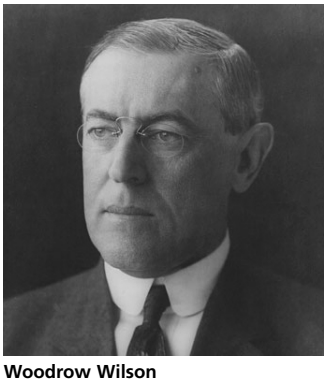
Two Presidents, Two Philosophies, and Two Different Outcomes

BY BURTON W. FOLSOM, JR.

Richard Weaver's observation that "ideas have consequences" is especially valid when we study the growth of government in America. If we compare the attitudes of Woodrow Wilson and Calvin Coolidge on the Constitution and the Declaration of Independence we can see how their views on government intervention were a logical outcome of their conceptions of these documents.

The Declaration of Independence reflected a generation of thinking on the subject of natural rights—"that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness." The Constitution later separated the powers of government to protect life, liberty, and property from future encroachments by potential tyrants.



Woodrow Wilson

Woodrow Wilson had only limited use for the Founders and the Declaration. "If you want to understand the real Declaration of Independence," Wilson urged, "do not read the preface." Government did not exist merely to protect rights. Instead, Wilson argued that the Declaration "expressly leaves to each generation of men the determination of what they will do with their lives. . . . In brief, political liberty is the right of those who are governed to adjust the government to their own needs and interests." "We are not," Wilson insisted, "bound to adhere to the doctrines held by the signers of the Declaration of Independence."

The limited government enshrined in both the Declaration and the Constitution may have been an advance for the Founders, Wilson conceded, but society had evolved since then. The modern state of the early 1900s was "beneficent" and "indispensable." Separation of powers hindered modern governments from promoting progress. "[T]he only fruit of dividing power," Wilson asserted, "was to make it irresponsible."

A better "constitutional government," Wilson urged, was one "whose powers have been adapted to the interests of its people." A strong executive was needed, he believed, to translate the interests of the people into public policy. The president was the opinion leader, the "spokesman for the real sentiment and purpose of the country." And what the country needed was "a man who will be and who will seem to the country in some sort of an embodiment of the character and purpose it wishes its government to have—a man who understood his own day and the needs of his country."

In the White House, Wilson intended to be a strong president working with a "living Constitution." He promoted the expanding of "beneficent" government into new areas. In his second year as president he concluded that shipping rates were too high, and he blessed his secretary of treasury's plan to regulate overseas shipping rates and the companies doing the shipping. Later he promoted a plan to make loans to farmers at federally subsidized rates. Then he pushed through Congress a bill fixing an eight-hour day for railroad workers.

Article 1, Section 8, of the Constitution gives no power to the federal government to regulate the prices of trade, the hours of work, or to make special loans to farmers or any other group. But Wilson said he was operating with a "living Constitution" and that increased government in these cases reflected appropriately the greater will of the people. Likewise, when Wilson helped centralize banking with the Federal Reserve system and when he further restricted trade by promoting the Clayton Antitrust Act, he believed that this work for the general good outweighed any loyalties to the

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rigid construction set up by the Founders in the original Constitution.

Not all Americans agreed with Wilson's evolving Constitution. The Adamson Act, which required the eight-hour day for railroad workers, was challenged and went to the Supreme Court. It was sustained by a 5–4 majority, but Justice William Day was appalled at the constitutional violations in the bill. "Such legislation, it seems to me," Day said, "amounts to the taking of the property of one and giving it to another in violation of the spirit of fair play and equal right which the Constitution intended to secure in the due process clause to all coming within its protection."

Such growth of government came with a cost, but Wilson was ready with the progressive income tax to pay for his new programs. World War I clearly influenced Wilson's use of the tax and his centralization of power—he promoted an increase in the top tax rate from 7 to 15 percent in 1916; then, during the war, Wilson secured an increase to a 77 percent marginal rate on the country's largest incomes.


Calvin Coolidge

Where Wilson supported an evolving Constitution that gave him authority to increase the power of government and centralize power, President Calvin Coolidge, who was on the ticket that succeeded Wilson, believed that the Declaration and the Constitution should be accepted as the Founders wrote them.

In July 1926, on the sesquicentennial of the signing of the Declaration, Coolidge gave a speech reaffirming the need for limited government. "It is not so much then for the purpose of undertaking to proclaim new theories and principles that this annual celebration is maintained, but rather to reaffirm and reestablish those old theories and principles which time and the unerring logic of events have demonstrated to be sound."

Coolidge added that "there is a finality" about the Declaration. "If all men are created equal, that is final. If they are endowed with inalienable rights, that is final. If governments derive their just powers from the consent of the governed, that is final. No advance, no progress can be made beyond these propositions. If anyone wishes to deny their truth or their soundness, the only direction in which he can proceed historically is not forward, but backward toward the time when there was no equality, no rights of the individual, no rule of the people. Those who wish to proceed in that direction can not lay claim to progress. They are reactionary."

Coolidge's attitude as president reflected his belief in the ideas of the Declaration. He was not always consistent—for example, he signed the Fordney-McCumber Tariff in 1922, which slapped high and uneven taxes on some needed imports. But his efforts were largely in the direction of reducing the size of government to increase liberty. For example, Coolidge cut the size of government and was the last president to have budget surpluses every year of his presidency. Also, when the Harding-Coolidge administration came into office in 1921, the tax rate on top incomes was 73 percent; when Coolidge left the presidency eight years later it was 25 percent. The rates on the lowest incomes were also slashed.

Attacked Special Interests

Furthermore, Coolidge often attacked special interests. He vetoed a bill to give a special cash bonus to veterans; and, through President Harding, he was part of the administration that shut down a government-operated steel plant set up by Wilson, which had lost money each year of its operation.

Not once but twice Coolidge courageously vetoed the McNary-Haugen farm bill, which was popular with farmers, because it promised federal price supports for them. "I do not believe," Coolidge wrote, "that upon serious consideration the farmers of America would tolerate the precedent of a body of men chosen solely by one industry who, acting in the name of the government, shall arrange for contracts which determine prices, secure the buying and selling of commodities, the levying of taxes on that industry, and pay losses on foreign dumping of any surplus."

When presidents are faithful to America's founding documents, limited government has a chance to flourish. But when presidents emote over a "living" Declaration and Constitution, then the growth of government is upon us.