PART ONE

The Nature of the Beast

1

Leviathan

CLOSE YOUR EYES and ponder for a moment the American ideal of local government. The image, no doubt, is a bucolic one. Invariably it revolves around a town hall, filled with informed, civic-minded citizens expressing their views and reaching consensus. Public-spirited officials manage the town's affairs. A sheriff, maybe named Andy, maintains order and provides a friendly jail cell where the local town drunk can sleep it off, while the fire department rescues wayward cats from trees. The townspeople turn out on holidays for parades down Main Street. The city is tidy, streets are cleaned, garbage is collected. Around election time the town has good-natured debates and spirited political rallies. The schools have strong parent/teacher associations and citizens serve on blue-ribbon committees to sort through problems. You can almost smell the apple pies cooling on the windowsills.

If television shows are any gauge, this was the common image that Americans held of their towns as late as the 1960s. Little wonder that many Americans, especially conservatives, harbor almost nostalgic views about local government, and hold the principle of "local autonomy" as a matter of fervent faith. This attachment to localism has grown over time. In 1936, when Americans were asked if they preferred a concentration of power in the national or the state governments, 56 percent favored the national government, with only 44 percent preferring the states. By 1995, only 26 percent favored the national government, while 64 percent preferred the states (and 10 percent were not sure).[1] Americans like their government close to home, the old-fashioned way.

Now open your eyes and look at your city government. Andy and his pals have been replaced by an army of nameless, faceless bureaucrats. Government has proliferated to the point that you don't even know how many governments regulate you, much less their identities. Widespread corruption leads government officials to resign and march off to jail. Taxes are sky-high. Turnout in municipal elections is appallingly low; turnout in bond elections and school board races lower still. The city requires permits and charges fees for everything. Public employees are constantly demanding wage increases and going on strike. An inverse correlation exists between the local government functions you *wish* were efficiently administered (e.g., snow removal and schools) and those that *are* efficiently administered (e.g., parking meter enforcement).*

*Back in my days working in the District of Columbia, I used to advise

Welcome to America in the 21st century, in which the most significant (yet almost entirely unremarked-upon) phenomenon in our political system is the explosive growth of local government, both in absolute terms and relative to the national government. It proves the old adage "be careful what you wish for because you might just get it": Americans want government close to home, and boy, do they have it.

And not always benevolent governments, either. Local governments are often malign, if for no other reason than the propensity of people with power to abuse it. The effect can be dramatic, for local government touches our lives in direct and intimate ways. As historian James McGregor Burns puts it, "Local government is not only a very big deal; it is costly and overlapping, and it affects nearly every one of us every day."[2] He explains, "State and local governments deal more directly with the average person than the national government does, because neighborhood, school, and housing problems are closely regulated by state and local governments."[3] From schools to police protection to water to streets to trash collection to the houses we can build and the businesses we can operate, local government controls it all. Cities today not only provide basic services but are engaged in all manner of activities never contemplated by the framers, from providing welfare and government housing to constructing and operating sports arenas and water parks. Local government is not just big government, it is big business.

Local governments possess enormous power to redistribute wealth and opportunities, impacting in real and tangible ways the real lives of real people. Examples are legion (and fill

visitors that if they happened to suffer the misfortune of being victims of a crime, they should try to do it near an expired parking meter, because the police response time is much quicker.

much of this book). As one political scientist notes, for instance, "By means of their decisions regarding zoning and the use of land, suburbanites have often been able to keep racial minorities, poor people, and tenants penned up in the central city."[4] Similarly (though political machines are often thought to have gone the way of the dinosaurs), patronage remains a way of life. A study of capital improvement allocations that were made by the administration of Denver mayor Federico Peña during the 1980s, for example, found that neighborhoods' receipt of outlays correlated closely with their ethnic makeups and the amount of political support they'd given the mayor in the most recent elections. Identifiably white neighborhoods that opposed Peña had 12 percent of the city's population but received 7 percent of capital outlays, Hispanic neighborhoods accounted for 5 percent of the population and 28 percent of the city's capital expenditures, and identifiably black neighborhoods accounted for 7 percent of the population but received only 2 percent of the outlays.[5]

At the same time, corrupt or arbitrary public officials can punish opponents in subtle ways, such as by denying or delaying the myriad permits needed to develop property or to operate businesses. Local governments are particularly susceptible to the influence of special interests, for as Burns explains, "group interests can be concentrated in states and localities, whereas their strength tends to be diluted in the national government."[6] It all amounts to a system in which the government that is closest to home can be very alien and hostile to average constituents who just want to be left alone.

We are all at the mercy of local governments. And they are everywhere.

Big Government: At a Location Near You

Revealing a penchant for understatement, political scientist Virginia Perrenod observes that "Americans have a propensity for multiple governments."[7] The Chicago metropolitan area alone is regulated by more than 1,200 different governmental jurisdictions;* the Philadelphia metropolitan area by 864 governmental units; the Pittsburgh area by 744.[8] Overall in 1997 there were 87,453 local governments in the United States, an increase from 78,218 in 1972, 25 years earlier.[9] At that rate, an average of *one new local government is created in America every single day*.

State and local governments spend voraciously. As of 1999, state and local governments were expending 1.06 trillion dollars annually, accounting for 11.5 percent of the nation's gross domestic product. As figure 1 illustrates, state and local spending eclipsed combined federal government spending around 1970, and the trajectory continues as state and local governments make up an ever-increasing proportion of overall American government.

These figures likely understate the growing gap between federal spending and spending by state and local governments, as they don't reveal the massive amount of federal moneys distributed as aid to state and local governments. In 1970, federal aid to state and local governments totaled 24 billion dollars, accounting for 2.4 percent of the gross domestic product. By 2000, that amount had increased to 284 billion dollars, or a full 3 percent of the gross domestic product.[10]

State spending has soared over the past five decades. As

*For that reason in part, the Institute for Justice in 1998 opened its Clinic on Entrepreneurship at the University of Chicago Law School. The clinic assists aspiring low-income entrepreneurs through the regulatory maze they must navigate in order to create legitimate business enterprises.

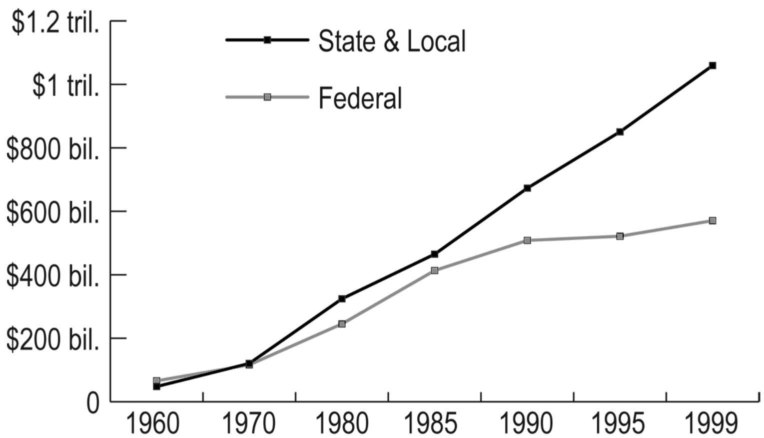

Figure 1 Relative Expenditures and Growth by Level of Government

Source: U.S. Census Bureau, *Statistical Abstract of the United States* (2000), p. 451.

figure 2 demonstrates, state per capita spending, measured in constant 1996 dollars, has more than quadrupled since 1961, growing from $638 in 1961 to $2,983 in 2001.[11] Viewed in terms of spending, the size of state government relative to population has increased by roughly one-third over each of the past two decades.

Although federal grants account for 31.4 percent of state and local revenues,[12] state and local governments derive the vast majority of revenues from taxes and fees. Altogether, state and local governments collect more than $872 billion in taxes.[13] On average, in 1996 states taxed at a rate of $1,759 per capita—with Connecticut collecting the highest taxes, at $2,870 per capita.[14] Cities add hefty taxes, especially through property assessments. In 1996, New York City alone collected more than $18 billion in taxes.[15] State and local debt also climbed during the 1990s, from $861 billion in 1990 to $1.17

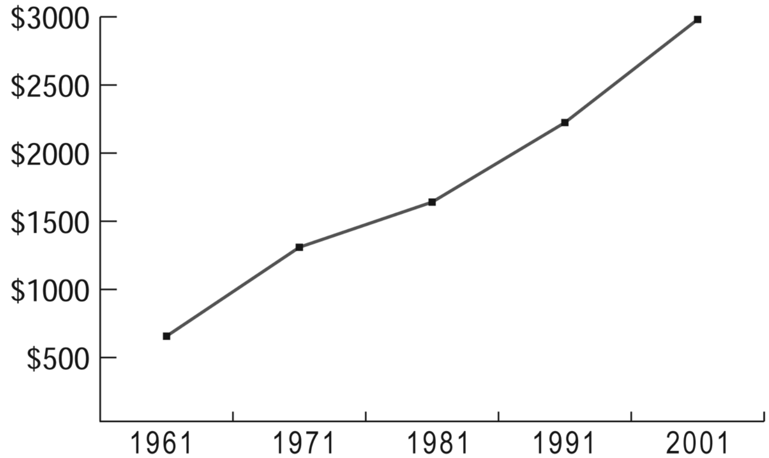

Figure 2 Growth of Per Capita State Spending (constant 1996 dollars)
Source: John Maggs, "Sorry States," *National Journal* (Aug. 9, 2003), p. 2537.

trillion in 1996—an increase from $3,459 to $4,412 in debt per capita.[16]

Many states are facing huge budget deficits, necessitating increased taxes or reduced services. The disappearing act that transformed massive budget surpluses into deficits would make even the most talented magician shake his head in wonder. In 1998, the states had amassed budget surpluses totaling nearly $60 billion. By the first quarter of 2003, the surpluses had turned into a collective deficit of nearly $65 billion. California alone racked up $38 billion in debt. The states' deficits were so gaping that, by late 2003, they were exerting a serious drag on economic recovery. Many states were forced to cut spending, particularly among aid programs for the poor; this in turn reduced consumer spending.[17] The situation is so dire that analyst Gregg Easterbrook concludes that "state deficits will be among the country's leading domestic political issues for the next several years."[18]

Many states have turned to massive tax hikes, which also dampen jobs and economic growth. States raised taxes $6.9 billion in 2003, following even larger tax increases totaling $9.1 billion in 2002, the largest one-year hike in state taxes in more than a decade.[19]

State officials blamed the recession for their budget problems, but the real culprit was their own voracious spending during days of economic plenty. An analysis by *USA Today* found that the fiscal woes of most states are the consequence not of a weakened economy but of fiscal irresponsibility by the states themselves, who continued to increase spending (up 6.3 percent in the fiscal year that ended on June 30, 2002) even as revenues declined. While the private sector registered a net loss of 2.6 million jobs between 2001 and 2003, state governments added 74,000 jobs. All states except Vermont have balanced-budget laws, but many use accounting gimmicks to skirt the requirements. The worst offender is California, which spends one billion dollars more each month than it takes in. The *USA Today* analysis found that Utah is the most fiscally responsible state, while California, Montana, Mississippi, West Virginia, Tennessee, Rhode Island, Oklahoma, Illinois, Colorado, and Arizona are the least responsible.[20]

Another scapegoat the states attribute their maladies to is the federal government: Why doesn't it just send them more money? The trouble with that solution, says Gregg Easterbrook, is that it "presents a problem of its own: To bail out the states, the federal government would have to obtain money from taxpayers. Taxpayers who live in—states."[21] It's a costly shell game. "Ever since World War II, the nation's governors . . . have relied on a bookkeeping switcheroo in which Congress taxes Americans (that is, residents of states) at a higher rate than the federal budget actually requires and then sends some of the revenue back to the states," explains Easterbrook. "This arrangement allows governors to denounce the big spenders in Washington while simultaneously relying on the big spenders in Washington to keep state budgets in the black."[22]

To be fair, a lot of the federal aid is earmarked to offset state spending for massive unfunded federal mandates. The better course would be to eliminate the unfunded mandates and put a halt to federal revenue sharing. The system is inherently inefficient, deploying the federal government as a middleman in the routing of funds from taxpayers to the states. That in turn lends itself to political manipulation, by which those states having more-powerful congressional delegations bring home the bacon while their neighbors go hungry. Moreover, "Voters should know what government costs," argues Easterbrook. But the current system "makes state and local governments seem cheaper than they really are."[23]

Despite gaping budget deficits, state government continues to grow. Between 1997 and 2002, state spending grew by more than 6 percent annually—more than twice the average 2.25 percent rate of inflation. Although they often accuse Democrats of being big spenders, Republicans actually are more likely to increase state spending. State legislatures controlled by Republicans increased spending by 6.54 percent each year during that period, compared to 6.17 percent in legislatures controlled by Democrats. Worst of all were states whose governor and legislature were both Republican; these increased spending at a 6.85 percent annual clip.[24]

State and local government is also larger than the national government when measured in terms of the number of people employed. Fully 86 percent of all civilian government employees now work for state and local governments. The number of

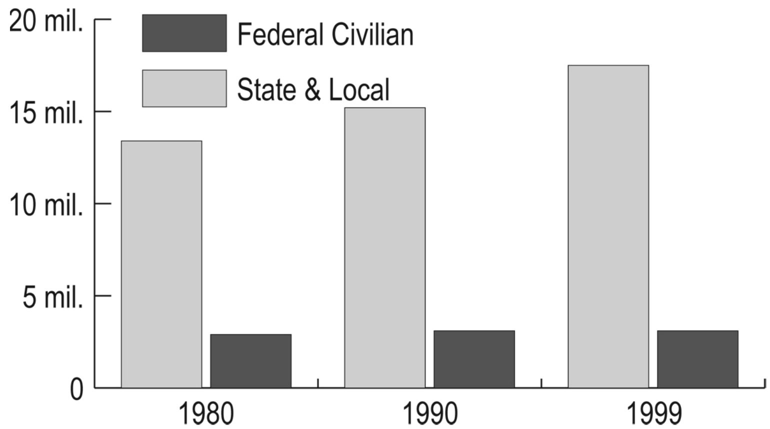

Figure 3 Relative Size of Government Workforces
Source: U.S. Census Bureau, *Statistical Abstract of the United States* (2000), p. 430.

federal civilian employees actually shrank from 2.9 million in 1980 to fewer than 2.7 million in 1999, while the number of state and local government employees during that same period grew from 13.3 million to nearly 17.5 million (see figure 3). Among those, roughly three-quarters work for local governments. State and local government employees account for roughly 13.6 percent of the nation's total workforce.

Taking the average household size of 2.62 persons, that means that 46 million Americans—16 percent of the U.S. population—are either employed by state or local government or directly dependent on someone who is. That makes for a fairly potent special-interest group—about which I will have more to say at the end of this chapter.

One major difference between the private and public workforces is the degree of unionization. While labor unions have declined in the private sector, they flourish in the government sector (see figure 4). Fewer than 10 percent of pri-

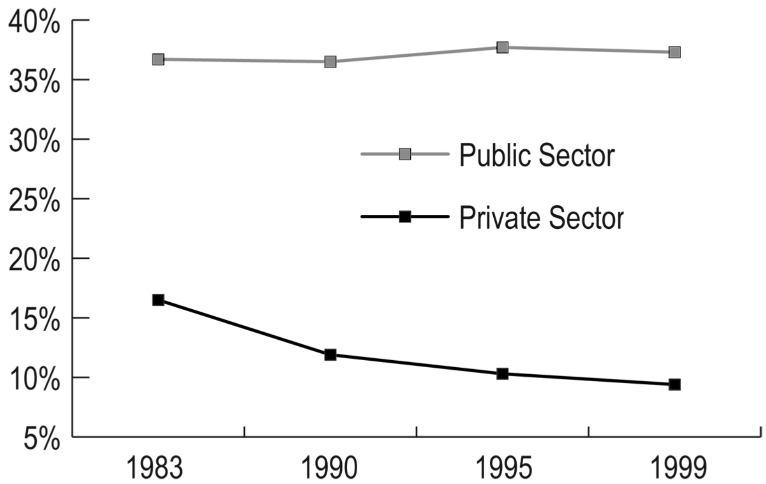

Figure 4 Relative Degree of Unionization
Source: U.S. Census Bureau, *Statistical Abstract of the United States* (2000), p. 445.

vate-sector workers are unionized, compared to more than 37 percent of government employees. In 1983, government workers constituted less than one-third of all unionized employees; by 1999, they accounted for 43 percent. The main public-sector union, the American Federation of State, County, and Municipal Employees (AFSCME), has 1.3 million members nationwide; additionally, more than half of the members of the similarly sized Service Employees International Union are employed in the public sector. That gives state and local government employees the best of all possible worlds: job security and collective bargaining.[25]

Unionization translates into higher wages for government-sector employees, who average $641 per week versus $549 for all workers.[26] Benefits often widen the gap even further. In New York City, the average city employee receives

$58,660 per year in wages, and an additional $24,062 in benefits, nearly double the amount of benefits he or she received only four years earlier.[27]

For the citizenry, by contrast, all of that is bad news. Heavy unionization of government workers not only means higher wage costs, but increased strikes and work stoppages affecting vital public services.[28]

The explosive growth of state and local governments saps our nation's productive vitality and, as the coming chapters illustrate, threatens even greater grassroots tyranny. But as troublesome as this phenomenon appears on the surface, it becomes even worse when one discovers exactly *which* local governments are growing.

Invisible Governments

One of the most powerful officials in the history of New York—one of the largest cities on earth—was named neither LaGuardia nor Giuliani. He was neither governor nor mayor, though early in his career he campaigned for the first office and was nominated for the second. In fact, the most powerful man in New York gained his might largely as a political appointee. This man, heralded in his time and now largely forgotten, was Robert Moses. He presided over the city for 34 years (1934–68) variously as its parks commissioner, construction director, and as the head of the Triborough Bridge Authority, which through his machinations evolved into the Triborough Bridge and Tunnel Authority (referred to hereafter in this text simply as "Triborough").

In those capacities, Moses built much of what we know as New York, masterminding and implementing the construction of almost every single major road and bridge; 416 miles of parkways in the suburbs; massive public works projects including Lincoln Center, the New York Coliseum, the United Nations, and the Fordham, Pratt, and Long Island University campuses; 650 parks; and 148,000 apartments.[29]

Moses was also the leading architect of the modern form of urban governance. In 1974, Robert Caro, before he began his epic multivolume biography of Lyndon Johnson, published a 1,162-page biography titled *The Power Broker: Robert Moses and the Fall of New York*. In it, Caro chronicled how the brilliant and fiercely ambitious Moses transformed a form of urban government—the "public authority"—from humble origins into a source of enormous political power, patronage, wealth, and influence, all of it outside the grasp of democratic accountability.

Moses saw that public authorities in his time possessed the autonomy of a private corporation as well as some of the powers of a government, such as the power of eminent domain, the power to regulate projects within their jurisdiction, and the power to issue bonds.[30] But they also had limits. Prior to the creation of the New York Port Authority, each public authority was established to effect only one public improvement, to issue only enough bonds to pay for it, to transfer ownership and control to the government that created the authority, and then to go out of existence.[31] Moses recognized that he could expand the power of Triborough exponentially if he could find a way to give public authorities indefinite duration and the ability both to take on multiple projects and to keep and reinvest revenues. Those vastly expanded powers, observes Caro, amounted to creating, "within a democratic system based upon a division of powers among three branches of government, a new, fourth branch, a branch that would, moreover, in significant respects, be independent of the other three."[32]

As the legislature gave Moses what he wanted, Triborough became ubiquitous, expanding its domain far beyond the two bridges it was initially created to build, to now encompass the construction of roads, public works, beaches, and parks. Reaping massive tolls from bridge and road projects, the public authority amassed enormous wealth, entering into thousands of contracts and creating a host of grateful multimillionaires.[33] United by self-interest behind his schemes were “banks, labor unions, contractors, bond underwriters, insurance firms, the great retail stores, [and] real estate manipulators.”[34] As Caro explains, Moses “used the power of money to undermine the democratic processes of the largest city in the world, to plan and build its parks, bridges, highways, and housing projects on the basis of his whim alone.”[35]

Moses’s methods in achieving his grandiose ambitions were “dictatorial, peremptory, arbitrary, arrogant.”[36] Triborough was hugely bloated and inefficient.[37] But Moses could get away with it; indeed, he could project himself as “a fearless independent above politics,” and his reign spanned the tenure of six governors and five mayors, of both parties. Like a corporation, the public authority’s records were private, and it was not required to hold public hearings. But unlike a private corporation, it was not accountable to shareholders, or really to anyone.[38]

This type of behemoth, runaway government that is largely invisible to the public contributed to the greatest tragedy in recent American history. In the 1950s, David Rockefeller wanted to build a new headquarters for Chase Manhattan Bank. As so many powerful businesspeople do, Rockefeller turned not to voluntary market processes, but to the government. He enlisted Austin Tobin, the czar of the Port Authority, whose power rivaled if not exceeded that of Robert Moses.

In Tobin’s mind, the project evolved into the colossus that became the World Trade Center. And in his hands, it became, in the words of a prominent New York developer, "an unconquerable Frankenstein."[39]

Tobin reasoned that the project was within his jurisdiction because, after all, "The Port Authority mission always included promotion of the port."[40] He designed a project on a scale so grandiose that it could only be rivaled by his own ego. Rockefeller's own study by McKinsey & Co. cautioned against the project, but Tobin pushed forward.

Mayor David Wagner had serious reservations from the start, but even the city was powerless to stop it. Because the Port Authority was exempt from the city's building and safety codes, developers were able to skirt the risk of building two 110-story towers. And subsequent maintenance was not up to code.[41]

The types of governments that Robert Moses and Austin Tobin ran were relatively rare in their day, but have come to be commonplace—in fact, special districts are now, by far, the most numerous form of government in America. They form the backbone of our nation's invisible governments. Everyone knows that there are nameless, faceless, unelected and largely unaccountable bureaucrats who exert tremendous control over our lives. But mostly when we conjure an image of them, they live in Washington, DC. In reality, they live right next door.

The most obvious bureaucrats work for administrative agencies, and there are a lot of them. On average, each state has 150 separately administered agencies.[42] Multiply that number exponentially to compute the number of local boards and commissions. But the even bigger—and more rapidly growing—story is special districts, referred to by one commentator as "the 'new dark continent of American politics.'"[43] And indeed they are often mysterious and unknowable.

By definition, special districts are autonomous governmental entities formed to provide specific services. The best-known examples are school districts, but there are also special districts that provide roads, tunnels, electricity, transportation, water, sewers, and other public services. Although they exercise the powers of municipal governments, such as taxation, the issuance of revenue bonds, and eminent domain, they are not accountable to other governments and are often unelected. Even when they are elected, voter turnout is notoriously low—often between 2 and 5 percent[44]—because most voters don't know (or care) what these entities are. In 1969, the Greenwood (Texas) Utility District was authorized to issue millions of dollars in bonds in a special election with a total turnout of four voters.[45]

Apart from school districts, there were very few special districts until the New Deal, when President Franklin Delano Roosevelt encouraged their growth as a means of avoiding municipal bankruptcies.[46] Today they are a wildly popular means of exercising governmental power without the ordinary constraints of government. Their growth is nothing short of phenomenal: In 1942, there were only 8,299 special districts apart from school districts[47] in the United States; today there are more than 34,000 (see figure 5). They are multiplying rapidly: The number of special districts increased by 9 percent between 1992 and 1997 alone. They outnumber municipal corporations by two to one and counties by about ten to one.[48] They are often massive: As far back as 1952, the Chicago Transit Authority had more employees than did 17 U.S. states and took in greater revenue than a dozen states.[49] And special districts operate almost completely beneath the radar. As one text on urban politics explains:

> The news media give very little coverage to the meetings and actions of district boards. Very few urban citizens are probably even only marginally aware of the existence of these . . . governmental bodies. When annual property tax

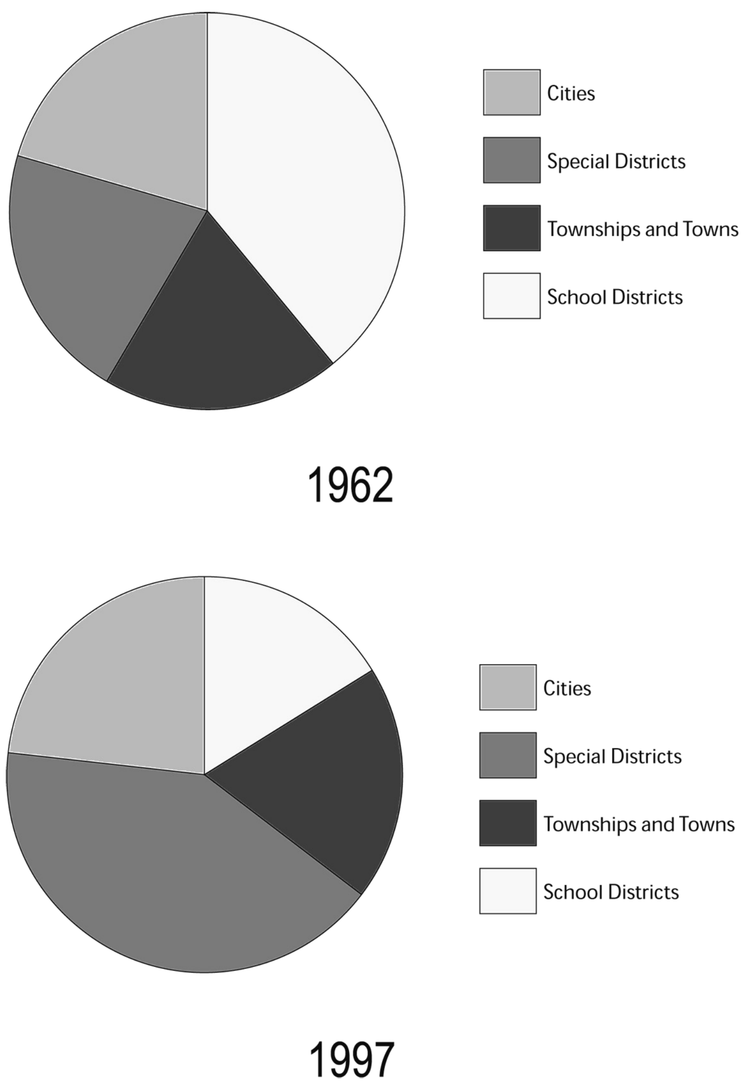

Figure 5 Local Government by Type
Source: U.S. Census Bureau, *Statistical Abstract of the United States* (2000), p. 299.

> statements are mailed, few citizens realize just what portion of their tax bill has been levied by the officials of these low-visibility special district governments. Popular control over these district boards is muted further still, as most district board members are appointed to office and serve staggered terms in order to insulate them from partisan demands by elected officials.[50]

As a result, they are often unfathomable, even to experts. One political scientist recounts, "My own search for the special districts in the county in which I lived when I began this study (Middlesex County, Massachusetts) was a complete failure." She spoke to numerous local government offices, including planning officials at the state, county, and local levels, "none of whom could tell me the boundaries of the special districts in Middlesex County and none of whom could even tell me the names of the special districts that governed me."[51]

Special districts often are promoted by liberals and "good government" types who do not trust the private sector to provide public services. It is ironic, then, that special districts are routinely captured by business interests, for the districts operate not only outside ordinary government constraints but outside market constraints as well. Hence in Washington State, developers eagerly supported the creation of transportation districts in the late 1980s. As one observer noted, "Developers were interested in these districts because the districts could generate funds for development *and* because they would give developers almost complete control over how these funds would be spent."[52] Similarly, water districts around Houston were the product of an alliance between developers and the city, both of which desired an entity with unlimited taxing and borrowing authority.[53] Large bond brokerages also exert enormous influence over special districts and profit tidily from them.[54]

The lack of governmental and market constraints lends itself not only to patronage and corruption but to some spectacular disasters. In the early 1980s, the Washington Public Power Supply System (whose initials and practices earned it the Wall Street moniker "Whoops") generated $28 billion in outstanding debts, having issued the most widely held tax-exempt bonds in the market. A complete lack of administrative controls led to the largest default in the history of the American municipal bond market up to that point. As political scientist Diana B. Henriques recounts,

> few if any private corporations could grow as fast and as big as WPPSS did without some proof of success and some demonstration of sound management skills. But as WPPSS grew—borrowing its way to behemoth status—it never demonstrated any talent for successfully managing the task it had set for itself.[55]

The problems flowing from the lack of accountability inherent in hidden public authorities, Henriques says, are compounded by the influence of special interests, "because public authorities do the work that is most attractive to those outsiders who are intent on corrupting governments."[56]

Public authorities also provide a convenient means for clever politicians to evade constitutional constraints on government power. As Michael S. Gruen reported in *City Journal*, public authorities often "act as middleman, conducting transactions that would be illegal if the city or state carried them out. These make a mockery of the legal protections that New York voters have enacted to ensure that the business of government is conducted democratically."[57]

For instance, the City of New York can't sell its real property without a public auction. So when it wanted to give city-owned real estate to a nonprofit organization headed by

Andrew Cuomo, former U.S. secretary of housing and urban development and son of the former governor, it couldn't do so without an auction that might have put the property in someone else's hands. So instead the city invited the Urban Development Corporation, a public authority, to condemn the city's property for one dollar—and then to sell it to Cuomo's nonprofit for one dollar. The city charter was evaded, mission accomplished.

Likewise, the New York state constitution provides that no long-term debt can be contracted "by or on behalf of the state" without voter approval by referendum. But the state's record of gaining voter approval was dismal: Between 1975 and 1995, voters approved only $6.5 billion in state debt while rejecting $4.2 billion. So the state used back-door financing to procure an additional $20 billion, using public authorities such as the Urban Development Corporation and the Thruway Authority to do the borrowing instead. Though the scheme is obviously a charade—the state creates new political entities and invests them with powers the state itself does not possess—New York state courts have failed to put an end to it. Concludes Gruen, "Over and over, New York's public officials have seemed to view the State Constitution not as a limit on their power but as a challenge to their talents for evasion."[58]

Although the growth of local governments seems inexorable, there are some countervailing trends that are leaving individuals with more money in their wallets and greater rights. The first is privatization of services, from contracting out schools to transportation, trash hauling, and other services.[59] For example, while serving as mayor of Indianapolis, Steve Goldsmith managed to rein in the city's bloat by designating services for competitive bidding. Even government agencies were allowed to compete; and competition forced them to become more efficient when they won contracts.

Another private alternative is homeowner associations, which deliver certain services to their own residents. Although some homeowners chafe under the oppressive leadership of some HOAs, the entities are based on voluntary contracts, and the costs are borne and controlled by the beneficiaries. Ultimately, their smaller size and commonality of interest make them more efficient and responsive to residents' needs compared to local governments.

Finally, a growing number of people are eschewing city governments altogether, flocking to unincorporated areas that combine county government with private services to reap lower overall taxes and fewer layers of government. Few people know, for example, that 96 percent of the Las Vegas Strip is not within the city of Las Vegas. Rather, it is part of "Paradise," an unincorporated part of Clark County with 186,000 residents.[60] Likewise, hundreds of thousands of people live in unincorporated areas of Fairfax County, Virginia, and Montgomery County, Maryland, in the suburbs of Washington, DC. Many residents who have Alexandria mailing addresses in fact reside in unincorporated parts of Fairfax County.

But local governments are not about to cede their power without a tenacious fight—and they often use tax dollars to wage it. States, cities, mayors, governors, state attorneys general, public universities, and other municipal entities and officials have formed powerful special-interest groups to lobby in Washington, DC, and in state capitols to preserve and expand their hegemony. The National League of Cities, for instance, collects tax-funded dues from 1,800 cities and towns.[61] Its efforts are abetted by public-employee unions such as AFSCME, which resist every effort to reduce the size and scope of state and local governments. AFSCME warns, for instance, that “privatization threatens job security, pay and benefits, working conditions and career opportunities,” meaning that “we must all fight privatization . . . before the first warning sign and with every resource.”[62]

The sobering reality is that state and local governments have grown in scope and power almost beyond recognition, requiring us to dust away the cobwebs of nostalgia. The trend is rarely remarked upon, yet it affects each and every one of us in intimate and tangible ways. The propensity of local governments toward grassroots tyranny has been recognized since the earliest days of our republic, but never have the implications for individual liberty been more profound than they are today. Fighting city hall has become a David versus Goliath struggle. The real-world consequences stemming from the growth of the local leviathan are the subject of the chapters that follow.