



The Wisdom of President Warren G. Harding

by John Hendrickson

In a *Washington Times* editorial commemorating Constitution Day, the editorial stated that “Americans increasingly insist the federal government honor constitutional limits on federal power.”¹ The United States is confronted with serious policy problems ranging from 9.6 percent unemployment, out-of-control government spending, escalating debt and deficits, expansion of the regulatory and welfare state, and increasing tax rates, among other problems that are causing concern for the future of the republic. In his landmark book *The Conscience of a Conservative*, Senator Barry M. Goldwater wrote that “the ancient and tested truths that guided our Republic through its early days will do equally well for us.”² In other words, Goldwater argued that constitutional principles are not outdated, but clearly able to deal with current policy problems. Ideas have consequences and history is a useful guide when examining principles and ideas. One historical example that policymakers can follow today is the Republican Ascendancy of the 1920s, which is associated with a return of conservative politics and philosophy led by President Warren G. Harding. President Harding, and other conservative leaders of the 1920s, should be commended for their commitment to policies rooted in constitutional limited government.

During the presidential election of 1920, Warren G. Harding, who was serving as a Senator, campaigned on a “return to normalcy” theme. “Return to normalcy” became the slogan of the Harding campaign and it represented a call to return to traditional constitutional limited government and free enterprise principles against the progressive idealism of President Woodrow Wilson. Harding won the election of 1920 in a landslide against his Democrat opponents, James Cox and Franklin D. Roosevelt. Emblematic of Harding’s political philosophy was his commitment to constitutional principles based on limiting the size and scope of the government through the reduction of spending and taxes. President Harding also appointed conservatives to both the judiciary and regulatory agencies who would uphold property rights rather than encourage regulation.

The major problem that confronted President Harding was the national economy, which fell into depression at the end of World War I. The depression of 1920-1921 saw a severe economic decline in both business and agriculture, and the nation struggled with 11.7 percent unemployment. The nation also suffered from a large debt, excessive government spending, and high rates of taxation, which even went as high as 70 percent on top incomes. Harding, along with Secretary of the Treasury Andrew Mellon, believed that the best way to solve the depression was not through progressive policies of high taxation, government spending, and regulation, but rather through spending and tax reduction. Harding believed that constitutional principles would be sufficient to solve the crisis and that “any wild experiment will add to the confusion.”³ President Harding’s philosophy “always decried high taxes, government waste, and excessive government interference in the private sector of the economy.”⁴ In addition, Harding believed that business was suffering from too much regulation and he argued that the “government ought to ‘strike the shackles from industry.’”⁵

President Harding and Secretary Mellon followed a policy of reducing government spending, cutting tax rates, and paying down the national debt. The Harding economic policies turned the depression into a short-lived event by fueling the private sector of the economy through tax cuts and shrinking the federal government through budget reform, spending reduction, curbing regulation, and paying down the national debt. Jim Powell, a historian and Senior Fellow at Cato Institute, recently wrote that “by the time he [Harding] died in August 1923, he had cut spending almost 50 percent, he cut taxes almost 40 percent, and he began paying down the national debt.”⁶

Harding also brought constitutional principles back to the office of the presidency by rejecting the powerful executive theory that had dominated the White House with the administrations of Theodore Roosevelt and Woodrow Wilson. With a few exceptions, he appointed a highly qualified cabinet with the leadership of individuals such as Andrew Mellon and Herbert Hoover, who served as Secretary of Commerce. Harding also supported immigration

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reform and a commitment to both civil rights and civil liberties. In regard to the Supreme Court, he appointed former President William Howard Taft to serve as Chief Justice and he nominated George Sutherland, Pierce Butler, and Edward Sanford as Associate Justices. The Taft Court of the 1920s was a defender of property rights and limited government — the constitutional philosophy that was the core of Harding’s philosophy and administration.

The Harding administration initiated a period of substantial economic growth and commitment to constitutional government. In fact, “constitutional worship” can be attributed to the conservatives of the 1920s.⁷ President Calvin Coolidge and Secretary Mellon resumed the Harding policies and created the “Coolidge Prosperity” or Roaring Twenties. As Jim Powell wrote:

Coolidge further cut spending, down to \$2.8 billion in 1927. Altogether, spending and taxes were cut 50 percent during the 1920s, and about 30 percent of the national debt was paid off. There were budget surpluses throughout the 1920s. Unemployment fell to 1.8 percent, the lowest U.S. peacetime level in more than 100 years.⁸

Industrial production increased about 70 percent and the economy grew substantially.⁹

Although the situation and circumstances of today’s problems may not match exactly those that confronted Harding, he understood, unlike his progressive colleagues, that the principles of the American Founding would never be insufficient to deal with policy problems. Certainly the economic policies that Harding followed could be used to fight the current economic and spending crisis of 9.6 percent unemployment and out-of-control government spending, which is causing an unsustainable debt and deficits. During the Great Depression of the 1930s, President Franklin D. Roosevelt failed to resolve the crisis and currently President Barack Obama is following the same philosophy as Roosevelt’s New Deal. It would be wise for today’s policymakers to follow the example of President Harding and restore trust in the constitutional principles of limited government and free-enterprise. The Harding blueprint is a policy roadmap that can and should be utilized in solving our current public policy problems. Jim Powell wrote that “no big government President has ever matched” the record of Harding and Coolidge.¹⁰

Endnotes

¹“Honor the Constitution’s limits,” editorial, *The Washington Times*, September 16, 2010, <<http://www.washington-times.com/news/2010/sep/16/honor-the-constitutions-limits/>> (September 17, 2010).

²Barry M. Goldwater, *The Conscience of a Conservative*, MJF Books, New York, 1990, p. xxxv.

³Warren G. Harding, “Inaugural Address, March 4, 1921,” *The American Presidency Project*, <<http://www.presidency.ucsb.edu>> (June 4, 2010).

⁴Robert K. Murray, *The Harding Era: Warren G. Harding and His Administration*, American Political Biography Press, Newton, Connecticut, 1969, p. 171.

⁵Ibid.

⁶Jim Powell, “Jump-starting the economy, Harding and Coolidge: 1.8% unemployment,” *The Washington Times*, September 10, 2010, <<http://www.washingtontimes.com/news/2010/sep/10/harding-and-coolidge-18-unemployment/>> (September 17, 2010).

⁷Morton Keller, *In Defense of Yesterday: James M. Beck and the Politics of Conservatism, 1861-1936*, Coward-McCann, New York, 1958, p. 157.

⁸Powell.

⁹“Historical Facts,” in *Why Coolidge Matters: How Civility in Politics Can Bring a Nation Together*, National Notary Association, Chatsworth, California, 2010, p. 164.

¹⁰Powell.

Public Interest Institute's Policy Study "The Wisdom of President Warren G. Harding" can be viewed at www.limitedgovernment.org

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