

"EVERYBODY'S BUSINESS IS NOBODY'S BUSINESS."



Boston Light
Image: Boston Public Library

Boston Light has guided ships safely into port since 1716. It is a long-standing example of government providing an essential public service that private companies might be unwilling or unable to provide.

When the British blew it up on their way out of town in 1776, the Massachusetts legislature appropriated funds for a new structure (1783), and shortly thereafter, Massachusetts turned control over to the U.S. government. Federal tax dollars have kept it operating ever since (except for the years during World War II).

Economist Paul Samuelson may or may not have had Boston Light in mind when he cited lighthouses as a “typical example of government service. These save lives and cargoes; but lighthouse keepers cannot reach out to collect fees from ships. So we have here a divergence between private and social advantage.”

Samuelson went on to note that “government provides certain indispensable public services without which community life would be unthinkable and which by their nature cannot appropriately be left to private enterprises.” Think national defense, public safety, and the judicial system.

But over the years, our sense of what constitutes essential public services has expanded, and that has created varying degrees of political and social tension. To what extent is government responsible for providing services? Can we afford to provide the level of services people seem to want? What services do they actually want? And what are the limits of government’s regulatory authority over industry, commerce, finance, and personal behavior?

That tension arises because government action or government involvement introduces a level of coercion, often in the form of taxation and increased regulation. Samuelson makes that point in the following passage (which is worth reading for the nostalgia value alone):

“It is true that that the citizenry as a whole imposes the tax burden upon itself; also, each citizen is sharing in the collective benefits of government. But there is not the same close connection between benefits and tax payments as holds when the individual citizen puts a dime into a gum machine or makes an ordinary purchase. I need not smoke Winstons or buy nylon carpeting or choose fried eggs, but I must pay



my share of the taxes used to finance the various activities of government.

Moreover, a second form of coercion is involved in the universal custom of passing governmental laws: thou shalt not sell false weight, thou shalt not employ child labor, thou shalt not burn houses, thou shalt not pour out smoke from thy factory chimney, thou shalt not sell or smoke opium, thou shalt not charge more than the ceiling price for food, and so forth. This set of rules gives the framework within which private enterprise functions; it also modifies the direction of that functioning. Together with government expenditure and taxation, the commands of government supplement the price system in determining the economic fate of the nation.

It would be fruitless to debate whether public enterprise or private enterprise is the more important—as fruitless as to debate heredity versus environment. Without either, our economic world would be an entirely different one.”

Those words were written a lifetime ago. Times have changed, and so have attitudes toward government. Today, even using the words “public” and “enterprise” in the same breath invites controversy. But the fact remains that “our economic world would be an entirely different one” without government involvement. Whether it would be different-and-better or different-and-worse is yet another source of tension and controversy.



The Green Economy

Village

Government regulation and involvement in the economy didn't begin with Franklin Roosevelt and the New Deal. Early New England towns set aside land for common use, and town selectmen closely controlled who could use it and how. The Boston Common is among the best surviving examples, but dozens of picture postcard village greens throughout New England also serve as reminders of colonial-era government planning.

Bonner Map of Boston, 1722

Image: Mapping Boston/Boston Public Library



Grafton Common, Grafton, MA

Image: John Phelan, National Register of Historic Places/from Wikimedia.org