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The Struggle to Limit Government: A Modern Political History

by [Greg Kaza](#) • September 2011 • Vol. 61/Issue 7

Today's most crucial policy battles are about federal spending and the scope of government power. Cato Institute scholar John Samples reminds us in this book that those battles have their origins in the Progressive era, the New Deal, and the Great Society.

Early in the twentieth century Herbert Croly (cofounder of *The New Republic*) argued the State should "increase the national spirit," "promote the national welfare," and subordinate "the individual to the demand of a dominant and constructive national purpose." In that spirit Franklin Roosevelt created Social Security and unemployment compensation in the 1930s, programs hard to undo, grounded as they are in the self-interest of voting blocs, including seniors and labor. In 1965 Lyndon Johnson established Medicare and Medicaid to provide medical insurance for retired and low-income people, who eventually viewed them as entitlements. Medicare recipients alone, Samples notes, constituted about one in five voters by 1982.

Ronald Reagan's proposed spending cuts had little support in Congress even among Republicans, a development that continued post-1994 under GOP House Speaker Newt Gingrich. Republicans in power failed to abolish any federal departments, and President George W. Bush created a new Medicare prescription drug program. "The new entitlement appeared to be politically perfect," Samples observes. "It promised benefits to virtually every organized interest, including the most powerful, elderly voters, without immediately imposing costs on anyone." This is how federal spending, deficits, and the national debt expand.

Samples examines recent administrations' fiscal records and draws lessons for today. Reagan "sought to control spending later by cutting taxes first" but did not deliver a significant reduction in the size of government as measured by spending. While FDR and LBJ told Americans the State could provide them with security and opportunity, Reagan asked whether government might also threaten liberty, opportunity, and wealth. Still, government continued to grow.

George W. Bush by contrast sought to save us all from moral decay at home and from political tyranny abroad. He had almost no interest in slowing the growth of government but made one effort—to slow the exponential expansion of Social Security. That was a failure, and Samples argues it was due to Bush's unpopularity over his military adventure in Iraq. A president who enjoyed the trust and support of only a minority of Americans could hardly transform public opinion on such a crucial issue. Besides, Bush embraced "compassionate conservatism" and increased government spending, both of which contravened personal responsibility.

Rather than trying to stop the growth of government, Bush worked hard to increase it by pushing the Medicare prescription drug entitlement. Many voters favored that, yet dissatisfaction greeted the new benefit. Why? Samples argues two-thirds of voters, not just the elderly, took an unfavorable view because "it did not provide people on Medicare enough help with their drug costs." Bush proposed \$400 billion, Democrats countered with \$800 billion, and they compromised on \$500 billion. This bidding war for votes with tax dollars shows why the battle to restrain government has so far been a losing one.

How can we put the brakes on government growth? In a word: crisis. Samples's most useful insight is that a crisis can catalyze policy change, toward either

bigger or smaller government. FDR capitalized on the crisis of the Depression to greatly expand the size and scope of government. Congress's failure to deal with entitlements and end record deficits has created a new crisis, which means that a future president will have the opportunity to act dramatically. Maybe that president will use the opportunity to make it clear to the people that mushrooming government spending and interference with liberty are the causes of our crisis. We might be able not just to shift course slightly but to turn the ship around.

Samples makes a strong case for individual liberty and constitutional government that should persuade people that their future happiness depends on finally putting limits on the State. The difficulty, he writes, is that "Almost all of the past 30 years in American politics suggests the federal government will continue to prefer borrowing to tax increases or spending cuts until an upper bound on borrowing is reached." With a national debt over \$14 trillion and talk about lowered ratings for federal bonds, we may be close to that upper bound.

The book provides a sober analysis of past defeats suffered by limited government advocates, but it also suggests that if we don't let the building fiscal crisis "go to waste," we can prevail. A popular president, mindful of both the Constitution and the key role of individualism, could lead Congress to deal with the entitlements that threaten America's fiscal house. In sum, Samples's work serves as an antidote to despair.

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