

Imprimis

OVER 1,700,000 READERS MONTHLY

January 2009 · Volume 38, Number 1

Do Conservatives Need to Get Beyond Reagan?

Rush Limbaugh

Radio Talk Show Host



RUSH LIMBAUGH launched his radio broadcast into national syndication on August 1, 1988, with 56 radio stations. Twenty years later it is heard on nearly 600 stations by approximately 20 million people each week and is the highest rated national radio talk show in America. Mr. Limbaugh also hosts “The Rush Limbaugh Morning Update,” writes “The Limbaugh Letter,” and extends his message to the Internet via RushLimbaugh.com. He received the Marconi Award for Syndicated Radio Personality of the Year, given by the National Association of Broadcasters, in 1992, 1995, 2000 and 2005. In 1993, he was inducted into the Radio Hall of Fame and in 1998, into the National Association of Broadcasters Hall of Fame.

INSIDE
THIS ISSUE >

“DO WE NEED A
NEW NEW DEAL?”

BURTON W. FOLSOM, JR.

The following is adapted from a speech delivered on December 4, 2008, at the Mayflower Hotel in Washington, D.C., on the occasion of the ninth annual Hillsdale College Churchill Dinner.

There are ongoing discussions and debates among conservatives about the kind of president Barack Obama will prove to be, and about how they should react to him. But there is a larger and more important debate going on within conservatism—a debate about what conservatism is. Remarkably, we are hearing from a lot of people who are thought to be conservatives that conservatives need to “get beyond Reagan.” After all, these people say, “The Reagan era is over.” And the liberal media love to print their articles and broadcast their pronouncements to this effect. My response is, well, yes, the Reagan era is over in the sense that it has been 20 years since Reagan was president. But the funny thing is, I never heard the liberals saying that because the era of FDR was over—it ended in 1945—that they needed to “get beyond FDR.” They didn’t say that 35 years later when Reagan was first elected, or when he was reelected in 1984. They didn’t say that when the liberals lost Congress in the 1994 election. Nor did they say it after the 2000 or 2004 elections. Instead, they kept arguing and fighting for the ideas they believe in. And now Mr. Obama is plausibly promising to revive the era of FDR.

So why are some so-called conservatives today arguing that we need to “get beyond Reagan,” by which they mean that we need to abandon the ideas that Reagan stood for? To understand the roots of this argument, I think we only need to look back to the years when Reagan first emerged onto the national scene. There was a lot of resentment at that time among many of the elites in the Republican Party because Reagan hadn’t gone to the right schools, he didn’t come from the right part of the country, he had been an actor rather than a lawyer, he was a bumbling dunce, he was an extremist who was too far outside the mainstream to win, and so on. People have been making these kinds of arguments for a long time. They were saying that conservatives needed to get beyond Reagan even before the Reagan era began. A few of them are the same people. Many of them are new. But what they have in common is that none of them agree with the principles that Reagan stood for. And I would argue that this means that they are not conservatives.

Today the get-beyond-Reagan arguments are often put in so-called pragmatic terms of needing to create blocs of voters who will support the Republican Party. And in order to accomplish this, all that conservatives have to do, these self-proclaimed smart people say, is embrace the idea of big government, because that’s what the American people want and because only so-called big-government conservatives will be able to create blocs of voters by spending money to

do them favors. But in answer to this, one has to ask the question—and I’m being a real pragmatist myself here—what’s left for government to spend these days? It’s already bailing people out right and left with taxpayer money that the government doesn’t have. The spigot has been turned on under President Bush. The Obama administration, we can presume, is going to be even more generous in terms of bailouts. But honestly, when we look at auto executives being grilled on TV by liberal members of Congress about their irresponsibility, can we take it seriously? Has anyone ever been as irresponsible with money—and in their case other people’s money—than these very same self-righteous members of Congress?

As history has amply demonstrated, down the line the kind of central planning that Mr. Bush has begun and that Mr. Obama plans to escalate isn’t going to work. Although it may succeed in

increasing the control of government over people’s lives—which is how many liberals these days seem to define prosperity—it will fail miserably in restoring economic health to America. So in fact, during a time of economic trouble like this when liberals are in charge of both elected branches of government, conservatives have a golden opportunity to reintroduce to the American people the free market ideas and policies that have made our country the greatest and most prosperous country in human history.

My first point, then, is that there is no *pragmatic* reason today for conservatives to abandon the ideas of Reagan. It

Imprimis (im-pri-mis),
[Latin]: in the first place

EDITOR

Douglas A. Jeffrey

DEPUTY EDITOR

Timothy W. Caspar

COPY EDITORS

Monica VanDerWeide
Jeremy Young

ART DIRECTOR

Angela Lashaway

PRODUCTION MANAGER

Lucinda Grimm

CIRCULATION MANAGER

Patricia A. DuBois

STAFF ASSISTANTS

Kim Ellsworth
Wanda Oxenger
Mary Jo Von Ewegen

Copyright © 2009 Hillsdale College

The opinions expressed in **Imprimis** are not necessarily the views of Hillsdale College.

Permission to reprint in whole or in part is hereby granted, provided the following credit line is used:
“Reprinted by permission from **Imprimis**, a publication of Hillsdale College.”

SUBSCRIPTION FREE UPON REQUEST.

ISSN 0277-8432

Imprimis trademark registered in U.S. Patent and Trade Office #1563325.



HILLSDALE COLLEGE
PURSUING TRUTH · DEFENDING LIBERTY SINCE 1844

VENICE | CORFU | RHODES | BODRUM
MYKONOS | ISTANBUL | ATHENS

HILLSDALE COLLEGE CRUISE VENICE TO ATHENS VIA ISTANBUL

July 28 - August 9, 2009

Aboard the Six-Star Luxury Liner Crystal Serenity



**BE SURE TO ASK ABOUT THE EXCLUSIVE
HILLSDALE POST-CRUISE TOUR OF
ATHENS WITH VICTOR DAVIS HANSON.**

THE PARTHENON, ATHENS



HAGIA SOPHIA, ISTANBUL

ON-BOARD SPEAKERS

VICTOR DAVIS HANSON

CLASSICIST AND MILITARY HISTORIAN
DISTINGUISHED FELLOW, HILLSDALE COLLEGE

PAUL JOHNSON

HISTORIAN AND JOURNALIST

BILL SAMMON

WASHINGTON DEPUTY MANAGING
EDITOR, FOX NEWS

WALTER WILLIAMS

ECONOMIST AND SYNDICATED COLUMNIST

LARRY ARNN

PRESIDENT, HILLSDALE COLLEGE

VENICE LAND TOUR SPEAKER

JOHN JULIUS NORWICH

AUTHOR, *A HISTORY OF VENICE*

ISTANBUL LAND TOUR SPEAKER

ANDREW MANGO

AUTHOR, *ATATÜRK: THE BIOGRAPHY OF THE
FOUNDER OF MODERN TURKEY*

SPACE IS LIMITED!

For more information or to reserve your cabin, please call Intershow at **(800) 797-9519**.

is worth remembering, after all, that despite the warnings of Republican “pragmatists” in the economically bleak 1970s that Reagan was too far outside the mainstream ever to be successful politically, Reagan won the presidency in two landslides—and that in 1994, his party took over the House of Representatives, for the first time in 40 years, using Reagan-like arguments.

But there is a second and more important point to be made in response to the argument that conservatives should get beyond Reagan. The main idea that animated Reagan wasn’t anti-communism or supply side economics. Reagan’s main idea was the main idea of the American founding—the idea of individual liberty—and the policies that he supported, both internationally and domestically, grew from that. America was founded

on the idea that our individual freedoms derive from God, not from government, and that government should protect those freedoms and never violate them. Reagan argued, and history has shown, that America does best when it is true to its original idea. It does best when its people are left free to work in their individual self-interest—not meant in the sense of being selfish, but in the sense that they are left free to work to improve their own lives and the lives of their families, and for the good of their communities and of the nation at large. The biggest problem with the argument that conservatives should get beyond Reagan, then, is that the idea of individual liberty will never go out of style as long as America exists. To argue that the Reagan era is over is to argue that the era of freedom is over. And to argue that conservatives should aban-

don Reagan’s principles is to argue that they should stop being conservatives.

There is no such thing, at least in America, as “big-government conservatism.” A government that abides by the Constitution and protects our God-given freedoms is by definition limited. Rather than carving out blocs of voters by surrendering their principles, conservatives

need to continue to tell the American people as a whole that the ideas of individual liberty and limited government are right and that the policies that come from those ideas work best to produce prosperity. Conservatives don’t need to reinvent themselves. They need the courage to be once again who they were. ■

Do We Need a New New Deal?

Burton W. Folsom, Jr.

Charles F. Kline Chair in History and Management, Hillsdale College

Author, *New Deal or Raw Deal? How FDR’s Economic Legacy Has Damaged America*



The following is adapted from a speech delivered on January 9, 2009, in Washington, D.C., at a seminar sponsored by Hillsdale’s Allan P. Kirby, Jr. Center for Constitutional Studies and Citizenship.

The New Deal has probably been the greatest political force in America during the last 100 years, and Franklin D. Roosevelt has probably been the most influential president during this time. In our current economic crisis—which some have compared with the Great Depression—many critics are calling for more federal programs and a “New New Deal.” There are three reasons we do not need a New New Deal from President Obama in 2009.

First, the federal programs in FDR’s New Deal did not lower unemployment. Sure, the Works Progress Administration built roads, the Tennessee Valley Authority built dams, and the Civilian Conservation Corps planted trees. But every dollar that went to creating a federal job had to come from taxpayers, who, by sending their cash to Washington, lost the chance to buy hamburgers, movie tickets, or clothes and create new jobs for restaurants, theaters, and tailors.

What’s worse, some New Deal programs had terrible unintended consequences. The Agricultural Adjustment Administration, for example, overhauled agriculture by paying farmers not to produce on part of their land. After farmers took the federal dollars, the U.S. developed shortages of the very crops taxpayers were paying farmers not to produce. By 1935, for example, the U.S. was importing almost 35 million bushels of corn, 13 million bushels of wheat, and 36 million pounds of cotton. Simultaneously, we had an army of bureaucrats in the Department of Agriculture to inspect farms (and even to do aerial photography) to ensure farmers were not growing the crops we were importing into the country.

Second, the taxes to pay for the New Deal became astronomical. In 1935, Roosevelt decided to raise the marginal tax rate on top incomes to 79 percent. Later he raised it to 90 percent. These confiscatory rates discouraged entrepreneurs from investing, which prolonged the Great Depression.

Henry Morgenthau, FDR’s loyal Secretary of the Treasury, was frustrated at the persistence of double-digit unemployment throughout the 1930s. In May 1939, with unemployment at 20 percent, he exploded at the failed New Deal programs. “We

have tried spending money,” Morgenthau noted. “We are spending more than we have ever spent before and it does not work. . . . We have never made good on our promises. . . . I say after eight years of this Administration we have just as much unemployment as when we started. . . . And an enormous debt to boot!”

Third, the New Deal divided and politicized the country in tragic ways. Those who lobbied most effectively won subsidies and bailouts even if their cause was weak. Others, who had greater needs, received nothing. Walter Waters, who led a march of veterans on Washington, lobbied successfully for a special bonus for veterans, whether they had been in battle or not. When asked why veterans—instead of longshoremen or teachers—should receive a special bonus of taxpayer dollars, he said, “I noticed, too, that the highly organized lobbies in Washington for special industries were producing results: loans were being granted to their special interests. . . . Personal lobbying paid, regardless of the justice or injustice of their demand.”

Thus, as money became available, those with effective political lobbies won the subsidies and others, who sometimes had more just causes and greater need, received little or nothing. In the case of the veterans, in 1936 they won a \$2 billion federal bonus—a sum exceeding six percent of the entire national debt at the time. Teachers, by contrast, were less effective lobbyists and won almost no federal subsidies. Silver miners, led by Senator Key Pittman of Nevada, won a silver subsidy that paid almost \$300,000 a day each day for 14 years, but coal miners were left out.

In another example, under Presidents Hoover and Roosevelt, Illinois lobbied effectively and won \$55,443,721 under the first federal welfare grant while Massachusetts received zero federal dollars. Without federal money for welfare needs, Mas-

sachusetts valiantly raised its own funds to secure what Illinois extracted from Washington. The Boston Civic Symphony repeatedly gave concerts to benefit the jobless. City officials and teachers raised money and took pay cuts. Massachusetts Governor Joseph Ely believed that no state should receive federal aid and that private charity was the best charity; that federal relief ruined both taxpayers and those in need. “Whatever the justification for relief,” Ely said, “the fact remains that the way in which it has been used makes it the greatest political asset on the practical side of party politics ever held by an administration.” Ely added that “millions of men and women . . . have come to believe almost that there is no hope for them except upon a government payroll.”

Federal dollars always become political dollars, and the Democrats moved to use federal money to gain votes at election time. In Pennsylvania, Joseph Guffey, the successful Democratic candidate for U.S. Senate in 1934, ran a campaign ad that said, “Compare this \$297,942,173 contributed by Pennsylvania to the U.S. Treasury with the cash and credit of \$678,074,195 contributed to Pennsylvania by the Roosevelt Democratic administration.” Vote Democrat, Guffey and others proclaimed, and the federal faucet will keep running. James Doherty, a New Hampshire Democrat, said, “It is my personal belief that to the victor belong the spoils and that Democrats should be holding most of these [WPA] positions so that we might strengthen our fences for the 1940 election.” One WPA director in New Jersey—a corrupt but candid man—answered his office phone, “Democratic Headquarters.”

If history is a guide, we have every reason to believe that if President Obama institutes a New New Deal, then universal health care, federal bailouts, and jobs stimulus programs will be costly, will be politicized, and will fail. ■



HILLSDALE COLLEGE
PURSUING TRUTH · DEFENDING LIBERTY SINCE 1844

DID YOU KNOW?

In keeping with the original and abiding mission of Hillsdale College, each entering freshman signs an Honor Code, committing himself or herself to participate fully and honorably in that mission. It reads: “A Hillsdale College student is honorable in conduct, honest in word and deed, dutiful in study and service, and respectful of the rights of others. Through education the student rises to self-government.”