I. CONTENTS:
   A. Wrapup
   B. Question: how much government?
      1. Some possibilities
   C. Being a rational human
   D. “Tragedy of the Commons”

II. WRAPUP:
   A. Three among many, many developments that greatly affect politics and government.
   B. Growth of the have-nots and a frustrated middle class.
      1. Despite growth in government wealthy as wealthy as ever.
      2. Stagnating wages and family incomes.
      3. Persistent poverty.
   C. Ethnic diversity.
      1. Hispanics rapidly becoming the largest minority.
      2. What does this mean for traditional political alliances and the American creed?
   D. Globalization
      1. The shifting balance between production of information versus material goods creates imbalances and especially anxieties in labor markets.
      2. Disruptions in labor markets.

III. HOW MUCH GOVERNMENT:
   A. In this age of rapid and far-reaching social, economic, and political transformations a key question is how much government is needed and consistent with Americans’ hopes and aspirations?
      1. Interpretation: a large, active national government is desirable and necessary.
   B. Other answers:
      1. Anarchy
         i. Justification for government is not self-evident. Government power (that is, legitimate coercion) runs counter to nature.
      2. Night watchman state
         i. A minimal position: the only role of government is to protect natural political rights.
         ii. There is no such thing as social and economic entitlements.
      3. Libertarian position
i. No laws against drugs, abortion, gambling, prostitution.
   1) People must be responsible for themselves.
ii. Abolish income tax.
iii. No censorship; total privacy.
iv. Cut government to bones and even more.
v. See Libertarian party web site: http://www.lp.org/lp.html

4. Classical liberal position
i. Government is a necessary evil.
ii. Less government the better.
iii. Low taxes, reduce regulation, states’ rights
iv. See Cato Institute (http://www.cato.org/)

5. Socialism:
   i. The classical definition: government ownership of means of production
   ii. See, for instance, the Marxism page: http://www.anu.edu.au/polsci/marx/marx.html
   iii. Hardly any one believes in classical socialism these days.
      1) Unlike Europe there has never been a real socialist movement in the United States.

6. Progressive:
   i. Democracy and capitalism require maintenance
   ii. Political and economic power should be distributed as equitably as possible.
   iii. Economic and political power cannot be separated.

IV. RATIONAL HUMANS AND SOCIETY:
A. To understand the case for government we need to consider these propositions and terms.
   1. People are rational, which here means that they want to maximize the fulfillment of their desires with a minimum cost to themselves.
      i. Maximize utility at least cost.
      ii. Being rational is separate from moral or decent.
   2. People live in societies.
   3. Goods: the things people want such apples, CD players, mansions, parks, sunsets, safety.
   4. Limited supply of goods is the essential fact of life.

V. WHEN HUMANS ARE RATIONAL:
A. The following is a parable.
B. “Tragedy of the Commons” (Russell Hardin)
   1. Remember the star means “understand the implications of the story or parable.”
2. State of nature: fertile pasture
   i. Limited “carrying capacity”: only a finite number of sheep can graze on in the meadow. Otherwise the grass will be entirely consumed.
   ii. The field is a public area or commons that no one owns.

3. Four rational farmers
   i. They want to maximize wool or mutton production at least cost to themselves.
   ii. That is, they want to maximize utility.

4. The more sheep one farmer pastures the higher the production and the greater his or her utility.

5. Consequently, each farmer wants the following:
   i. Graze as many of his/her own sheep as possible.
   ii. Limit number size of the others’ flocks.

6. Why limit others?
   i. Because one farmer can expand his/her flock without destroying the commons and hence maximize profit or utility.

7. But this works only so long as the others limit themselves.
   i. The commons is a limited good.

8. Now the great conundrum: each farmer being rational tries to maximize utility, but the commons simply cannot sustain ever expanding herds.
   i. If they all act rationally as described above (see Number 4), the commons will soon be destroyed (see Number 1-i above).
   ii. That is, individuals acting alone will not restrain themselves.
      1) Why? Each wants the others to restrain themselves while he or she continues to expand.
      2) Each has an incentive to be a free rider; that is, consume a good without paying for it.
      3) But they all want this situation and so none is restrained.
   iii. Hardin, an economist, puts it this way: the use of the commons “is tragic because "each man is locked into a system that compels him to increase [the size of his flock] without limit--in a world that is limited.”

9. What is to be done?
   i. Only an “outside force” or power, an entity that can impose its will on the farmers, can save the situation.
   ii. Someone or something must enforce discipline on these rational actors.

10. A logical candidate is government.

VI. NEXT TIME:
    A. Democracy
    B. Reading:
i. You should know what point this parable supports; that is, unfettered freedom eventually leads to trouble for everyone.

2. Optional: Text of Hardin’s article. [http://dieoff.org/page95.htm](http://dieoff.org/page95.htm)

3. Optional: Extended discussion.
   [http://members.aol.com/trajcom/private/trajcom.htm](http://members.aol.com/trajcom/private/trajcom.htm)