morality

In his famous book, *The Road to Serfdom*, F. A. Hayek emphasized the close relation between freedom and morality.

Freedom to order our own conduct in the sphere where material circumstances force a choice upon us, and responsibility for the arrangement of our own life according to our own conscience, is the air in which alone moral sense grows and in which moral values are daily re-created in the free decision of the individual.

If we learned anything from the failure of communism, it should have been that when freedom disappears, so do security, morality, and civility. We become wards of the state, and our future depends not on our own actions but on the actions of government. Without freedom of choice and without individual responsibility, life loses meaning and there is no real morality or virtue.

The decline of values in America is due, not to greater freedom, but to greater dependence on government and to the overlegalization of society. When government and law replace individual manners and morals as the basis for social order, government and the law will fail, and so will society. That message may not yet be fully comprehended in the United States, but it certainly has penetrated the minds and souls of those who experienced total statism under communism. As Vaclav Havel, president of the Czech Republic, reminds us, "Without commonly shared and widely entrenched moral values and obligations, neither the law, nor democratic government, nor even the market economy will function properly." If total statism is bad, because it leads to an amoral society, so is partial statism (government now spends about 43 percent of national income in the United States).

More government is not the solution to our social, economic, or cultural problems. The task is not to reinvent government or to give politics

meaning; the task is to limit government and revitalize civil society. Government meddling will only make matters worse. If we want to help the **disadvantaged**, we do not do so by making poverty pay, by restricting markets, by prohibiting school choice, by discouraging thrift, or by sending the message that the principal function of government is to take care of us. Rather, we do so by eliminating social engineering and welfare, by cultivating free markets, and by returning to our moral principles.

The Sum of Good Government

The Framers of the U.S. Constitution did not exhort government to "do good." Rather, they took as a first principle that government should "do no harm." In his first inaugural address (1801), Thomas Jefferson defined "the sum of good government" as

a wise and frugal government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned.

That view of government, which was widely held during the Revolutionary Era, lost ground with the rise of the Progressive Era at the end of the 19th century and has been further eroded during the 20th century by the economic and social legislation of the New Deal and the Great Society. Today many people have lost sight of the **Jeffersonian** vision of good government and seldom think about the unethical nature of the welfare state. (Conservative economist Herbert Stein, for example, recently stated, "I regard transferring income from some people to other people as a major and legitimate function of government.")

Modern liberals and conservatives alike confuse rights and values. The fact that one values greater equality of incomes does not give one the right to take property from its lawful owners and redistribute it to others. Rights are moral rules that constrain us in our pursuit of values. We are entitled to what we obtain by hard work, investment, voluntary exchange, or gift, but not by **theft**—whether that theft be by another individual or by a majority.

Good government depends on limited government and on adherence to ethical principles. James Madison, the chief architect of the Constitution, recognized the importance of formal institutions and rules to protect people against a tyrannical government, but he also recognized the importance of a virtuous and vigilant people who would defend "liberty against power,

and power against licentiousness," and who would feel obligated to keep "every portion of power within its proper limits."

Self-government means self-reliance, self-discipline, and self-improvement. Representative democracy ultimately depends on the moral character of the people and on an ethos of liberty. "To suppose that any form of government will secure liberty or happiness without any virtue in the people, is a chimerical idea," wrote Madison.

Character is built by overcoming obstacles. People can and do raise themselves out of poverty. The success stories of millions of immigrants paint a picture of the long-run rewards of discipline, perseverance, and sacrifice. If those stories are to continue, we must protect our liberties, accept our responsibilities, and practice virtue.

Protecting persons and protecting property are the two main functions of good government. When government steps beyond those legitimate functions, it steps outside the bounds of justice. "That is not a just government," wrote Madison, "nor is property secure under it, where the property which a man has in his personal safety and personal liberty, is violated by arbitrary seizures of one class of citizens for the service of the rest."

Our rights do not describe the entire moral universe; they only define a minimum moral standard. What we do with our freedom after meeting that minimum will determine the type of society we live in and the moral character of the nation. If we wish to energize the moral state of the union, government will have to return to the principles of freedom and justice that stand behind the Constitution, and people will have to return to the moral principles—the higher law—that stand behind the Constitution as a "charter for limited government."

Welfare-state liberals will have to face the truth that positive welfare rights are not morally justified, and social conservatives will have to face the truth that violating rights to impose values is unethical. We can then begin to reduce the welfare state, expand markets, and renew civil society.

Markets and Morality

Markets do more than generate wealth; they also cultivate moral habits that are valuable both to the individual who acquires them and to society. Economic success depends on foresight, self-reliance, honesty, respect for others, and keeping promises. In a private market system, reputation is valuable, customers must be treated with respect, and civility is rewarded.

Unlike the state, the market rests on voluntarism. The institutional infrastructure of a market economy is characterized by private property

rights, a rule of law, and freedom of contract—or what Hayek called "rules of just conduct." Those rules are consistent with the Madisonian concept of justice and provide the moral foundation for a free society by making individuals accountable for their actions. When those rules are effectively enforced, markets will operate smoothly to coordinate economic activity, promote prosperity, reduce uncertainty, and bring about social harmony. Moreover, insofar as individuals follow long-held informal rules of manners and morals, the costs of enforcement will fall.

Using government to control prices, socialize risks, subsidize industries, redistribute incomes, or prevent the emergence of legal markets for goods that offend public sensibilities reduces freedom and violates property rights. Such interventions have not created either greater wealth or greater virtue. What they have done is to overextend democratic government so that even its legitimate tasks can no longer be performed effectively.

Economic liberties are an important component of our personal freedom. If the Supreme Court refuses to restore property and contract to their rightful places in the Constitution, Congress ought to begin the task of restoration by rescinding legislation that violates private property rights and that attenuates freedom of contract. (The other chapters in this handbook provide numerous recommendations.)

Revitalizing Civil Society

The concept of rights inherent in the Constitution is consistent with what John O'Sullivan, editor of the *United States Magazine and Democratic Review*, called "the voluntary principle" or "principle of freedom." In 1837 he wrote,

The fundamental principle of the philosophy of democracy [is] to furnish a system of administration of justice, and then to leave all the business and interests of society to themselves, to free competition and association.

The essence of civil society is not political action or forced community service but private, voluntary action to achieve shared goals. Government growth has impaired civil society because more and more resources have been diverted from private to public use, and because government has taken over many of the functions that were traditionally performed by close-knit communities and churches. People are less inclined to help one another when they know government has usurped a community service, or when they could be subject to suit or a host of government regulations.

The welfare state has alienated individuals from their communities and has put them at the mercy of government bureaucracies and social workers.

Government intervention has severed what Charles Murray calls the "tendrils of community." When the community's functions are taken over by government, people lose a sense of attachment and the urge to reach out to one another. As social service functions have shifted up the political ladder, people have increasingly looked to government and not to each other for help.

In a society in which people are no longer held responsible for themselves or for others, churches find it more beneficial to engage in lobbying than to teach morality, and schools cater to the government by requiring community service for graduation (and allowing that service to include working for political candidates, as Maryland does), the flame of liberty will dim and the spirit of voluntarism will dwindle.

Although Americans have grown accustomed to the welfare state, the disappearance of welfare—for both the rich and the poor—would strengthen the moral fiber of the nation and reinvigorate civil society. We should end the parasitic state, not because we want to harm the poor, but because we want to help them help themselves.

Most people have a natural inclination to help others. "Beneficence is always free," wrote Adam Smith, "it cannot be extorted by force." The human spirit transcends the mere letter of the law. Government's job is not to instill values but to protect rights. There is a big difference between the moral order and the parasitic state. The task of instilling values is best left to nongovernmental organizations, beginning with the family.

Conclusion

Voluntarism, not politics, is the basis of morality and the bedrock of civil society. The informal rules and norms that guide behavior in a free society are a reflection of the moral character of the people. The manners and mores of a society, however, will be affected by the size and scope of government. If government is limited and laws are just, people will respect the law and respect each other to a far greater extent than if the law is used to plunder their property and violate their rights.

A return to the voluntary principle, the principle of freedom, would do more to bring about economic and social harmony than continuing on the path of servitude under the illusion of welfare-state liberalism or the allure of social conservatism. As Frederic Bastiat pointed out more than a century ago,

It is under the law of justice, under the rule of right, under the influence of liberty, security, stability, and responsibility, that every man will attain

to the full worth and dignity of his being, and that mankind will achieve, in a calm and orderly way, . . . the progress to which it is destined.

True liberalism means limited government, not unlimited democracy. It is time to return to reason and to the proper **use** of language; and it is time to return virtue to where it **belongs**—with the individual, not the state. The only rule should be “**Let everyone do good at his own expense.**”

Suggested Readings

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- Epstein, Richard A. *Takings: Private Property and the Power of Eminent Domain*. Cambridge, Mass.: Harvard University Press, 1985.
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- Pilon, Roger. "Freedom, Responsibility, and the Constitution: On Recovering Our Founding Principles." In *Market Liberalism: A Paradigm for the 21st Century*. Edited by David Boaz and Edward H. Crane. Washington: Cato Institute, 1993.
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—Prepared by James A. Dorn