



Advanced Placement American Government

Unit XI: The Politics of Public Policy

(CH17, 18, and 19)

College Board Examination: The Final Frontier!

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|------------------|------------|---|
| Monday | 3/31 | <p>Distribute AP Review packet #1.
 Each review packet will be worth 20 points. Completing all six will be equal to the points possible on a Unit Test. We will review each packet the following Monday.
 Video: TBA</p> |
| Tuesday | 4/1 | <p>Schedule Optional Afternoon/Evening Review Sessions
 Hand out 1998-2011 College Board Essay review packet.
 All peer-graded AP practice essays will come from this packet.
 Video: TBA</p> |
| Wednesday | 4/2 | Practice College Board Examination #1 (2002) |
| Thursday | 4/3 | <p>Review Practice College Board Examination #1 (2002)
 Take-home Quiz, Ch17, pp. 469-479 (to Case of Business Regulation).</p> |
| Friday | 4/4 | Review/ Video TBA |
| Monday | 4/7 | <p>Collect and discuss AP Review Packet #1.
 Distribute AP Review Packet #2.
 Supreme Court Cases Quiz #1</p> |
| Tuesday | 4/8 | <p>Practice AP Essay #1 - Peer graded and discussed in class.
 Video: TBA</p> |
| Wednesday | 4/9 | Practice College Board Examination #2 (2008) |
| Thursday | 4/10 | Review 2008 College Board Practice Examination |
| Friday | 4/11 | <p>Public Policy Friday.
 Quiz, Ch17, pp. 479-489.
 Critical Review due on "What is Driving the Growth in Government Spending?"</p> |
| Monday | 4/14 | Collect and discuss AP Review Packet #2. |

- Distribute AP Review Packet #3.
Video: *TBA*
- Tuesday 4/15 **Practice AP Essay #2 - Peer graded and discussed in class.**
Video: *TBA*
- Wednesday 4/16 Practice College Board Examination #3 (2009)/Assign Take Home Quiz page 492-499.**
- Thursday 4/17 **Review 2009 College Board Examination/Take Home Quiz 492-499 Due.**
- Friday 4/18 **No School- Good Friday.**
- Monday 4/21 **Collect and discuss AP Review Packet #3.**
Distribute AP Review Packet #4.
Supreme Court Cases Quiz #2
- Tuesday 4/22 **Practice AP Essay #3 - Peer graded and discussed in class.**
Video: *TBA*
- Wednesday 4/23 Practice College Board Examination #4 (2012)**
- Thursday 4/24 **Review 2012 College Board Examination**
- Friday 4/25 **Public Policy Friday.**
Critical Review: USA Today: "Is Affordable Care Act really affordable at all?" (in packet)
Quiz, Ch18, pp. 499-510.
- Monday 4/28 **Collect and discuss AP Review Packet #4.**
Distribute AP Review Packet #5.
- Tuesday 4/29 **Practice AP Essay #4 - Peer graded and discussed in class.**
Video: *TBA*
- Wednesday 4/30 Practice College Board Examination #5 (2013)**
- Thursday 5/1 **Review 2013 College Board Examination**
- Friday 5/2 **Public Policy Friday.**
Quiz, Ch19, pp. 512-519 (to Reforming Majoritarian Welfare Programs)
- Monday 5/5 **Collect and discuss AP Review Packet #5.**
Distribute AP Review packet #6.

- Tuesday 5/6 Quiz, Ch19, pp. 519-526.
Anything goes Tuesday.
- Wednesday 5/7 **Unit XI Multiple Choice Exam - 60 questions, 45 minutes.**
Partners?
- Thursday 5/8 **Unit XI Essay Exam - 1 question, 30 points. Individual**
- Friday 5/9 **Public Policy Friday.**
Mr. Brady's Last Seminar of 2014!
Critical analysis roundtable discussion of excellence.
Required reading: John Stewart Mill, "Liberty of Thought and Discussion." (in packet)/ **Bonus Due** on NSA Article or **John Stuart Mill.**
- Monday 5/12 **Collect and discuss AP review packet #6.**
- Tuesday 5/13 ***The Real Thing: 2014 College Board Examination.:* Optional:**
Meet at Panera for send off to exam? TBD

PART FOUR

The Politics of Public Policy

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The Policy-Making Process

I. Reviewing the Chapter

A. Chapter Focus

In this chapter we move from the study of political and governmental institutions (president, Congress, courts, etc.) to the study of the policies that all those institutions have produced. The purpose of this chapter is to provide you with a set of categories (majoritarian, interest group, client, and entrepreneurial politics) to help you better understand politics in general and the remainder of the book in particular. After reading and reviewing the material in this chapter, you should be able to do each of the following:

1. Explain how certain issues at certain times get placed on the public agenda for action.
2. Identify the terms *costs*, *benefits*, and *perceived* as used in this chapter.
3. Use the above terms to define the four types of politics presented in the text—majoritarian, interest group, client, and entrepreneurial—giving examples of each.
4. Review the history of business regulation in this country, using it to exemplify the above four types of politics.
5. Discuss the roles played in the process of public policy formation by people's perceptions, beliefs, interests, and values.

B. Study Outline

I. Setting the agenda

- A. Most important decision affecting policy making is deciding what belongs on the political agenda
 - 1. Shared beliefs determine what is legitimate
 - 2. Legitimacy affected by
 - a. Shared political values
 - b. Weight of custom and tradition
 - c. Changes in way political elites think about politics
- B. The legitimate scope of government action
 - 1. Always gets larger
 - a. Changes in public's attitudes
 - b. Influence of events
 - 2. May be enlarged without public demand even when conditions improving
 - 3. Groups: a motivating force in adding new issues
 - a. May be organized (corporations) or disorganized (urban minorities)
 - b. May react to sense of "relative deprivation"—people's feeling that they are worse off than they expected to be
 - (1) Riots of the 1960s
 - c. May produce an expansion of government agenda
 - (1) New commissions and laws
 - d. May change the values and beliefs of others
 - (1) White response to urban riots
 - 4. Institutions a second force adding new issues
 - a. Major institutions: courts, bureaucracy, Senate, national media
 - b. Courts
 - (1) Make decisions that force action by other branches: school desegregation, abortion
 - (2) Change the political agenda
 - c. Bureaucracy
 - (1) Source of political innovation: size and expertise
 - (2) Thinks up problems to solve
 - (3) Forms alliances with senators and their staffs
 - d. Senate
 - (1) More activists than ever
 - (2) Source of presidential candidates with new ideas
 - e. Media
 - (1) Help place issues on political agenda
 - (2) Publicize those issues raised by others, such as safety standards proposed by Senate
 - 5. Evolution of political agenda
 - a. Changes in popular attitudes that result in gradual revision of the agenda
 - b. Critical events, spurring rapid changes in attitudes
 - c. Elite attitudes and government actions, occasioning volatile and interdependent change

II. Making a decision

- A. Nature of issue
 - 1. Affects politicking
 - 2. Affects intensity of political conflict
- B. Costs and benefits of proposed policy a way to understand how issue affects political power
 - 1. Cost: any burden, monetary or nonmonetary
 - 2. Benefit: any satisfaction, monetary or nonmonetary
 - 3. Two aspects of costs and benefits important:
 - a. Perception affects politics
 - b. People consider whether it is legitimate for a group to benefit

4. Politics a process of settling disputes about who benefits and who ought to benefit
 5. People prefer programs that provide benefits at low cost
 6. Perceived distribution of costs and benefits shapes the kinds of political coalitions that form but not who wins
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- III. Majoritarian politics: distributed benefits, distributed costs
 - A. Gives benefits to large numbers
 - B. Distributes costs to large numbers
 - C. Initial debate in ideological or cost terms, for example, military budgets
 - IV. Interest group politics: concentrated benefits, concentrated costs
 - A. Gives benefits to relatively small group
 - B. Costs imposed on another small group
 - C. Debate carried on by interest groups (labor unions versus businesses)
 - V. Client politics: concentrated benefits, distributed costs
 - A. Relatively small group benefits; group has incentive to organize
 - B. Costs distributed widely
 - C. Most people unaware of costs, sometimes in form of pork barrel projects
 - VI. Entrepreneurial politics: distributed benefits, concentrated costs
 - A. Gives benefits to large numbers
 - B. Costs imposed on small group
 - C. Success may depend on people who work on behalf of unorganized majorities
 - D. Legitimacy of client claims is important; Superfund an example
 - VII. The case of business regulation
 - A. The question of wealth and power
 1. One view: economic power dominates political power
 2. Another view: political power a threat to a market economy
 3. Text cautious; weighs variables
 - B. Majoritarian politics
 1. Antitrust legislation in 1890s
 - a. Public indignation strong but unfocused
 - b. Legislation vague; no specific enforcement agency
 2. Antitrust legislation in the twentieth century strengthened
 - a. Presidents take initiative in encouraging enforcement
 - b. Politicians, business leaders committed to firm antitrust policy
 - c. Federal Trade Commission created in 1914
 - d. Enforcement determined primarily by ideology and personal convictions
 - C. Interest group politics
 1. Labor-management conflict
 - a. 1935: labor unions seek government protection for their rights; businesses oppose
 - (1) Unions win
 - (2) Wagner Act creates NLRB
 - b. 1947: Taft-Hartley Act a victory for management
 - c. 1959: Landrum-Griffin Act another victory for management
 2. Politics of the conflict
 - a. Highly publicized struggle
 - b. Winners and losers determined by partisan composition of Congress
 - c. Between enactment of laws, conflict continues in NLRB
 3. Similar pattern found in Occupational Safety and Health Act of 1970
 - a. Reflects a labor victory
 - b. Agency established
 - D. Client politics
 1. Agency capture likely
 2. Licensing of attorneys, barbers, and so on
 - a. Restricts entry into occupation or profession
 - (1) Allows members to charge higher prices
 - b. People not generally opposed

- (1) Believe regulations protect them
 - (2) Costs are not obvious
 - 3. Regulation of milk industry
 - a. Prevents price competition and keeps price up
 - b. Public unaware of inflated prices

 - 4. Tobacco regulations also benefit tobacco growers
 - 5. Citizens have little incentive to organize
 - E. Entrepreneurial politics; relies on entrepreneurs to galvanize
 - 1. 1906: Pure Food and Drug Act protected consumer
 - 2. 1960s and 1970s: large number of consumer and environmental protection statutes passed (Clean Air Act, Toxic Substance Control Act)
 - 3. Policy entrepreneur usually associated with such measures (Ralph Nader, Edmund Muskie)
 - a. Often assisted by crisis or scandal
 - b. Debate becomes moralistic and extreme
 - 4. Risk of such programs: agency may be "captured" by the regulated industry
 - a. Newer agencies less vulnerable
 - (1) Standards specific, timetables strict
 - (2) Usually regulate many different industries; thus do not face unified opposition
 - (3) Their existence has strengthened public interest lobbies
 - (4) Allies in the media may attack agencies with probusiness bias
 - (5) Public interest groups can use courts to bring pressure on regulatory agencies
- VIII. Perceptions, beliefs, interests, and values
 - A. Problem of definition
 - 1. Costs and benefits not completely defined in money terms
 - 2. Cost or benefit a matter of perception
 - 3. Political conflict largely a struggle to make one set of beliefs about costs and benefits prevail over another
 - B. Types of arguments used
 - 1. "Here-and-now" argument
 - 2. Cost argument
 - C. Role of values
 - 1. Values: our conceptions of what is good for our community or our country
 - 2. Emphasis on self-interest
 - 3. Ideas as decisive forces
 - D. Deregulation
 - 1. Example: airline fares, long-distance telephone rates, trucking
 - 2. A challenge to "iron triangles" and client politics
 - 3. Explanation: the power of ideas
 - a. Idea: government regulation was bad
 - b. Started with academic economists
 - c. They were powerless but convinced politicians
 - d. Politicians acted for different reasons
 - (1) Had support of regulatory agencies and consumers
 - (2) Industries being deregulated were unpopular
 - 4. Reducing subsidies
 - a. Example: tobacco industry
 - (1) Supported by members of Congress from tobacco-growing states
 - (2) Allowed growers to borrow against unsold tobacco and not pay back the loan
 - (3) Public went along until smoking became issue
 - (4) New system: growers pay subsidies
 - (5) Widely held beliefs (against smoking) defeated narrow interests (subsidies)
 - 5. Presidents since Ford have sought to review government regulation

6. Many groups oppose deregulation
 - a. Dispute focuses mostly on *how* deregulation occurs
 - b. "Process regulation" can be good or bad
7. The limit of ideas
 - a. Some clients are just too powerful
(1) Dairy farmers, agricultural supports
 - b. But trend is toward weaker client politics

C. Key Terms Match

Match the following terms and descriptions:

- | | |
|----------------------------------|--|
| a. agenda setting | 1. ___ A business that will not employ nonunion workers |
| b. benefit | 2. ___ A situation in which government bureaucracy thinks up problems for government to solve |
| c. boycott | 3. ___ Political activity in which both benefits and costs are widely distributed |
| d. client politics | 4. ___ Deciding what belongs on the political agenda |
| e. closed shop | 5. ___ Political activity in which one group benefits at the expense of many other people |
| f. cost | 6. ___ Political activity in which benefits are distributed, costs are concentrated |
| g. the cost argument | 7. ___ Political activity in which benefits are conferred on a distinct group and costs on another distinct group |
| h. entrepreneurial politics | 8. ___ A sense of being worse off than one thinks one ought to be |
| i. interest-group politics | 9. ___ A situation in which people are more sensitive to what they might lose than to what they might gain |
| j. logrolling | 10. ___ People in and out of government who find ways of creating a legislative majority on behalf of interests not well represented in government |
| k. majoritarian politics | 11. ___ A boycott by workers of a company other than the one against which a strike is directed |
| l. policy entrepreneurs | 12. ___ A law passed in 1890 making monopolies illegal |
| m. political agenda | 13. ___ Any satisfaction that people believe they will derive if a policy is adopted |
| n. pork-barrel projects | 14. ___ A concerted effort to get people to stop buying from a company in order to punish and to coerce a policy change |
| o. process regulation | 15. ___ The perceived burden to be borne if a policy is adopted |
| p. professionalization of reform | 16. ___ Mutual aid among politicians, whereby one legislator supports another's pet project in return for the latter's support |
| q. relative deprivation | 17. ___ A set of issues thought by the public or those in power to merit action by government |
| r. secondary boycott | 18. ___ Legislation that gives tangible benefits to constituents in the hope of winning their votes |
| s. Sherman Antitrust Act | 19. ___ Rules regulating manufacturing or industrial processes, usually aimed at improving consumer or worker safety and reducing environmental damage |

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Economic Policy

I. Reviewing the Chapter

A. Chapter Focus

The purpose of this chapter is to introduce you to an area of public policy that affects everyone in one way or another: economic policy. The chapter will cover both the divided attitudes that voters have toward a "good" economy and the competing theories that economists offer on how to obtain a good economy. The various agencies that participate in formulating government economic policy will be reviewed, along with the many stages of producing and implementing the annual federal budget. Finally, the controversial areas of government spending and tax reform will be discussed. After reading and reviewing the material in this chapter, you should be able to do each of the following:

1. Show how voters have contradictory attitudes regarding their own and others' economic benefits.
2. List and briefly explain the four competing economic theories discussed in the chapter.
3. Assess the nature and effect of Reaganomics.
4. List the four major federal government agencies involved in setting economic policy, and explain the role of each.
5. Analyze federal fiscal policy in terms of the text's four categories of politics.
6. Trace the history of federal government budgeting practices up to the present day.
7. Comment on the prospects and the desirability of lowering federal spending and reforming the income tax.

B. Study Outline

I. Economic health

A. How voters think; economic well-being produces majoritarian politics

1. Voters influenced by their immediate economic situation
2. Voters worry about nation as a whole as well as their own situations
3. Voting behavior and economic conditions correlated at national level but not individual level
 - a. People understand what government can and cannot be held accountable for
 - b. People see economic conditions as affecting them indirectly, even when they are doing well

B. What politicians try to do

1. Elected officials tempted to take short-term view of the economy
2. Government uses money to influence elections, but government will not always do whatever is necessary
 - a. Government does not know how to produce desirable outcomes

- b. Attempting to cure one economic problem often exacerbates another
- 3. Ideology plays large role in determining policy
 - a. Democrats tend to want to reduce unemployment
 - b. Republicans tend to want to reduce inflation

II. Economic theories and political needs

- A. Monetarism—asserts that inflation occurs when there is too much money chasing too few goods (Milton Friedman)
 - 1. Advocates increase in money supply about equal to economic growth
- B. Keynesianism—government should create right level of demand
 - 1. Assumes that health of economy depends on what fraction of their incomes people save or spend
 - 2. When demand is too low, government should spend more than it collects in taxes by creating public works programs
 - 3. When demand is too high, government should increase taxes
- C. Planning—free market too undependable to ensure economic efficiency; therefore government should control it (John Kenneth Galbraith)
 - 1. Wage-price controls
 - 2. Industrial policy—government directs investments toward particular industries
- D. Supply-side tax cuts—need for less government interference and lower taxes (Arthur Laffer)
 - 1. Lower taxes would create incentives for investment
 - 2. Greater productivity would produce more tax revenue
- E. Ideology and theory
 - 1. People embrace an economic theory partly because of their political beliefs
- F. Reaganomics
 - 1. Combination of monetarism, supply-side tax cuts, and domestic budget cutting
 - 2. Goals not consistent
 - a. Reduction in size of federal government
 - b. Increase in military strength
 - 3. Effects
 - a. Rate of growth of spending slowed (but not spending itself)
 - b. Military spending increased
 - c. Money supply controlled
 - d. Federal taxes decreased
 - e. Large deficits incurred, dramatically increasing size of national debt
 - f. Unemployment decreased

III. The machinery of economic policy making

- A. Fragmented policy making; not under president's full control
 - 1. Council of Economic Advisers—members chosen are sympathetic to president's view of economics and are experts
 - a. Forecasts economic trends
 - b. Prepares annual economic report for president
 - 2. Office of Management and Budget
 - a. Prepares estimates of federal government agencies; negotiates department budgets
 - b. Ensures that agencies' legislative proposals are compatible with president's program
 - 3. Secretary of the Treasury—reflects point of view of financial community
 - a. Provides estimates of government's revenues
 - b. Recommends tax changes; represents nation before bankers and other nations
 - 4. The Fed (Federal Reserve Board)
 - a. Independent of both president and Congress
 - b. Regulates supply and price of money
 - 5. Congress most important in economic policy making
 - a. Approves taxes and expenditures
 - b. Consents to wage and price controls

- c. Can alter Fed policy by threatening to reduce its powers
- B. Effects of interest group claims
 - 1. Usually majoritarian: economic health good for all
 - 2. Sometimes interest group: protectionism in 1980s
- IV. Spending money
 - A. Conflict between majoritarian and client or interest group politics
 - B. Sources of conflict reflected in inconsistencies in public opinion
 - C. Politicians have incentive to make two kinds of appeals
 - 1. Keep spending down and cut deficit
 - 2. Support favorite programs of voters
- V. The budget
 - A. Earlier practices
 - 1. Merely adding expenditures before 1921
 - 2. No unified presidential budget until 1930s
 - 3. Separate committee reactions after that
 - B. Congressional Budget Act of 1974: procedures
 - 1. President submits budget
 - 2. House and Senate budget committees analyze budget
 - 3. Budget resolution in May proposes budget ceilings
 - 4. Congress tries to get members to appropriate funds
 - 5. Congress adopts second budget resolution that "reconciles" budget ceiling with total individual appropriations bills
 - 6. Weakness: May resolution frequently ignored
 - 7. Failures of process after 1981
 - 8. Passage of Gramm-Rudman Balanced Budget Act (1985)
 - a. Called for
 - (1) A target cap on the deficit each year, leading to a balanced budget
 - (2) A spending plan within those targets
 - (3) If lack of agreement on a spending plan exists, automatic across-the-board percentage budget cuts (a sequester)
 - b. Very unpopular. . . but necessary
 - 9. "Read my lips—no new taxes": Bush in 1990
 - a. Produced a sequester of nearly \$100 million
 - b. Result was
 - (1) Increased taxes
 - (2) Cut in defense spending
 - (3) New budget procedures
 - c. But total spending went up almost 5 percent
 - 10. 1993 budget bill mirrors 1990 budget
 - a. Caps appropriations in specific areas
 - b. Caps discretionary spending
 - c. Peace dividend not enough to cover even costs of inflation
 - C. Difficulties in reducing spending
 - 1. Interest group pressure to increase programs
 - 2. Much of budget is expenditures representing past commitments that cannot be altered (contracts, Social Security benefits, national debt): "uncontrollables"
 - 3. Performance of economy unpredictable
- VI. Levying taxes
 - A. Tax policy reflects blend of majoritarian and client politics
 - 1. "What is a 'fair' tax law?" (majoritarian)
 - a. Tax burden is kept low
 - (1) Americans pay less than citizens in most other countries
 - b. Requires everyone to pay something
 - (1) Americans cheat less than others
 - 2. "How much is in it for me?" (client)
 - a. Requires the better-off to pay more
 - (1) Progressiveness is a matter of dispute: hard to calculate

- (2) Many loopholes: example of client politics
- 3. Client politics (special interests) make tax reform difficult
 - a. But Tax Reform Act passed (1986)
- B. The rise of the income tax
 - 1. Most revenue derived from tariffs until 1913 and ratification of Sixteenth Amendment
 - 2. Taxes then varied with war (high), peace (low)
 - a. High rates offset by many loopholes: compromise
 - b. Constituencies organized around loopholes
 - 3. Tax bills before 1986 dealt more with deductions than with rates
 - 4. 1986: low rates with smaller deductions
- C. The politics of tax reform
 - 1. Majoritarian politics resurfaced in demand for fairness
 - 2. Several kinds of entrepreneurs involved
 - a. Professional economists opposing inefficiencies
 - b. Supply-side ideologists
 - c. Publicists exposing "tax cheats"
 - 3. Success requires support of key politicians
 - 4. Tax politics once again majoritarian, as in 1913
 - 5. Left unanswered: elimination of budget deficits

C. Key Terms Match

Match the following terms and descriptions:

- | | |
|---------------------------------|--|
| a. budget | 1. ___ A group that forecasts economic trends |
| b. budget resolution | 2. ___ The theory that the health of an economy depends on what fraction of their incomes people save or spend |
| c. budget surplus | 3. ___ Legislation that authorizes budget ceilings |
| d. Congressional Budget Act | 4. ___ An organization that provides estimates of tax revenues |
| e. Council of Economic Advisers | 5. ___ The theory that voters worry about community and national interests |
| f. deficit budget | 6. ___ The use of the amount of money in bank deposits and the price of money to affect the economy |
| g. economic planning | 7. ___ A combination of monetarism, tax cuts, and domestic budget cutting |
| h. Federal Reserve System | 8. ___ The mechanism that regulates the supply and price of money |
| i. fiscal policy | 9. ___ The theory that voters are mostly influenced by their own immediate economic situation |
| j. fiscal year (FY) | 10. ___ A budget in which expenditures exceed tax revenues |
| k. industrial policy | 11. ___ The use of taxes and expenditures to affect the economy |
| l. Keynesianism | 12. ___ The theory that inflation occurs when there is too much money chasing too few goods |
| m. monetarism | 13. ___ The theory that government should control wages and prices |
| n. monetary policy | 14. ___ A document that announces how much the government will collect in taxes and spend in revenues and how those expenditures will be allocated |
| o. "other-regarding" voters | 15. ___ A recommendation for budget ceilings to guide legislative committees in their spending decisions |
| p. peace dividend | |
| q. planning | |
| r. price and wage control | |
| s. Reaganomics | |
| t. "self-regarding" voters | |

(continued)

- u. sequester
- v. supply-side theory
- w. Treasury Department

- 16. ___ A situation in which the government takes in more money than it spends
- 17. ___ An economic philosophy that assumes that the government should plan some part of the country's economic activity
- 18. ___ The period from October 1 to September 30 for which government appropriations are made and federal books are kept
- 19. ___ An economic philosophy that would have the government planning or subsidizing investment in industries that need to recover or new and better industries that could replace them
- 20. ___ Money that some assumed would be freed up for domestic spending by cuts in post-Cold War defense spending
- 21. ___ Government regulation of the maximum prices that can be charged and wages that can be paid
- 22. ___ Automatic, across-the-board cuts in certain federal programs when Congress and the president cannot agree on a spending plan
- 23. ___ An economic philosophy that holds that sharply cutting taxes would increase the incentive to invest, leading to more tax revenues

D. Did You Think That . . . ?

Below are listed a number of misconceptions. You should be able to refute each statement in the space provided, referring to information or argumentation contained in this chapter. Sample answers appear at the end of the Handbook.

1. "The president should bear the blame when the nation's economy does not perform well, because he controls the government agencies that in turn control the economy."

2. "The economy would be consistently healthy if government officials were well-trained economists."

3. "Elected officials need to study the economy and respond with the appropriate tax increases or budget reductions."

4. "The budget is so large that it should be relatively easy to find programs to cut."

Social Welfare

I. Reviewing the Chapter

A. Chapter Focus

This chapter covers more than fifty years of the political history of efforts to establish, maintain, expand, or cut those major programs that give or claim to give government help to individuals in need. After reading and reviewing the material in this chapter, you should be able to do each of the following:

1. Describe the goals of the American social welfare system, and contrast its programs with those of the British in terms of centralization.
2. Describe the major elements of the American system, including the Social Security Act of 1935, the Economic Opportunity Act of 1964, and the Medicare Act of 1965. Why did these acts pass, whereas the Family Assistance Plan of 1969 failed? What generalizations can be made about welfare politics?
3. Explain why some welfare policies can be considered majoritarian politics and others client politics. Give examples and indicate the political consequences of each.
4. Analyze and comment on the promise and the performance of the Reagan administration in cutting welfare programs while maintaining the "safety net."
5. Discuss the many politics of health care reform.

B. Study Outline

- I. Overview of welfare politics in the United States
 - A. Who deserves to benefit?
 1. Insistence that it be only those who cannot help themselves
 2. Slow, steady change in deserving/undeserving line
 3. Alternative view: fair share of national income; government redistribute money
 4. Preference to give services, not money to help deserving poor
 - B. Late arrival of welfare policy
 1. Behind twenty-two European nations
 2. Contrast with Britain in 1908
 - C. Influence of federalism
 1. Federal involvement "illegal" until 1930s
 2. Experiments by state governments
 - a. Argued against federal involvement because states already providing welfare
 - b. Lobbied for federal involvement to help states
- II. The four laws in brief
 - A. Social Security Act of 1935
 1. Great Depression of 1929—local relief overwhelmed
 2. Elections of 1932—Democrats, FDR swept in

- a. Legal, political roadblocks—was direct welfare unconstitutional?
 - b. Fear of more radical movements
 - (1) Long's "Share Our Wealth"
 - (2) Sinclair's "End Poverty in California"
 - (3) Townsend's old age program
-
- 3. Cabinet Committee's two-part plan
 - a. "Insurance" for unemployed and elderly
 - b. "Assistance" for dependent children, blind, aged
 - c. Federally funded, state-administered program under means test
- B. Economic Opportunity Act of 1964
 - 1. War on Poverty at a time of prosperity
 - 2. Pockets of poverty found (Michael Harrington)
 - 3. Proposals acquire urgency
 - a. March on Washington, August 1963
 - b. Kennedy assassination, November 1963
 - 4. Service not money, provided through Economic Opportunity Act
 - a. Job Corps
 - b. Literacy programs
 - c. Neighborhood Youth Corps
 - d. Work-study program
 - e. Community Action Program
 - 5. Resulted in complex and controversial organizations based in neighborhoods
- C. Medicare Act of 1965
 - 1. Medical benefits omitted in 1935: controversial but done to ensure passage
 - 2. Opponents
 - a. AMA
 - b. House Ways and Means Committee under Wilbur Mills
 - 3. 1964 elections: Democrats' big majority altered Ways and Means
 - 4. Objections anticipated in plan
 - a. Application only to aged, not everybody
 - b. Only hospital, not doctors', bills covered
 - 5. Broadened by Ways and Means to include Medicaid for poor; pay doctors' bills for elderly
- D. Family Assistance Plan (FAP) of 1969
 - 1. Growth of AFDC and doubling of costs from 1964 to 1969
 - 2. Criticisms
 - a. Subsidizing the able-bodied
 - b. Benefits too low
 - c. Harm to families by encouraging them to break up
 - d. Demeaning tests for eligibility
 - 3. Nixon proposed bold departure in FAP
 - a. Guaranteed minimum income for family with children
 - b. Work requirement or job training
 - c. Earned income offset but discounted
 - d. Benefit ceiling
 - 4. House passage due to support of Wilbur Mills, would reduce welfare cheating
 - 5. Senate defeat
 - a. Conservative Russell Long chaired Finance Committee
 - b. Liberals unsatisfied, suspicious; conservatives feared cost
 - 6. Programs and idea dead
 - a. McGovern in 1972 offered a version but withdrew it
 - b. Carter after 1976; but earned-income tax credit enacted in 1975
- III. Two kinds of welfare programs
 - A. Majoritarian politics: almost everybody pays and benefits
 - 1. Social Security Act, Medicare Act are examples
 - B. Client politics: everybody pays, relatively few people benefit
 - 1. AFDC program, CAP program of War on Poverty are examples

- C. Majoritarian politics
 - 1. Programs with widely distributed benefits and costs
 - a. Beneficiaries must believe they will come out ahead
 - b. Political elites must believe in legitimacy of program
 - 2. Social Security and Medicare looked like "free lunch"
 - a. Benefits and taxes were initially small
 - b. Many players, few beneficiaries
 - c. Medicare costs were underestimated
 - 3. Debate over legitimacy: Social Security (1935)
 - a. Constitution did not authorize federal welfare (conservatives)
 - b. But benefits were not really a federal expenditure (liberals)
 - 4. Good politics unless cost to voters exceeds benefits
 - 5. Three things changed politics of Social Security and Medicare
 - a. Tax increases necessary to pay for retirement benefits
 - b. Older people began to live longer
 - c. Cost of health care shot up
- D. Client politics
 - 1. Programs pass if cost to public not perceived as great and client considered deserving
 - 2. AFDC became controversial once perception changed to no longer helping "deserving poor" but unmarried black women
 - a. American values hold that welfare encourages men to avoid responsibilities and poor women to have babies
 - b. Americans prefer service strategy to income strategy
 - (1) Charles Murray: high welfare benefits made some young people go on welfare rather than seek jobs
 - (2) No direct evidence supports Murray
 - c. Preference for "giving people a hand rather than a handout" explains passage of War on Poverty in 1964
- E. The many politics of health care reform
 - 1. President Clinton announced new health care policy in 1993
 - 2. Many presidents endorsed health plans without success
 - 3. Not till Medicare Act of 1965 did federal government begin a big role in health care but only for elderly
 - 4. New issue emerged because of rising cost of health care
 - a. Nixon urged HMOs
 - b. Carter proposed a cap on hospital payments by insurance
 - c. Reagan changed law to allow Medicare to reimburse a fixed amount
 - 5. Clinton concerned not only about cost but number of people not covered
 - a. Task Force on National Health Care formed under Hillary Rodham Clinton
 - b. Plan proposed placing entire medical economy under federal regulation
- F. Majoritarian versus client politics
 - 1. Clinton wanted health plan seen as majoritarian issue
 - 2. But Americans happy with current health insurance
 - 3. Clinton's alternative was to make health care client politics
 - a. Needed client to have either allies in Congress or be seen as deserving
 - b. Public unlikely to help marginal members of society
 - 4. Clinton's strategy shifted to making health care a majoritarian issue by making public fearful of losing insurance
 - 5. Hillary Clinton injected entrepreneurial politics by attacking drug manufacturers and insurance companies
 - 6. Rival plans emerged
 - a. Single-payer plan
 - b. Voluntary plan for employers
 - c. Clinton began calling his plan "managed competition" as a compromise in the face of rival plans
 - 7. Questions of average citizen

- a. Would people have to pay higher taxes for benefits they already have?
- b. Would people retain the right to choose their own doctor?
- c. Would the United States continue to be in the forefront of developing new drugs and methods of treatment?
- d. If all employers were required to provide health insurance mostly at their own expense, would they cut back on the number of people they hire?
- e. Should there be one national or several state plans?

IV. Toward a new welfare politics

A. Majoritarian welfare programs: who will pay? how much?

B. Client-oriented welfare programs: who should benefit? how should they be served?

C. Costs

1. Problem: "indexing" of Social Security payments to inflation
 - a. Made increases automatic
2. Bipartisan commission raised taxes, raised age at which people become eligible
3. Medicare was tougher
 - a. Politically impossible to raise taxes or cut benefits
 - b. Approach: price controls in 1983
 - (1) Regulations and restrictions on what doctors and hospitals can charge
 - (2) Flat fee for each treatment
 - (3) Some hospitals cut services in response
 - c. Medicare Catastrophic Coverage Act of 1988
 - (1) Designed to protect elderly against costs of catastrophic illness
 - (2) Costs to be paid by more affluent elderly
 - (3) Beneficiaries revolted, and act was repealed
4. Any universal health plan would present more cost problems than Medicare
 - a. Clinton proposed to recover costs by more efficient, streamlined system

D. Legitimacy

1. Question: how can perceived legitimacy of poor people be increased?
2. Family Support Act of 1988
 - a. Requires states to collect child support payments from deserting fathers
 - b. Requires states to train welfare mothers
 - c. Passed Congress by wide margins
3. Head Start
 - a. Provides preschool education to poor children
 - b. Popular with conservatives and liberals
 - (1) Targets poor families
 - (2) Provides services rather than money
 - (3) Helps children

E. The "family issue"

1. Attempt by Democrats to co-opt Republicans
2. Emphasis on strengthening family ties
3. Examples: minimum wage, government-supported day care, parental leave from work
4. Problem: debate over morality
 - a. What values should be encouraged?

F. The homeless

1. Disagreement over number of homeless
2. Adopted policy satisfies neither liberals nor conservatives
3. Federal government supports state and local programs

G. Immigrants

1. 90 percent of immigrants are in six states
2. Studies indicate effect of immigration on wages or unemployment of less-skilled workers is nil
3. But public perceives immigration as harming American workers
4. Economic effects of immigrants is mixed
 - a. Decline in earnings of low-skilled workers
 - b. Immigrants pay more in taxes than they receive in government services

C. Key Terms Match

Match the following terms and descriptions. (Note: One of the descriptions should be matched with two terms)

Set 1.

- | | |
|-----------------------------------|---|
| a. AFDC | 1. ___ First U.S. legislation, in 1935, providing for an income transfer program |
| b. almshouses | 2. ___ Legislation enacted in 1964 that authorized various services for the needy |
| c. Community Action Program (CAP) | 3. ___ Legislation enacted in 1965 providing medical insurance for the elderly |
| d. Economic Opportunity Act | 4. ___ The proposal defeated in 1972 for a guaranteed annual income |
| e. EPIC | 5. ___ Pre-1935 state programs to aid widows with children |
| f. Family Assistance Plan | 6. ___ Pre-1935 state-run or locally run homes for the poor |
| g. Job Corps | 7. ___ Huey Long's proposal to redistribute income in the United States |
| h. March on Washington | 8. ___ Upton Sinclair's proposal to redistribute income in California |
| i. Medicare | 9. ___ Proposal to provide all elderly people with \$200 per month |
| j. mother's pension | 10. ___ An event that strengthened the chances of passage of the War on Poverty program |
| k. Neighborhood Youth Corps | 11. ___ A program to train chronically unemployed young people |
| l. Share Our Wealth plan | 12. ___ A program to provide work experience to young people in cities |
| m. Social Security Act | 13. ___ A program to enable the poor to participate in administering poverty programs |
| n. SSI | 14. ___ Benefits paid weekly to laid-off workers unable to find jobs |
| o. Townsend plan | 15. ___ Payments to poor families with children |
| p. UI | 16. ___ Cash payments to poor people who are aged, blind, or disabled |
| q. War on Poverty | |

Set 2

- | | |
|-----------------------------|--|
| a. assistance program | 1. ___ Vouchers given to the poor to buy food at grocery stores |
| b. client politics | 2. ___ A proposal to replace AFDC by putting a floor under all incomes |
| c. earned-income tax credit | 3. ___ Carter's attempts to introduce a version of the guaranteed income |
| d. Family Support Act | 4. ___ The mechanism by which payments rise automatically when costs do |
| e. food stamps | 5. ___ A proviso that only those below a specified poverty level qualify for a program |
| f. guaranteed annual income | 6. ___ Policy making in which almost everybody benefits and almost everybody pays |
| g. Head Start | |
| h. income strategy | |
| i. indexing | |

(continued)

- | | |
|---------------------------------------|--|
| j. insurance program | 7. ___ An approach to welfare that aims to give poor people job training or government jobs rather than money |
| k. majoritarian politics | 8. ___ Legislation adopted in 1988 to protect the elderly against the costs of long-term medical care; later repealed |
| l. means test | 9. ___ Legislation adopted in 1988 to provide welfare to needy people without encouraging the breakup of families or discouraging gainful employment |
| m. Medicare Catastrophic Coverage Act | 10. ___ Federally funded program that provides children with preschool education |
| n. negative income tax | 11. ___ Policy making in which relatively few people benefit but everybody pays |
| o. Program for Better Jobs and Income | 12. ___ An approach to welfare in which poor people are given money |
| p. service strategy | 13. ___ A program financed by income taxes that provides benefits to poor citizens without requiring contributions from them |
| | 14. ___ A self-financing program based on contributions that provides benefits to unemployed or retired persons |
| | 15. ___ A provision of a 1975 tax law that entitles working families with children to receive money if their income falls below a certain level |

D. Did You Think That . . . ?

Below are listed a number of misconceptions. You should be able to refute each statement in the space provided, referring to information or argumentation contained in this chapter. Sample answers appear at the end of the Handbook.

1. "Welfare policies are instituted primarily to redistribute income among classes."

2. "The United States has led the way in pioneering social programs."

3. "The national government is responsible for social welfare administration."

4. "Bill Clinton was the first president to propose a federal health care policy."

Attach this as a cover sheet for your answers.

1. Why does the legitimate scope of government action no longer spark the debate that it did during the 1920's and 1930's?
2. Since popular attitudes change only slowly and usually in response to critical events, how can you account for the relatively rapid changes in the agenda of public policy?
3. Explain the theory of cost and benefit in the formulation of public policy. Be sure to properly define the essential terms.
4. Congress recently passed a massive updating of the nation's telecommunications law. Television networks, television stations, cable TV networks, local cable companies, longdistance carriers, local and regional telephone companies are all cover by new rules to expand competition and limit government regulation. How do you think making this law fits into the cost/benefit matrix on page 457?
5. Explain how the Social Security program fits into the cost/benefit matrix.
6. Explain how the work of Ralph Nader fits into the cost/benefit matrix.
7. Explain client politics in terms of the the cost/benefit matrix. Provide and example of client politics in action and an explanation of why it works.
8. How was the savings-and loan mess almost a disaster designed by Congress?
9. What does it mean to "discount the future" in conflicts over public policy. Provide two examples of this principal in operation.
10. If a person tries to explain politics only in terms of self-interest, what are three neglected factors that are often decisive forces in political conflicts? Provide an example of one of these factors in operation.

ATTACH AS A COVER SHEET FOR YOUR ANSWERS.

1. Why is it so easy to become cynical while studying economic policy (give some evidence)? Why would this view be a mistake?
2. Conventional wisdom tells politicians that citizens vote their "pocketbook." What is the complexity of this issue that has at least two versions of "pocketbook?"
3. Do the two major political parties have different priorities for combating inflation and unemployment? Explain.
4. In a succinct manner, explain the defining traits of Monetarism, Keynesianism, Planning, and Supply-Side Economics.
5. What is "Reaganomics?" What have been its results?
6. What is the difference between fiscal policy and monetary policy? Who controls them?
7. What seems so obviously inconsistent about voter attitudes concerning government spending? What two political appeals result?
8. Explain the view that much of the federal budget is on automatic pilot? Be sure to provide several examples.
9. What is the political compromise concerning tax rates that Democrats and Republicans adhered to for much of this century?
10. What did the Tax Reform Act of 1986 do? How did it become possible to pass such a measure? What major problem did it not address?

ATTACH AS A COVER SHEET TO YOUR ANSWERS.

1. The American approach to welfare differs from that of many European countries on the basis of who is entitled, when programs started, and federalism. Briefly explain the American approach on each of these points.
2. The two most significant and long lasting welfare programs were initiated in 1935 and 1965. Identify the programs and explain what political conditions the two periods had in common that worked in favor of expanding welfare programs?
3. In terms of social-welfare programs, what is a means test?
4. What is the one part of the Social Security Act that has become unpopular with Americans? Explain why this attitude has developed.
5. What is the earned-income tax credit and how is it related to the failed Family Assistance Program of 1969?
6. What is the ideological debate that seems to surround nearly every consideration of social-welfare legislation in the U.S.? How do the political parties line up in this debate?
7. Why did Social Security have to be "rescued" during the 1980's? In general terms, how was this "rescue" accomplished? What other program has been in deep trouble but left to fester?
8. What is the problem that the nation faces with the cost of health care?
9. What were some of the basic problems of the Clinton "Health Security Act" that caused it to fail at passage?
10. What lesson(s) do you think Congress learned from the experience of the "Medicare Catastrophic Coverage Act of 1988?"

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January 16, 2013, 1:06 pm

What Is Driving Growth in Government Spending?

By *NATE SILVER*

It's one of the most fundamental political questions of our time: What's driving the growth in government spending? And it has a relatively straightforward answer: first and foremost, spending on health care through Medicare and Medicaid, and other major social insurance and entitlement programs.

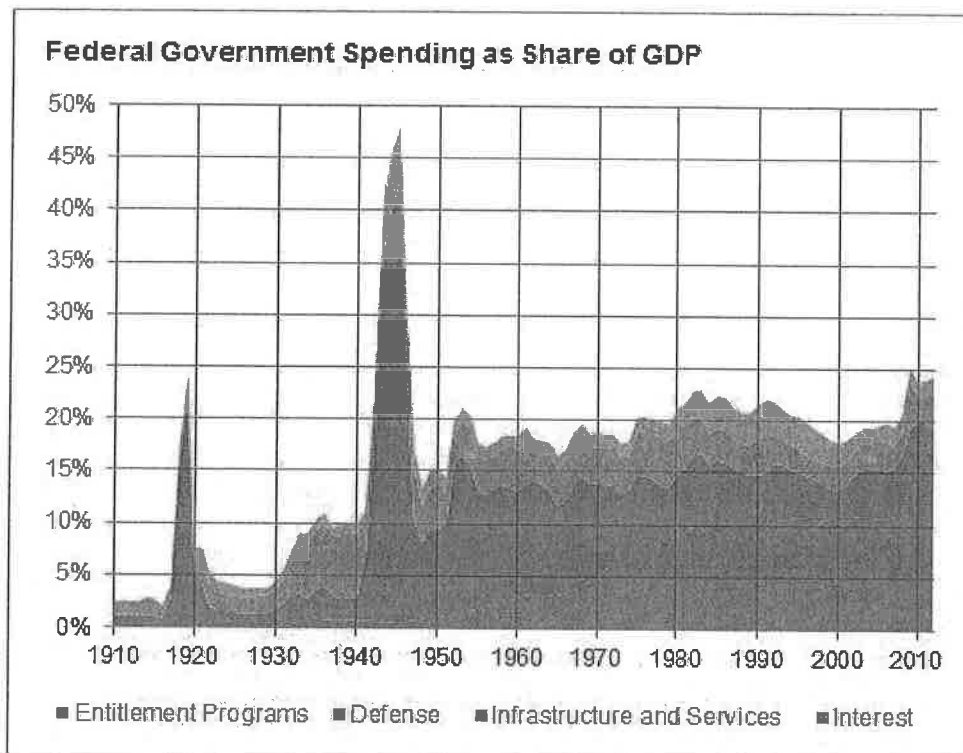
But I thought it was worth reviewing the evidence in a bit more detail. There are a few surprises along the way, some of which liberal readers might like and others of which will please conservative readers.

The Web site usgovernmentspending.com has an abundance of data on federal, state and local spending at different points in time. My focus will be on how government has been spending its money in the present and the past, rather than evaluating any future budgets or projections.

I'll be looking principally at government spending as a share of the overall economy, specifically as compared to the gross domestic product. In the long run, the overall economic health of the country is the most important constraint on fiscal policy. A growing economy gives us a lot of good choices: maintaining or expanding government programs, cutting taxes or holding them at a moderate level, reducing or managing the national debt. A stagnant economy means that everything gets squeezed.

The first chart, below, documents the growth in federal government spending over the past hundred years as a share of gross domestic product spending is broken down into four major categories:

1. **Entitlement programs**, under which I classify government expenditures on health care programs; pensions and retirement programs like Social Security; and welfare or social insurance programs like food stamps and unemployment compensation.
2. **Military spending**
3. **Interest on the national debt**
4. **Infrastructure and services**, under which I include everything else — the pot that is often referred to as discretionary spending: education spending; fire services, police and the criminal justice system; spending on physical infrastructure including transportation; spending on science, technology, and research and development; and the category called “general government,” which largely refers to the cost of maintaining the political system (like salaries for public officials).



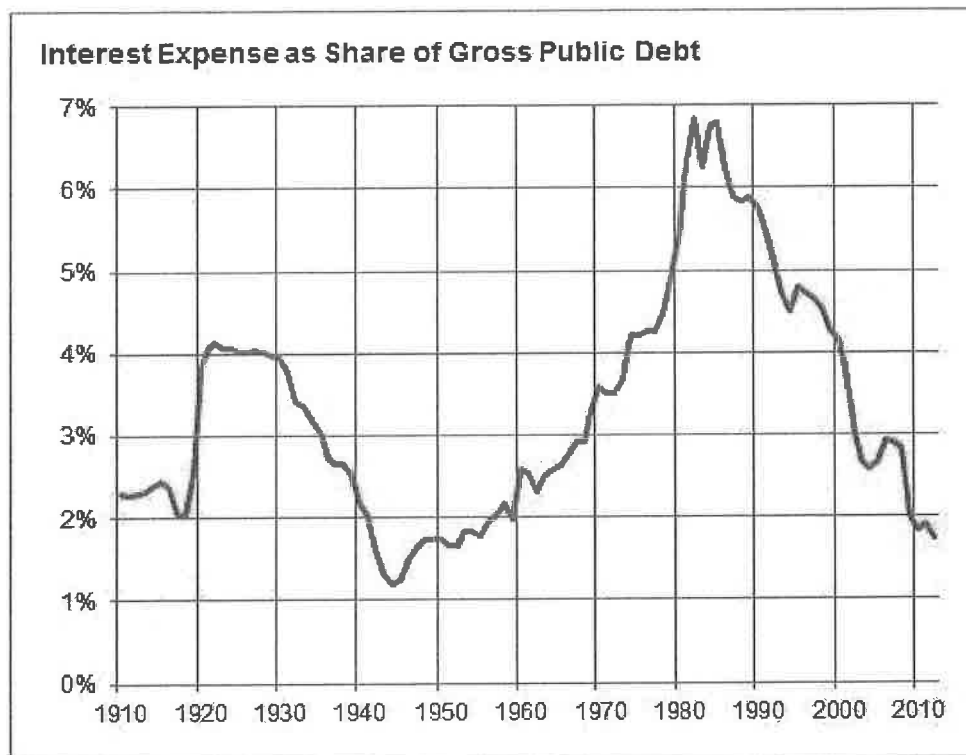
The most striking feature of the chart is the extraordinary amount of military spending during World War II (and to a lesser extent, during World War I). Even after World War II, however, military spending constituted the outright majority of federal government spending until 1969.

Military spending makes up closer to 24 percent of federal expenditures today. That’s up from the near-term low from 1998 to 2001, when it made up about 20 percent of federal spending. (One contributor to the budget surpluses achieved briefly during the Clinton administration was a peace dividend in the interim between the cold war and the Sept. 11 attacks.) And military spending in the United States has generally been rising relative to inflation and remains very high relative to most other nations. But over the longer term, it has fallen slightly relative to the gross domestic product, and substantially relative to other types of government spending.

Another surprise is how little we are paying in interest on the federal debt, even though the debt is growing larger and larger. Right now, interest payments make up only about 6 percent of the federal budget. In addition, they have been decreasing as a share of the gross domestic product: the federal

government spent about 1.5 percent of gross domestic product in paying interest on its debt on 2011, down from a peak of 3.3 percent in 1991.

How is this possible? The reason is that although the government is borrowing a lot of money, it is doing so very cheaply because interest rates are low both over all and on government debt specifically. We're now spending less than 2 percent of the principal annually to service our debt, down from a peak of close to 7 percent in the early 1980s. Borrowing costs aren't expected to remain this low forever, so this ratio is bound to increase some. Fortunately, much of the debt we have issued has relatively long maturities, meaning that we have locked in low rates. (This won't necessarily apply to future deficit spending: one of the consequences of failing to raise the debt ceiling would be a significant rise in borrowing costs, which would compound our debt problems later on.)



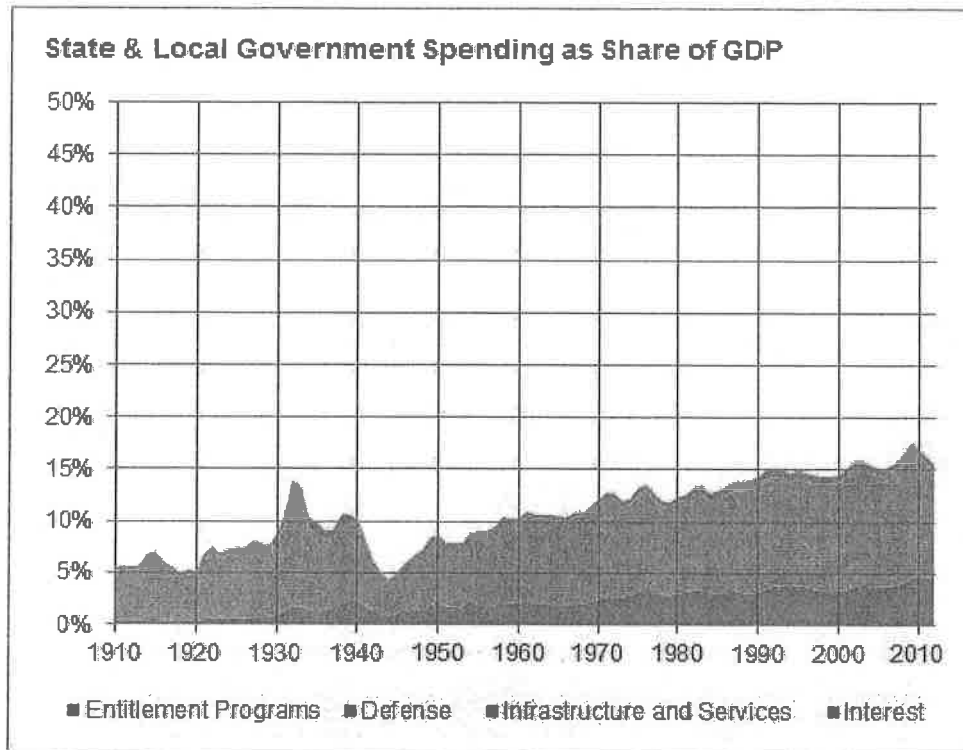
The growth in federal spending on physical infrastructure and on services provided directly by the government like policing and education, has been modest. In fact, federal spending on these categories has declined somewhat as a share of the gross domestic product over the past 40 years.

It might also be surprising that spending in this category is relatively quite small — federal expenditures in these areas totaled only about 2.5 percent of gross domestic product in 2011 — considering that they make up some of the most traditional functions of government (along with defense).

But part of this is because many of these services are financed and provided for by state and local governments, which spend most of their money in these areas.

That means most of the growth in federal government spending relative to inflation — and essentially all the growth as a share of the gross domestic product — has been because of the increased expense of entitlement programs.

We'll return to this theme in a moment, but let's first consider the role played by state and local governments.



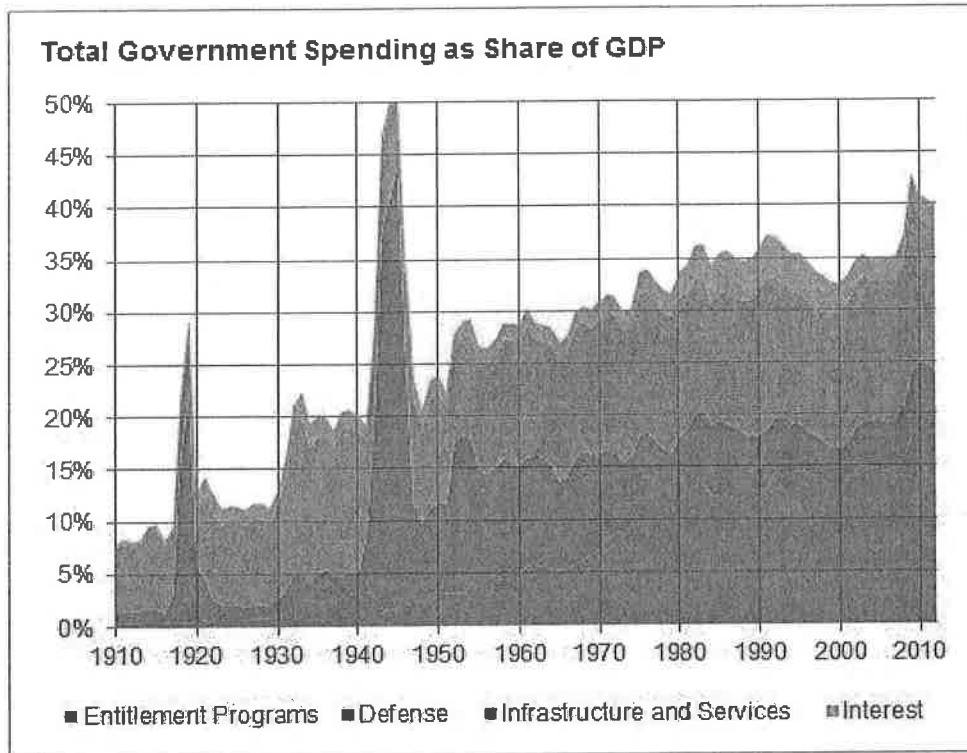
While most discussions of government spending focus on what the federal government spends, state and local governments are a bigger part of the picture than you might think. Their collective spending is now the equivalent of about 15 percent of the gross domestic product, not counting money which is granted to them by the federal government for programs administered by states and localities. (By comparison, federal government spending, including grants to the states and interest on the national debt, has recently been about 24 percent of the gross domestic product.)

The states also spend their money much differently than the federal government: principally, as I mentioned, on infrastructure and on services like policing and education. States and localities do spend some on entitlement programs, and their expenditures in this area have been increasing, but federal expenditures have accounted for most of the growth.

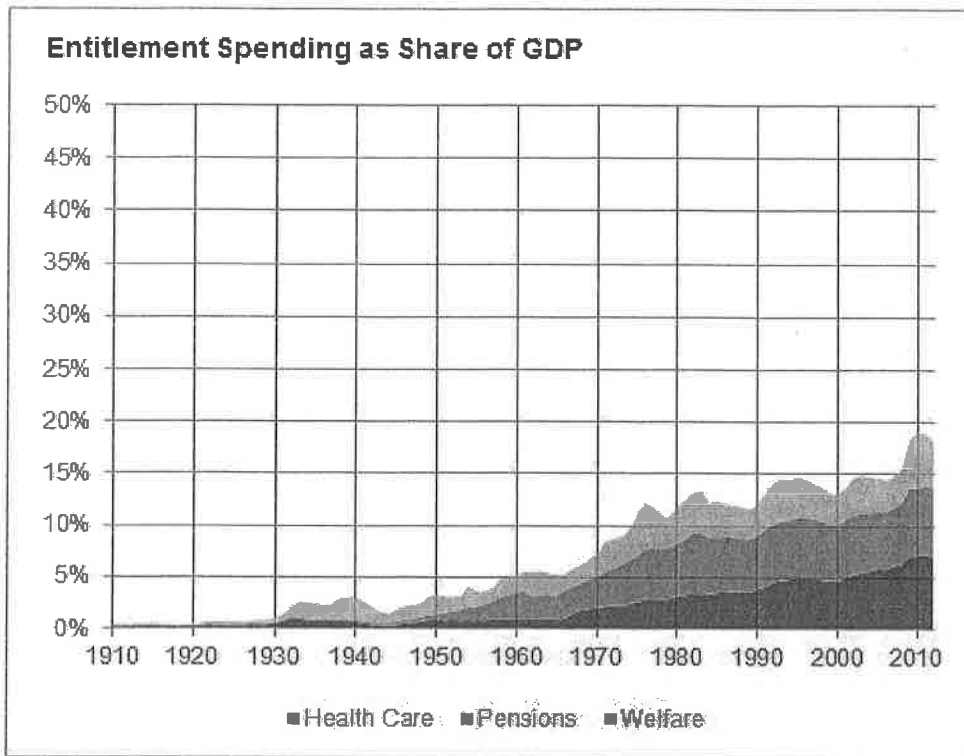
However, states and localities pay for essentially nothing that would be classified as military spending. They also accumulate relatively little debt, so they don't pay much in the way of interest; many states are required by law to balance their budgets, or routinely do so as a matter of custom.

The flip side is that states and localities have very limited ability to engage in stimulative spending during economic downturns. Instead just the opposite is true: recessions reduce their tax base, so they either have to increase tax rates or cut services to keep their budgets balanced. The federal government provided various grants to the states in the stimulus package it passed in 2009, offsetting some of the states' expenses, but these programs have since largely expired, and many states and municipalities have had to cut their budgets or raise taxes since then. Partly as a result, about 500,000 local and state government jobs have been lost since 2009, even as private-sector employment has (somewhat) recovered.

Although accounting for state and municipal expenditures alongside federal ones increases the share of government expenditures that are spent on infrastructure programs, it does not change our conclusion about what is driving the increase in spending relative to gross domestic product entitlement programs, which account for the vast bulk of it.



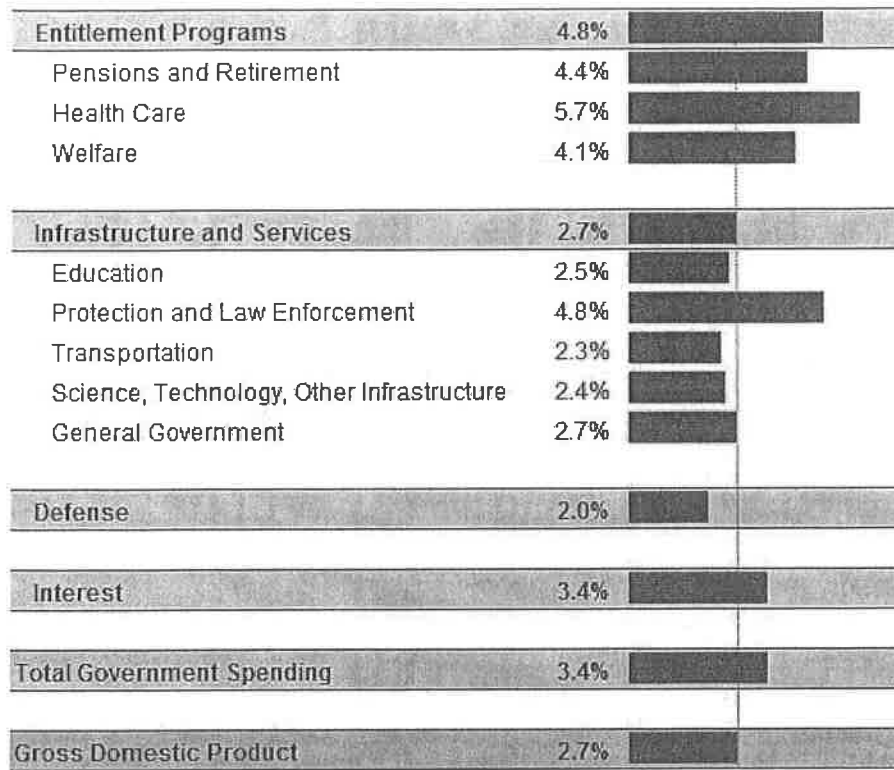
The usgovernmentspending.com data classifies three subcategories of entitlement programs. Spending on welfare programs like food stamps and unemployment insurance is the most cyclical – or technically the most countercyclical, since much of it kicks in automatically during an economic downturn. Spending on retirement programs, principally Social Security, is the steadiest, but it has been increasing faster than the rate of gross domestic product growth and considerably faster than inflation. And health care spending has been increasing at the fastest rate.



Specifically, overall government spending on entitlement programs increased at a 4.8 annual rate in the 40 years between 1972 and 2011, net of inflation. Health care spending increased at 5.7 percent per year (and federal government spending on health care increased at a 6.7 percent pace). In contrast, the gross domestic product grew at a rate of 2.7 percent over this period, with tax revenues increasing at about the same rate as the G.D.P.

Spending on infrastructure and government services, excluding defense, has kept pace with gross domestic product growth. (Spending on infrastructure and services by the federal government specifically has lagged gross domestic product growth somewhat, growing at 1.8 percent per year.) Also, most of the subcategories of infrastructure and services spending that usgovernmentspending.com tracks have decreased slightly as a share of the gross domestic product, including spending on transportation, education, science and technology. The major exception is spending on the category they describe as “protection,” reflecting the increase in the criminal justice apparatus, which has grown at 4.8 percent per year.

**Total Government Spending
Annualized Growth Rate, 1972-2011**



Another way to view these data is to allocate the increase in spending-to-G.D.P. between the different categories of expenditures. Total government spending — including federal, state and local spending — rose to about 39 percent of the gross domestic product in 2011 from about 30 percent in 1972. So we have a 9 percent increase to account for, which is equal to about \$1.3 trillion per year in current dollars.

Spending on entitlement programs was about \$500 billion per year in 1972 in today’s dollars. If it had increased at the same rate as the gross domestic product, it would now be about \$1.4 trillion. Instead, it is now about \$2.9 trillion per year. What this means is that there has been about a \$1.5 trillion increase in entitlement spending above and beyond gross domestic product growth. This is actually slightly larger than the overall increase in government spending relative to gross domestic product. This results from the fact that spending on the other categories has been essentially flat relative to the gross domestic product (infrastructure and services), or constitutes a negligible part of the budget for the time being (interest), or actually decreased relative to gross domestic product over the 40-year period (defense).

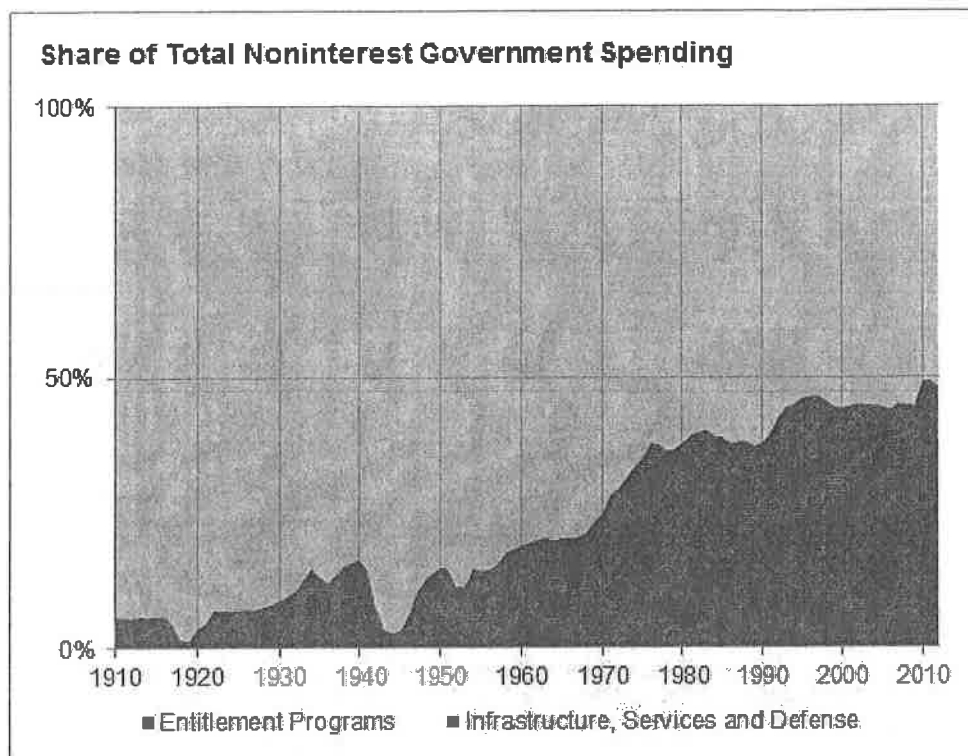
To clarify: all of the major categories of government spending have been increasing relative to inflation. But essentially all of the increase in spending relative to economic growth, and the potential tax base, has come from entitlement programs, and about half of that has come from health care entitlements specifically.

**Net Contribution to Total Budget Growth as Share of GDP
1972-2011**

Entitlement Programs	+10.2%	
Pensions and Retirement	+3.2%	
Health Care	+4.9%	
Welfare	+2.1%	
Infrastructure and Services	+0.1%	
Education	-0.3%	
Protection and Law Enforcement	+1.1%	
Transportation	-0.3%	
Science, Technology, Other Infrastructure	-0.4%	
General Government	0.0%	
Defense	-1.8%	
Interest	+0.5%	
Total Government Spending	+9.0%	

The growth in health care expenditures, for better or worse, is not just a government problem: private spending on health care is increasing at broadly the same rates and is eating up a larger and larger share of economic activity. It's an immensely complicated problem, but the arithmetic is simple: if we can't slow the rate of growth in health care expenditures, we'll either have to raise taxes, cut other government spending or continue to run huge deficits. Or we could hope to grow our way out of the problem, but health care expenditures may be impeding private-sector growth as well.

And soon, we may cross an important symbolic threshold: when the overall majority of government expenditures are spent on, essentially, insurance programs. (Another way to conceive of the major categories of entitlement programs are as health insurance, retirement insurance, unemployment insurance and so forth). Already, this is true of federal government spending (and it has been true since the early-to-mid-1990s). It is very close to being true even if one also accounts for state and local spending, and may well become true as soon as this year.



Slowing the growth of entitlement spending will not be easy. Particularly in the case of health care, it has become substantially more expensive for individuals with both public and private insurance to purchase the same level of care.

And on a political level, cuts to entitlement programs are liable to be more noticeable to individual voters than cuts to things like infrastructure spending. A 10 percent cut to Social Security or Medicare benefits will surely draw the ire of voters. A 10 percent reduction in the amount allocated to bridge repair, or in the amount of government-sponsored energy research, will affect individual citizens less directly (even if they are perhaps ultimately more economically damaging: most of the academic literature is supportive of high long-run returns to infrastructure and research and development spending on private-sector productivity and economic growth).

Nevertheless, the declining level of trust-in government since the 1970s is a fairly close mirror for the growth in spending on social insurance as a share of the gross domestic product and of overall government expenditures. We may have gone from conceiving of government as an entity that builds roads, dams and airports, provides shared services like schooling, policing and national parks, and wages wars, into the world's largest insurance broker.

Most of us don't much care for our insurance broker.

A version of this article appears in print on 01/17/2013, on page A16 of the New York edition with the headline: Health Care Drives Increase in Government Spending.

[Economics](#), [Politics](#), [debt](#), [defense](#), [entitlements](#), [G.D.P.](#), [government spending](#), [health care](#), [infrastructure](#), [insurance](#), [Medicaid](#), [Medicare](#), [Social Security](#)

Is Affordable Care Act really affordable for all?

Michael Ollove, Pew/Stataline Staff Writer 1:43 p.m. EST January 14, 2014



(Photo: M. Spencer Green, AP)

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The promise of the Affordable Care Act is right there in its title: *Affordable*. Yet, anti-poverty agencies across the country fear that even with the federal financial assistance available under the law, health insurance will remain unaffordable for significant numbers of low-income Americans.

"For those with very low wages trying to raise kids, after paying for housing, electricity, food, transportation, and child care, asking people to pay another \$50 or \$100 a month, that's just out of reach," said Sireesha Manne, a staff attorney at the New Mexico Center on Law and Poverty (<http://nmpovertylaw.org/>).

The Affordable Care Act (ACA) is designed to make insurance affordable for Americans with low and moderate incomes—particularly since it requires all Americans to have health insurance starting this year, or face financial penalties. The law expands Medicaid eligibility (in the states that have agreed to do so) to the poorest Americans—those making up to 133% of the federal poverty line. But it also provides financial assistance for those making up to 400% of the poverty level to help them buy private insurance on the new state health exchanges.

Still, the financial help isn't enough for some. "Even with the subsidies, some people simply won't be able to manage to pay their health insurance premiums consistently with all the other costs facing them," said Janet Varon, executive director of the Northwest Health Law Advocates (<http://www.nohla.org/>) in Seattle which works on health access issues.

The authors of the ACA anticipated this problem. To address it, the law allows states to create a separate insurance program, called the Basic Health Program, for people who earn too much to qualify for Medicaid and too little to afford insurance on the state exchanges, even with federal aid. Under such a plan, the federal government will give the subsidies directly to the states, instead of to individuals and families. The states are supposed to pool the money and then use the financial leverage to push insurers to offer less expensive coverage. **FINANCIAL LEVERAGE**

A number of states, including New York and Washington, are eager to create such programs, but they can't until the Obama administration issues the regulations that will govern them. "We all thought we were going to be able to start in 2014 and then we waited for the rules, and we waited and waited and waited," said Varon, who sits on a state board that will develop Washington's Basic Health Program when the rules are finally written. Some now fear states won't be able to launch the programs before 2016.

A COMPUTATIONAL LABYRINTH

For now, low-income Americans who aren't eligible for Medicaid must rely on the financial help that is available to them on the health insurance exchanges.

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AFFORDABLE CARE ACT | TOPIC | 5D77043A-4674-4F8A-A662-CA7F81EDF85/AFFORDABLE CARE ACT |

-electronic-health-records/6600377/



Fact check: Obama mixing and matching insurance stats
[/story/news/politics/2014/03/18/fact-check-obama-insurance-stats/6575537/](http://story/news/politics/2014/03/18/fact-check-obama-insurance-stats/6575537/)

-check-obama-insurance-stats/6575537/



South Dakota, feds negotiating over possible Medicaid expansion
<http://www.argusleader.com/story/politics/2014/03/medicaid-expansion-talks/6533197/>

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Breaking down the Affordable Care Act

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Is Affordable Care Act really affordable for all?

Determining how much that amounts to is a computational labyrinth. According to the ACA, a family of three whose annual income is at 133% of the federal poverty level (an annual income of \$24,352), should have to pay no more than 3% of their household income in annual premiums, or \$731. In that case, the federal government would pay the insurance company the difference between \$731 and the actual premium.

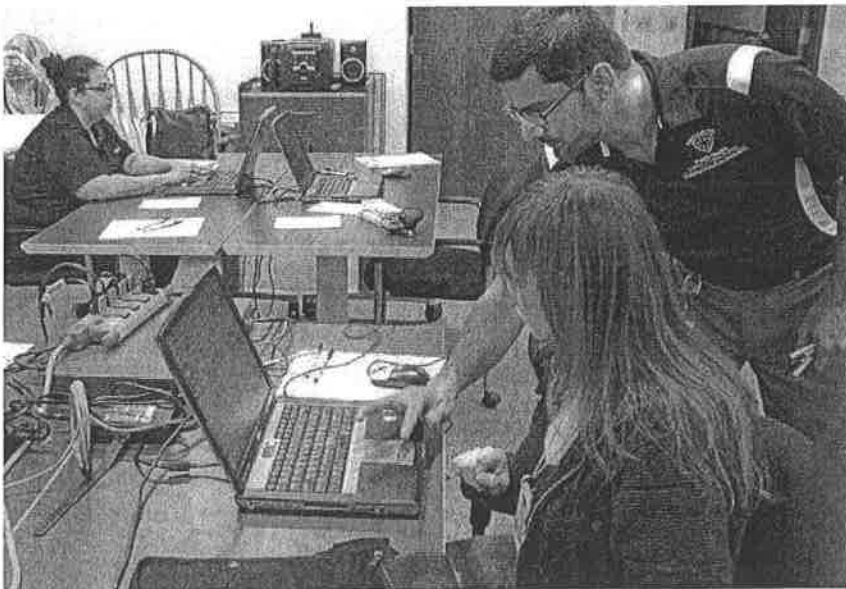
The percentage an individual or family is expected to pay rises at higher income levels, up to 400% of poverty. At that income level, paying up to 9.5% of household income on health insurance is considered affordable. So, a family of three making \$73,240 would receive a subsidy to cover premium amounts above \$6,958.

People making between 133 and 250% of the poverty level also can get help with their out-of-pocket medical expenses, such as co-payments for visits to the doctor, providing they purchase at least a "Silver" plan on the exchange. The exchanges offer up to four different tiers of health insurance plans: "Bronze," "Silver," "Gold" and "Platinum." Bronze plans have the cheapest premiums, but leave policyholders with the highest co-payments and deductibles. Platinum plans have the highest premiums but the lowest co-pays and deductibles.

Under the Silver plans, people making more than 250% of the poverty level can expect to contribute an average of 30% for their medical costs, with their insurance company paying the rest. But those with incomes below 250% of the poverty level can get federal assistance with their out-of-pocket expenses. At 133% of the poverty level, an individual or family could contribute as little as 6% to the cost of their medical bills with the insurance company and the federal government picking up the rest.

Those cost-saving breaks, however, are only available for those selecting Silver plans, apparently to entice people away from Bronze plans with their high deductibles and co-pays.

DEFINING "AFFORDABLE"



Awais Vaid, a certified counselor, right, helps Mandy Wyatt sign up for the Affordable Care Act at the Champaign Urbana Public Health District in Champaign, Ill., on Oct. 1. (Photo: John Dixon, AP)

Despite all of this assistance, health insurance still may not be "affordable" for some. Affordability, like beauty, is a matter of opinion. "What it means for something to be affordable or not affordable is totally debatable," said Sherry Glied, dean of New York University's Robert F. Wagner Graduate School of Public Service. "It isn't like there's a fixed definition of affordability."

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Is Affordable Care Act really affordable for all?

That's particularly true in the U.S., where the cost of living varies so strikingly. "What's poor in Mississippi is different from what's poor in New York state," said Elisabeth Benjamin, an executive with the Community Service Society of New York (<http://www.cssny.org/>). "People have so little disposable income in New York City and other urban areas, but the law doesn't do geographic indexing."

Using cost of living data on the Albuquerque area from the Economic Policy Institute, Kelsey Heilman, a former staff attorney with the New Mexico Center on Law and Poverty, showed that a single mother of two making 200% of the poverty level would have virtually no money left for health care premiums or health care expenses after paying for housing, food, transportation and other necessities. That mother, Heilman said, might decide to go with the cheaper Bronze plan, but then she would forgo the cost-sharing help the federal government makes available for Silver plan policyholders. As a result, she might pay as much as 40% of her medical expenses out of pocket, instead of the 13% she would have to pay with a Silver plan. That difference could amount to more than \$3,000 a year.

Those who decide to forgo insurance can ask for hardship exemptions from the financial penalty. But getting medical care is likely to become increasingly difficult for them because the federal government is cutting its payments to hospitals that provide charitable care to the poor.

Other possible solutions to the affordability problem have also surfaced. Massachusetts, which enacted its own health care reforms in 2006, won federal permission to use Medicaid dollars to provide premium and cost-sharing assistance for those with incomes below 300% of the poverty level who purchased private insurance on the Massachusetts exchange. Other states could apply for permission to do the same, but it is a months-long process.

States also might seek to raise eligibility for Medicaid above the 133% threshold. Manne, with the New Mexico Center on Law and Poverty, said some businesses and hospitals have talked about voluntarily undertaking sponsorships to help those unable to pay premiums or meet out-of-pocket obligations.

But, Manne said, broad relief seems months away, if not longer. In the meantime, she predicts that policymakers will be hearing about legions of Americans who still can't afford health care—no matter the title of the Affordable Care Act.

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Latest NSA surveillance program exposed

Daily News Article - March 19, 2014

(by Barton Gellman and Ashkan Soltani, The Washington Post) - The **National Security Agency (NSA)** has built a surveillance system capable of recording “100 percent” of a foreign country’s telephone calls, enabling the agency to rewind and review conversations as long as a month after they take place, according to people with direct knowledge of the effort and documents supplied by former contractor Edward Snowden.

A senior manager for the program compares it to a time machine – one that can replay the voices from any call without requiring that a person be identified in advance for surveillance.

The voice interception program, called **MYSTIC**, began in 2009. Its **RETRO** tool, short for “retrospective retrieval,” and related projects reached full capacity against the first target nation in 2011. Planning documents two years later anticipated similar operations elsewhere.

In the initial deployment, collection systems are recording “every single” conversation nationwide, storing billions of them in a 30-day rolling buffer that clears the oldest calls as new ones arrive, according to a classified summary.

The call buffer opens a door “into the past,” the summary says, enabling users to “retrieve audio of interest that was not tasked at the time of the original call.” Analysts listen to only a fraction of 1 percent of the calls, but the absolute numbers are high. Each month, they send millions of voice clippings, or “cuts,” for processing and long-term storage.

At the request of U.S. officials, The Washington Post is withholding details that could be used to identify the country where the system is being employed or other countries where its use was envisioned.

No other NSA program disclosed to date has swallowed a nation’s telephone network whole. Outside experts have sometimes described that prospect as disquieting but remote, with notable implications for a growing debate over the NSA’s practice of “**bulk collection**” abroad.

Bulk methods capture massive data flows “without the use of discriminants,” as President Obama put it in January. By design, they vacuum up all the data they touch – meaning that most of the conversations collected by **RETRO** would be irrelevant to U.S. national security interests.

In the view of U.S. officials, however, the capability is highly valuable.

In a statement, **Caitlin Hayden**, spokeswoman for the National Security Council, declined to comment on “specific alleged intelligence activities.” Speaking generally, she said “new or emerging threats” are “often hidden within the



This is a cover slide from a weekly briefing deck by the NSA’s Special Source Operations team, which is responsible for deploying and maintaining bulk collection methods.

large and complex system of modern global communications, and the United States must consequently collect signals intelligence in bulk in certain circumstances in order to identify these threats.”

NSA spokeswoman **Vance Vines**, in an e-mailed statement, said that “continuous and selective reporting of specific techniques and tools used for legitimate U.S. foreign intelligence activities is highly detrimental to the national security of the United States and of our allies, and places at risk those we are sworn to protect.”

Some of the documents provided by Snowden suggest that high-volume eavesdropping may soon be extended to other countries, if it has not been already. The RETRO tool was built three years ago as a “unique one-off capability,” but last year’s secret intelligence budget named five more countries for which the MYSTIC program provides “comprehensive metadata access and content,” with a sixth expected to be in place by last October. ...

Ubiquitous [*widespread*] voice surveillance, even overseas, pulls in a great deal of content from Americans who telephone, visit and work in the target country. It may also be seen as inconsistent with Obama’s Jan. 17 pledge “that the United States is not spying on ordinary people who don’t threaten our national security,” regardless of nationality, “and that we take their privacy concerns into account.”

In a presidential policy directive, Obama instructed the NSA and other agencies that bulk acquisition may be used only to gather intelligence on one of six specified threats, including nuclear proliferation and terrorism. The directive, however, also noted that limits on bulk collection “do not apply to signals intelligence data that is temporarily acquired to facilitate targeted collection.”

Christopher Soghoian, the principal technologist for the American Civil Liberties Union, said history suggests that “over the next couple of years they will expand to more countries, retain data longer and expand the secondary uses.”

Spokesmen for the NSA and the Office of Director of National Intelligence James R. Clapper Jr. declined to confirm or deny expansion plans or discuss the criteria for any change.

Based on RETRO’s internal reviews, the NSA has strong motive to [use] it elsewhere. In the documents and interviews, U.S. officials said RETRO is uniquely valuable when an analyst first uncovers a new name or telephone number of interest.

With up to 30 days of recorded conversations in hand, the NSA can pull an instant history of the subject’s movements, associates and plans. Some other U.S. intelligence agencies also have access to RETRO.

Highly classified briefings cite examples in which the tool offered high-stakes intelligence that would not have existed under traditional surveillance programs in which subjects were identified for targeting in advance. Unlike most of the government’s public claims about the value of controversial programs, the briefings supply names, dates, locations and fragments of intercepted calls in convincing detail.

Present and former U.S. officials, speaking on the condition of anonymity to provide context for a classified program, acknowledged that large numbers of conversations involving Americans would be gathered from the country where RETRO operates.

The NSA does not attempt to filter out their calls, defining them as communications “acquired incidentally as a result of collection directed against appropriate foreign intelligence targets.”

Until about 20 years ago, such incidental collection was unusual unless an American was communicating directly with a foreign intelligence target. In bulk collection systems, which are exponentially more capable than the ones in use throughout the Cold War, calls and other data from U.S. citizens and permanent residents are regularly ingested by the millions. Under the NSA’s internal “minimization rules,” those intercepted communications “may be retained

and processed” and included in intelligence reports. The agency generally removes the names of U.S. callers, but there are several broadly worded exceptions.

An independent group tasked by the White House to review U.S. surveillance policies recommended that incidentally collected U.S. calls and e-mails – including those obtained overseas – should nearly always “be purged upon detection.” Obama did not accept that recommendation.

NSA spokeswoman Vines, in her statement, said the NSA’s work is “strictly conducted under the rule of law.”

RETRO and MYSTIC are carried out under Executive Order 12333, the traditional grant of presidential authority to intelligence agencies for operations outside the United States.

Since August, **Sen. Dianne Feinstein (D-Calif.)**, the chairman of the Senate Intelligence Committee, and others on that panel have been working on plans to assert a greater oversight role for intelligence gathering abroad. Some legislators are now considering whether Congress should also draft new laws to govern those operations.

Experts say there is not much legislation that governs overseas intelligence work. “Much of the U.S. government’s intelligence collection is not regulated by any statute passed by Congress,” said **Timothy H. Edgar**, the former director of privacy and civil liberties on Obama’s national security staff. “There’s a lot of focus on the Foreign Intelligence Surveillance Act, which is understandable, but that’s only a slice of what the intelligence community does.”

All surveillance must be properly authorized for a legitimate intelligence purpose, he said, but that “still leaves a gap for activities that otherwise basically aren’t regulated by law because they’re not covered by FISA.”

Beginning in 2007, Congress loosened 40-year-old restrictions on domestic surveillance because so much foreign data crossed U.S. territory. There were no comparable changes to protect the privacy of U.S. citizens and residents whose calls and e-mails now routinely cross international borders.

Vines noted that the NSA’s job is to “identify threats within the large and complex system of modern global communications,” where ordinary people share fiber-optic cables with legitimate intelligence targets.

For Peter Swire, a member of the president’s review group, the fact that Americans and foreigners use the same devices, software and networks calls for greater care to safeguard Americans’ privacy.

“It’s important to have institutional protections so that advanced capabilities used overseas don’t get turned against our democracy at home,” he said.

Soltani is an independent security researcher and consultant. Julie Tate contributed to this report.

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ment. No argument, we may suppose, can now be needed, against, permitting a legislature or an executive, not identified in interest with the people, to prescribe opinions to them, and determine what doctrines or what arguments they shall be allowed to hear. This aspect of the question, besides, has been so often and so triumphantly enforced by preceding writers, that it needs not be specially insisted on in this place. Though the law of England, on the subject of the press, is as servile to this day as it was in the time of the Tudors, there is little danger of its being actually put in force against political discussion, except during some temporary panic, when fear of insurrection drives ministers and judges from their propriety; and, speaking generally, it is not, in constitutional countries, to be apprehended, that the government, whether completely responsible to the people or not, will often attempt to control the expression of opinion, except when in doing so it makes itself the organ of the general intolerance of the public. Let us suppose, therefore, that the government is entirely at one with the people, and never thinks of exerting any power of coercion unless in agreement with what it conceives to be their voice. But I deny the right of the people to exercise such coercion, either by themselves or by their government. The power itself is illegitimate. The best government has no more title to it than the worst. It is as noxious, or more noxious, when exerted in accordance with public opinion, than when in opposition to it. If all mankind minus one, were of one opinion, and only one person were of the contrary opinion, mankind would be no more justified in silencing that one person, than he, if he had the power, would be justified in silencing mankind. Were an opinion a personal possession of no value except to the owner; if to be obstructed in the enjoyment of it were simply a private injury, it would make some difference whether the injury was inflicted only on a few persons or on many. But the peculiar evil of silencing the expression of an opinion is, that it is robbing the human race; posterity as well as the existing generation; those who dissent from the opinion, still more than those who hold it. If the opinion is right, they are deprived of the opportunity of exchanging error for truth: if wrong, they lose, what is almost as great a benefit, the clearer perception and livelier impression of truth, produced by its collision with error.

It is necessary to consider separately these two hypotheses, each of which has a distinct branch of the argument corresponding to it. We can never be sure that the opinion we are endeavoring to stifle is a false opinion; and if we were sure, stifling it would be an evil still.

First: the opinion which it is attempted to suppress by authority may possibly be true. Those who desire to suppress it, of course deny its truth; but they are not infallible. They have no authority to decide the question for all mankind, and exclude every other person from the means of judging. To refuse a hearing to an opinion, because they are sure that it is false, is to assume that *their* certainty is the same thing as *absolute* certainty. All silencing of discussion is an assumption of infallibility. Its condemnation may be allowed to rest on this common argument, not the worse for being common.

Unfortunately for the good sense of mankind, the fact of their fallibility is far from carrying the weight in their practical judgment, which is always allowed to it in theory; for while every one well knows himself to be fallible, few think it necessary to take any precautions against their own fallibility, or admit the supposition

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John Stuart Mill

LIBERTY OF THOUGHT AND DISCUSSION



The time, it is to be hoped, is gone by when any defense would be necessary of the "liberty of the press" as one of the securities against corrupt or tyrannical govern-

that any opinion, of which they feel very certain, may be one of the examples of the error to which they acknowledge themselves to be liable. Absolute princes, or others who are accustomed to unlimited deference, usually feel this complete confidence in their own opinions on nearly all subjects. People more happily situated, who sometimes hear their opinions disputed, and are not wholly unused to be set right when they are wrong, place the same unbounded reliance only on such of their opinions as are shared by all who surround them, or to whom they habitually defer: for in proportion to a man's want of confidence in his own solitary judgment, does he usually repose, with implicit trust, on the infallibility of "the world" in general. And the world, to each individual, means the part of it with which he comes in contact; his party, his sect, his church, his class of society: the man may be called, by comparison, almost liberal and largeminded to whom it means anything so comprehensive as his own country or his own age. Nor is his faith in this collective authority at all shaken by his being aware that other ages, countries, sects, churches, classes, and parties have thought, and even now think, the exact reverse. He devolves upon his own world the responsibility of being in the right against the dissentient worlds of other people; and it never troubles him that mere accident has decided which of these numerous worlds is the object of his reliance, and that the same causes which make him a Churchman in London, would have made him a Buddhist or a Confucian in Peking. Yet it is as evident in itself, as any amount of argument can make it, that ages are not more infallible than individuals; every age having held many opinions which subsequent ages have deemed not only false but absurd; and it is as certain that many opinions, now general, will be rejected by future ages, as it is that many, once general, are rejected by the present.

The objection likely to be made to this argument, would probably take some such form as the following. There is no greater assumption of infallibility in forbidding the propagation of error, than in any other thing which is done by public authority on its own judgment and responsibility. Judgment is given to men that they may use it. Because it may be used erroneously, are men to be told that they ought not to use it at all? To prohibit what they think pernicious, is not claiming exemption from error, but fulfilling the duty incumbent on them, although fallible, of acting on their conscientious conviction. If we were never to act on our opinions, because those opinions may be wrong, we should leave all our interests uncared for, and all our duties unperformed. An objection which applies to all conduct, can be no valid objection to any conduct in particular. It is the duty of governments, and of individuals, to form the truest opinions they can; to form them carefully, and never impose them upon others unless they are quite sure of being right. But when they are sure (such reasoners may say), it is not conscientiousness but cowardice to shrink from acting on their opinions, and allow doctrines which they honestly think dangerous to the welfare of mankind, either in this life or in another, to be scattered abroad without restraint, because other people, in less enlightened times, have persecuted opinions now believed to be true. Let us take care, it may be said, not to make the same mistake: but governments and nations have made mistakes in other things, which are not denied to be fit subjects for the exercise of authority: they have laid on bad taxes, made unjust wars. Ought we therefore to lay on no taxes, and, under whatever provocation, make no wars? Men, and governments,

must act to the best of their ability. There is no such thing as absolute certainty, but there is assurance sufficient for the purposes of human life. We may, and must, assume our opinion to be true for the guidance of our own conduct: and it is assuming no more when we forbid bad men to pervert society by the propagation of opinions which we regard as false and pernicious.

I answer, that it is assuming very much more. There is the greatest difference between presuming an opinion to be true, because, with every opportunity for consulting it, it had not been refuted, and assuming its truth for the purpose of not permitting its refutation. Complete liberty of contradicting and disproving our opinion, is the very condition which justifies us in assuming its truth for purposes of action; and on no other terms can a being with human faculties have any rational assurance of begin right.

When we consider either the history of opinion, or the ordinary conduct of human life, to what is it to be ascribed that the one and the other are no worse than they are? Not certainly to the inherent force of the human understanding; for, on any matter not self-evident, there are ninety-nine persons totally incapable of judging of it, for one who is capable; and the capacity of the hundredth person is only comparative; for the majority of the eminent men of every past generation held many opinions now known to be erroneous, and did or approved numerous things which no one will now justify. Why is it, then, that there is on the whole a preponderance among mankind of rational opinions and rational conduct? If there really is this preponderance—which there must be, unless human affairs are, and have always been, in an almost desperate state—it is owing to a quality of the human mind, the source of everything respectable in man either as an intellectual or as a moral being, namely, that his errors are corrigible. He is capable of rectifying his mistakes, by discussion and experience. Not by experience alone. There must be discussion, to show how experience is to be interpreted. Wrong opinions and practices gradually yield to fact and argument: but facts and arguments, to produce any effect on the mind, must be brought before it. Very few facts are able to tell their own story, without comments to bring out their meaning. The whole strength and value, then, of human judgment, depending on the one property, that it can be set right when it is wrong, reliance can be placed on it only when the means of setting it right are kept constantly at hand. In the case of any person whose judgment is really deserving of confidence, how has it become so? Because he has kept his mind open to criticism of his opinions and conduct. Because it has been his practice to listen to all that could be said against him; to profit by as much of it as was just, and expound to himself, and upon occasion to others, the fallacy of what was fallacious. Because he has felt, that the only way in which a human being can make some approach to knowing the whole of a subject, is by hearing what can be said about it by persons of every variety of opinion, and studying all modes in which it can be looked at by every character of mind. No wise man ever acquired his wisdom in any mode but this; nor is it in the nature of human intellect to become wise in any other manner. The steady habit of correcting and completing his own opinion by collating it with those of others, so far from causing doubt and hesitation in carrying it into practice, is the only stable foundation for a just reliance on it: for, being cognizant of all that can, at least obviously, be said against him, and having taken

up his position against all gainsayers—knowing that he has sought for objections and difficulties, instead of avoiding them, and has shut out no light which can be thrown upon the subject from any quarter—he has a right to think his judgment better than that of any person, or any multitude, who have not gone through a similar process.

It is not too much to require that what the wisest of mankind, those who are best entitled to trust their own judgment, find necessary to warrant their relying on it, should be submitted to by that miscellaneous collection of a few wise and many foolish individuals, called the public. The most intolerant of churches, the Roman Catholic Church, even at the canonization of a saint, admits, and listens patiently to, a “devil’s advocate.” The holiest of men, it appears, cannot be admitted to posthumous honors, until all that the devil could say against him is known and weighed. If even the Newtonian philosophy were not permitted to be questioned, mankind could not feel as complete assurance of its truth as they now do. The beliefs which we have most warrant for, have no safeguard to rest on, but a standing invitation to the whole world to prove them unfounded. . . .

We have now recognized the necessity to the mental well-being of mankind (on which all their other well-being depends) of freedom of opinion, and freedom of the expression of opinion, on four distinct grounds; which we will now briefly recapitulate.

First, if any opinion is compelled to silence, that opinion may, for aught we can certainly know, be true. To deny this is to assume our own infallibility.

Secondly, though the silenced opinion be an error, it may, and very commonly does, contain a portion of truth; and since the general or prevailing opinion on any subject is rarely or never the whole truth, it is only by the collision of adverse opinions that the remainder of the truth has any chance of being supplied.

Thirdly, even if the received opinion be not only true, but the whole truth; unless it is suffered to be, and actually is, vigorously and earnestly contested, it will, by most of those who receive it, be held in the manner of a prejudice, with little comprehension of feeling of its rational grounds. And not only this, but fourthly, the meaning of the doctrine itself will be in danger of being lost, or enfeebled, and deprived of its vital effect on the character and conduct: the dogma becoming a mere formal profession, inefficacious for good, but cumbering the ground, and preventing the growth of any real and heartfelt conviction from reason or personal experience.

Before quitting the subject of freedom of opinion, it is fit to take some notice of those who say, that the free expression of all opinions should be permitted, on condition that the manner be temperate, and do not pass the bounds of fair discussion. Much might be said on the impossibility of fixing where these supposed bounds are to be placed; for if the test be offence to those whose opinion is attacked, I think experience testifies that this offence is given whenever the attack is telling and powerful, and that every opponent who pushes them hard, and whom they find it difficult to answer, appears to them, if he shows any strong feeling on the subject, an intemperate opponent. But this, though an important consideration in a practical point of view, merges in a more fundamental objection. Undoubtedly the manner of asserting an opinion, even though it be a true one, may be very objectionable, and may justly incur severe censure. But the principal offences of the kind are such as it

is mostly impossible, unless by accidental self-betrayal, to bring home to conviction. The gravest of them is, to argue sophistically, to suppress facts or arguments, to misstate the elements of the case, or misrepresent the opposite opinion. But all this, even to the most aggravated degree, is so continually done in perfect good faith, by persons who are not considered, and in many other respects may not deserve to be considered, ignorant or incompetent, that it is rarely possible on adequate grounds conscientiously to stamp the misrepresentation as morally culpable; and still less could law presume to interfere with this kind of controversial misconduct. With regard to what is commonly meant by intemperate discussion, namely, invective, sarcasm, personality, and the like, the denunciation of these weapons would deserve more sympathy if it were ever proposed to interdict them equally to both sides; but it is only desired to restrain the employment of them against the prevailing opinion: against the unprevailing they may not only be used without general disapproval, but will be likely to obtain for him who uses them the praise of honest zeal and righteous indignation. Yet whatever mischief arises from their use, is greatest when they are employed against the comparatively defenceless; and whatever unfair advantage can be derived by any opinion from this mode of asserting it, accrues almost exclusively to received opinions. The worst offence of this kind which can be committed by a polemic, is to stigmatize those who hold the contrary opinion as bad and immoral men. To calumny of this sort, those who hold any unpopular opinion are peculiarly exposed, because they are in general few and uninfluential, and nobody but themselves feels much interest in seeing justice done them; but this weapon is, from the nature of the case, denied to those who attack a prevailing opinion: they can neither use it with safety to themselves, nor, if they could, would it do anything but recoil on their own cause. In general, opinions contrary to those commonly received can only obtain a hearing by studied moderation of language, and the most cautious avoidance of unnecessary offence, from which they hardly ever deviate even in a slight degree without losing ground: while unmeasured vituperation employed on the side of the prevailing opinion, really does deter people from professing contrary opinions, and from listening to those who profess them. For the interest, therefore, of truth and justice, it is far more important to restrain this employment of vituperative language than the other; and, for example, if it were necessary to choose, there would be much more need to discourage offensive attacks on infidelity, than on religion. It is, however, obvious that law and authority have no business with restraining either, while opinion ought, in every instance, to determine its verdict by the circumstances of the individual case; condemning every one, on whichever side of the argument he places himself, in whose mode of advocacy either want of candor, or malignity, bigotry, or intolerance of feeling manifest themselves; but not inferring these vices from the side which a person takes, though it be the contrary side of the question to our own: and giving merited honor to every one, whatever opinion he may hold, who had calmness to see and honesty to state what his opponents and their opinions really are, exaggerating nothing to their discredit, keeping nothing back which tells, or can be supposed to tell, in their favor. This is the real morality of public discussion; and if often violated, I am happy to think that there are many controversialists who to a great extent observe it, and a still greater number who conscientiously strive towards it.