



## The Progressive Offensive Continues

by John Hendrickson

There are many who have lost faith in this early American ideal and believe in a form of socialistic, totalitarian rule, a sort of big brother deity to run our lives for us. They no longer believe that free men can successfully manage their own affairs. Their thesis is that a handful of men, centered in government, largely bureaucratic not elected can utilize the proceeds of our toil and labor to greater advantage than those who create it.<sup>1</sup>

Douglas MacArthur

The fourth wave of progressivism is advancing under the policy agenda of President Barack Obama and the Democrat-controlled Congress. The progressive policy agenda includes expanding the entitlement state through health-care reform, strengthening the regulatory state over business and finance, regulating environmentalism through cap and trade legislation, and utilizing Keynesian spending in order to pull the nation out of a recession. This policy agenda is rooted in the tradition of progressivism, which rejects the constitutional principle of limited government and free-enterprise. Historically, this tradition emerged under the presidential administrations of Theodore Roosevelt, Woodrow Wilson, and Franklin D. Roosevelt.

In a recent column in *The Washington Post*, George F. Will wrote that “today, government finds limitless power of dispensing not in Madison’s Constitution of limited government but in Wilson’s theory that the Constitution actually frees government from limitations.”<sup>2</sup> In other words, government expansion is on the march and the fault for constitutional drifting can be shared by both Republicans and Democrats. The reason for abandonment of traditional limited government “lay in the archenemy of all conservatism: a rapidly changing society. The traumatic experiences of the Great War and the Great Depression, the flowering of the giant corporation, made laissez-faire an outmoded concept...”<sup>3</sup>

“Wilson’s Constitution is an emancipation proclamation for government, empowering it to regulate all human activities in order to treat all human desires as needs and hence rights,” wrote Will.<sup>4</sup> And, as Will wrote, “Barack Obama’s Wilsonian agenda reflects its namesake’s rejection of limited government.”<sup>5</sup> One of the major concerns with the Democrats’ policy agenda is the economy, which is still struggling with 9.7 percent unemployment and out-of-control government spending as the national debt has increased over \$13 trillion and the government is running a \$1.5 trillion deficit. This is on top of the effort to further regulate business and finance, which causes uncertainty in the marketplace, and the threat of tax increases that will cripple the economy. The Keynesian stimulus has also failed in its effort at job and economic recovery.

Entitlements — Social Security, Medicare, and Medicaid — are also in fiscal crisis and threatening to consume the entire federal budget unless reformed. As Michael Tanner of the CATO Institute wrote recently, “Social Security, for instance, faces unfunded liabilities of more than \$15.8 trillion...it is dwarfed by Medicare’s looming budget shortfall of between \$50 trillion and \$100 trillion...”<sup>6</sup> This is in addition to the new costs of health-care reform.

Federal spending does not appear to be receding as President Obama’s budget “is projected to spend \$3,618 billion, raise \$2,118 billion, and run a \$1,500 billion deficit in 2010.”<sup>7</sup> Brian M. Riedl of The Heritage Foundation noted that “from 2000 to 2010, real federal spending will have increased from \$21,875 per household to \$30,543 per household.”<sup>8</sup> The uncontrolled federal spending is threatening the economic security of the nation.

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Significant tax reform is also needed to bring about economic recovery, and both spending and taxes must be cut in order to restore the economy and solve the fiscal crisis. Policymakers have considered a Value Added Tax (VAT) and the tax cuts signed into law by President George W. Bush are going to expire if not renewed. The economist Arthur Laffer recently wrote in *The Wall Street Journal* that “on January 1, 2011, federal, state, and local tax rates are scheduled to rise quite sharply.”<sup>9</sup> The implication of the Bush tax cuts expiring is that “the highest federal personal income tax rate will go to 39.6 percent from 35 percent, the highest federal dividend tax rate pops up to 39.6 percent from 15 percent, the capital gains tax rate to 20 percent from 15 percent, and the estate tax rate to 55 percent from zero.”<sup>10</sup>

Tax increases will not solve 9.7 percent unemployment and the spending crisis makes the situation all the more serious. “Just keeping up with currently projected spending would require raising both the corporate tax rate and top income tax rate from their current 35 percent to 88 percent, the current 25 percent tax rate for middle-income workers to 63 percent, and the 10 percent tax bracket for low-income workers to 25 percent,” wrote Tanner.<sup>11</sup>

American economic history has shown in the 20th century that spending and tax cuts are the best solutions for economic recovery. Presidents Warren G. Harding, Calvin Coolidge, John F. Kennedy, and Ronald Reagan all utilized tax cuts in order to restore the economy. In the case of Harding and Coolidge, their administrations also reduced government spending. The Republican Study Committee, a conservative group of House Republicans, has put forth economic solutions that are rooted in a constitutional limited government. The Economic Freedom Act calls for significant tax reform by “reducing the payroll tax by half for 2010, eliminating the individual and corporate capital gains taxes, reducing the corporate tax to 12.5 percent, permanently eliminating the death tax,” among other measures to restore the economy and create jobs.<sup>12</sup> Another reform offered by Representative Lamar Smith (R-TX) has proposed the SAFE Act, which “would cap annual growth in the federal budget to inflation plus population growth.”<sup>13</sup>

“The object and practice of liberty lies in the limitation of governmental power,” wrote MacArthur.<sup>14</sup> MacArthur also argued that the Constitution should not be “treated as an instrument of political expediency.”<sup>15</sup> The solution for our policy problems is, as Warren Harding stated, a need for “a new baptism of constitutionalism in the republic.”<sup>16</sup> The nation must commit to principles rooted in constitutional limited government, which include restoring traditional federalism, cutting spending, lowering taxes, and reducing the national debt, while defending the core traditions of America’s heritage and culture.

#### Endnotes:

<sup>1</sup>Douglas MacArthur, *Reminiscences*, McGraw-Hill Book Company, New York, 1964, p. 418.

<sup>2</sup>George F. Will, “The danger of government with unlimited power,” *The Washington Post*, June 3, 2010, <<http://www.washingtonpost.com/wp-dyn/content/article/2010/06/02/AR2010060203278.html>> (June 9, 2010).

<sup>3</sup>Morton Keller, *In Defense of Yesterday: James M. Beck and the Politics of Conservatism*, Coward-McCann, New York, 1958, p. 273.

<sup>4</sup>Will.

<sup>5</sup>Ibid.

<sup>6</sup>Michael D. Tanner, “\$13,050,826,460,886.97,” *CATO Institute*, June 8, 2010, <[http://www.cato.org/pub\\_display.php?pub\\_id=11874](http://www.cato.org/pub_display.php?pub_id=11874)> (June 8, 2010).

<sup>7</sup>Brian M. Riedl, “Federal Spending by the Numbers, 2010,” *Heritage Special Report*, SR-78, June 1, 2010, p. 3.

<sup>8</sup>Ibid.

<sup>9</sup>Arthur Laffer, “Tax hikes and the 2011 economic collapse,” *The Wall Street Journal*, June 7, 2010, <<http://online.wsj.com/article/SB10001424052748704113504575264513748386610.html>> (June 7, 2010).

<sup>10</sup>Ibid.

<sup>11</sup>Tanner.

<sup>12</sup>Economic Freedom Act, “Economic Liberty for America,” Republican Study Committee, <[http://rsc.tomprice.house.gov/Solutions/Economic\\_Freedom\\_Act.htm](http://rsc.tomprice.house.gov/Solutions/Economic_Freedom_Act.htm)> (June 9, 2010). See also the RSC’s FY 2011 Budget Plan.

<sup>13</sup>Chris Edwards, “Federal spending limit,” *Cato @ Liberty*, CATO Institute, June 1, 2010, <<http://www.cato-at-liberty.org/2010/06/01/federal-spending-limit/print/>> (June 8, 2010).

<sup>14</sup>MacArthur, p. 417.

<sup>15</sup>Ibid.

<sup>16</sup>Warren G. Harding, “Speech of Warren G. Harding in Des Moines, IA,” Herbert Hoover Presidential Library, Pre-Commerce Papers, Box 6, Folder: Harding, Warren G., 1920-1922.

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