## "The 'Progressive Legacy'—Parts 1, 2 & 3"

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## By Thomas Sowell—Feb. 14, 2012

**PART 1**—Although Barack Obama is the first black president of the United States, he is by no means unique, except for his complexion. He follows in the footsteps of other presidents with a similar vision, the vision at the heart of the Progressive movement that flourished a hundred years ago.

Many of the trends, problems and disasters of our time are a legacy of that era. We can only imagine how many future generations will be paying the price—and not just in money—for the bright ideas and clever rhetoric of our current administration.

The two giants of the Progressive era—Theodore Roosevelt and Woodrow Wilson—clashed a century ago, in the three-way election of 1912. With the Republican vote split between William Howard Taft and Theodore Roosevelt's newly created Progressive Party, Woodrow Wilson was elected president, so that the Democrats' version of Progressivism became dominant for eight years.

What Theodore Roosevelt and Woodrow Wilson had in common, and what attracts some of today's Republicans and Democrats, respectively, who claim to be following in their footsteps, was a vision of an expanded role of the federal government in the economy and a reduced role for the Constitution of the United States.

Like other Progressives, Theodore Roosevelt was a critic and foe of big business. In this he was not inhibited by any knowledge of economics, and his own business ventures lost money.

Rhetoric was TR's strong suit. He denounced "the mighty industrial overlords" and "the tyranny of mere wealth."

Just what specifically this "tyranny" consisted of was not spelled out. This was indeed an era of the rise of businesses to unprecedented size in industry after industry—and of prices falling rapidly, as a result of economies of scale that

cut production costs and allowed larger profits to be made from lower prices that attracted more customers.

It was easy to stir up hysteria over a rapidly changing economic landscape and the rise of new businessmen like John D. Rockefeller to wealth and prominence. They were called "robber barons," but those who put this label on them failed to specify just who they robbed.

Like other Progressives, TR wanted an income tax to siphon off some of the earnings of the rich. Since the Constitution of the United States forbade such a tax, to the Progressives that simply meant that the Constitution should be changed.

After the 16th Amendment was passed, a very low income-tax rate was levied, as an entering wedge for rates that rapidly escalated up to 73 percent on the highest incomes during the Woodrow Wilson administration.

One of the criticisms of the Constitution by the Progressives, and one still heard today, is that the Constitution is so hard to amend that judges have to loosen its restrictions on the power of the federal government by judicial reinterpretations. Judicial activism is one of the enduring legacies of the Progressive era.

In reality, the Constitution was amended four times in eight years during the Progressive era. But facts carried no more weight with crusading Progressives then than they do today.

Theodore Roosevelt interpreted the Constitution to mean that the President of the United States could exercise any powers not explicitly forbidden to him. This stood the 10th Amendment on its head, for that Amendment explicitly gave the federal government only the powers specifically spelled out, and reserved all other powers to the states or to the people.

Woodrow Wilson attacked the Constitution in his writings as an academic before he became president. Once in power, his administration so restricted freedom of speech that this led to landmark Supreme Court decisions restoring that fundamental right.

Whatever the vision or rhetoric of the Progressive era, its practice was a never-ending expansion of the arbitrary powers of the federal government. The problems they created so discredited Progressives that they started calling themselves "liberals"—and, after they discredited themselves again, they went back to calling themselves "Progressives," now that people no longer remembered how Progressives had discredited themselves before.

Barack Obama's rhetoric of "change" is in fact a restoration of discredited ideas that originated a hundred years ago.



## By Thomas Sowell-Feb. 16, 2012

**PART 2**—"Often wrong but never in doubt" is a phrase that summarizes much of what was done by Presidents Theodore Roosevelt and Woodrow Wilson, the two giants of the Progressive era, a century ago.

Their legacy is very much alive today, both in their mind-set—including government picking winners and losers in the economy and interventionism in foreign countries—as well as specific institutions created during the Progressive era, such as the income tax and the Federal Reserve System.

Like so many Progressives today, Theodore Roosevelt felt no need to study economics before intervening in the economy. He said of "economic issues" that "I am not deeply interested in them; my problems are moral problems." For example, he found it "unfair" that railroads charged different rates to different shippers, reaching the moral conclusion that these rates were discriminatory and should be forbidden "in every shape and form."

It never seemed to occur to TR that there could be valid economic reasons for the railroads to charge the Standard Oil Company lower rates for shipping their oil. At a time when others shipped their oil in barrels, Standard Oil shipped theirs in tank cars—which required a lot less work by the railroads than loading and unloading the same amount of oil in barrels.

Theodore Roosevelt was also morally offended by the fact that Standard Oil created "enormous fortunes" for its owners "at the expense of business rivals." How a business can offer consumers lower prices without taking customers away from businesses that charge higher prices is a mystery still unsolved to the present day, when the very same arguments are used against Walmart.

The same preoccupation with being "fair" to high-cost producers who were losing customers to low-cost producers has turned antitrust law on its head, for generations after the Progressive era. Although antitrust laws and policies have been rationalized as ways of keeping monopolies from raising prices to consumers, the actual thrust of antitrust activity has more often been against businesses that charged lower prices than their competitors.

Theodore Roosevelt's antitrust attacks on low-price businesses in his time were echoed in later "fair-trade" laws and in attacks against "unfair" competition by the Federal Trade Commission, another agency spawned in the Progressive era.

Woodrow Wilson's Progressivism was very much in the same mind-set. Government intervention in the economy was justified on grounds that "society is the senior partner in all business."

The rhetorical transformation of government into "society" is a verbal sleightof-hand trick that endures to this day. So is the notion that money earned in the form of profits requires politicians' benediction to be legitimate, while money earned under other names apparently does not.

Thus Woodrow Wilson declared: "If private profits are to be legitimized, private fortunes made honorable, these great forces which play upon the modern field must, both individually and collectively, be accommodated to a common purpose."

And just who will decide what this common purpose is and how it is to be achieved? "Politics," according to Wilson, "has to deal with and harmonize" these various forces.

In other words, the government—politicians, bureaucrats and judges—are to intervene, second-guess and pick winners and losers, in a complex economic process of which they are often uninformed, if not misinformed, and a process in which they pay no price for being wrong, regardless of how high a price will be paid by the economy.

If this headstrong, busybody approach seems familiar because it is similar to what is happening today, that is because it is based on fundamentally the same vision, the same presumptions of superior wisdom, and the same kind of lofty rhetoric we hear today about "fairness." Wilson even used the phrase "social justice."

Woodrow Wilson also won a Nobel Prize for peace, like the current president—and it was just as undeserved. Wilson's "war to end wars" in fact set the stage for an even bigger, bloodier and more devastating Second World War.

But, then as now, those with noble-sounding rhetoric are seldom judged by what consequences actually follow.



## By Thomas Sowell—Feb. 16, 2012

**PART 3**—The same presumptions of superior wisdom and virtue behind the interventionism of Progressive Presidents Theodore Roosevelt and Woodrow Wilson in the domestic economy also led them to be interventionists in other countries.

Theodore Roosevelt was so determined that the United States should intervene against Spain's suppression of an uprising in Cuba that he quit his post as assistant secretary of the Navy to organize his own private military force—called "Rough Riders"—to fight in what became the Spanish-American War.

The spark that set off this war was an explosion that destroyed an American battleship anchored in Havana Harbor. There was no proof that Spain had

anything to do with it, and a study decades later suggested that the explosion originated inside the ship itself.

But Roosevelt and others were hot for intervention before the explosion, which simply gave them the excuse they needed to go to war against Spain, seizing Puerto Rico and the Philippines.

Although it was a Republican administration that did this, Democrat Woodrow Wilson justified it. Progressive principles of imposing superior wisdom and virtue on others were invoked.

Wilson saw the indigenous peoples brought under American control as beneficiaries of progress. He said, "they are children and we are men in these deep matters of government and justice."

If that sounds racist, it is perfectly consistent with President Wilson's policies at home. The Wilson administration introduced racial segregation in Washington government agencies where it did not exist when Wilson took office.

Woodrow Wilson also invited various dignitaries to the White House to watch a showing of the film *The Birth of a Nation,* which glorified the Ku Klux Klan—and which Wilson praised.

All of this was consistent with the Progressive era in general, when supposedly "scientific" theories of racial superiority and inferiority were at their zenith. Theodore Roosevelt was the exception, rather than the rule, among Progressives when he did not agree with these theories.

Consistent with President Wilson's belief in racial superiority as a basis for intervening in other countries, he launched military interventions in various Latin American countries, before his intervention in the First World War.

Woodrow Wilson was also a precursor of later Progressives in assuming that the overthrow of an autocratic and despotic government means an advance toward democracy. In 1917, President Wilson spoke of "heartening things that have been happening within the last few weeks in Russia."

What was "heartening" to Wilson was the overthrow of the czars. What it led to in fact was the rise of a totalitarian tyranny that killed more political prisoners in a year than the czars had killed in more than 90 years.

Although Wilson proclaimed that the First World War was being fought because "the world must be made safe for democracy," in reality the over-throw of autocratic rule in Germany and Italy also led to totalitarian regimes that were far worse. Those today who assume that the overthrow of authoritarian governments in Egypt and Libya is a movement toward democracy are following in Wilson's footsteps.

The ultimate hubris of Woodrow Wilson was in promoting the carving up of whole empires after the First World War, in the name of "the self-determination of peoples." But, in reality, it was not the peoples who did the carving but Wilson, French Premier Georges Clemenceau and British Prime Minister David Lloyd George. Walter Lippmann saw what a reckless undertaking this was. He said, "We are feeding on maps, talking of populations as if they were abstract lumps." He was struck by the ignorance of those who were reshaping whole nations and the lives of millions of people.

He said of this nation-building effort: "When you consider what a mystery the East Side of New York is to the West Side, the business of arranging the world to the satisfaction of the people in it may be seen in something like its true proportions."

But Progressives, especially intellectuals, are the least likely to suspect that they are in fact ignorant of the things they are intervening in, whether back in the Progressive era or today.