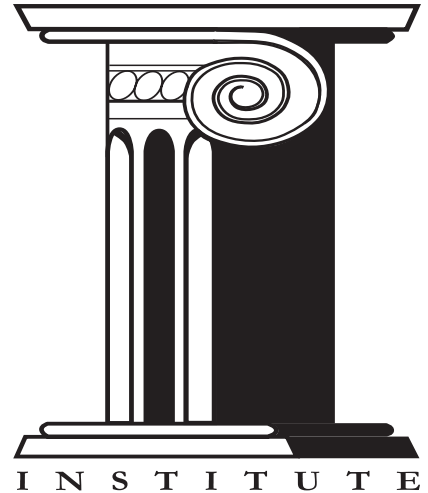


# LIMITS



*On Power and the Use of Coercion*

## Some Major Threats to Limited Government

by William A. Niskanen

Federal spending has been a roughly constant 20 percent of the GDP since the Korean War; the rapid growth of the U.S. welfare state during this period was financed primarily by a reduction of spending for defense and interest payments as a percentage of GDP. The rapid growth of federal regulation of health, safety, and the environment beginning in the 1970s was substantially offset by a comprehensive reduction of the older forms of economic and trade regulation. And most of the innovative policy proposals in this period were made by the libertarian right.

All of this seems about to change.

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Some of the major new threats to limited government in the United States are independent of who is elected to the White House and Congress this November.

An administration and Congress of either party is likely to approve a federal program of universal health insurance. Such a program was endorsed by most of the presidential candidates in both parties, was implemented by former Gov. Mitt Romney in Massachusetts, and has been promoted even by our friends at the Heritage Foundation-- despite the prospect that it would substantially increase federal spending, the relative price of medical care, and both price controls and nonprice rationing of medical care. The failure of any presidential candidate or more than a few members of Congress to criticize the \$150 billion debt financed "stimulus"

package as ineffective or possibly counterproductive suggests that there is a broad bipartisan indifference to responsible fiscal policy.

Another major threat to limited government that will probably be approved next year, whatever the outcome of the November election, is a first-stage national commitment to reducing the emissions of greenhouse gases; this ineffective but potentially very expensive policy is being promoted as a moral obligation, rather than the best of the alternative feasible responses to global warming.

The huge implicit debts for Social Security and Medicare, of course, are the largest threats to the federal budget. This is where the outcome of the November election might make a difference. In his recent State

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# Tax Freedom Day: A Call For Tax Reform

by John Hendrickson

## LIMITS

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President

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On April 16, 2008, Iowa celebrated Tax Freedom Day. April 16th marks the day when Iowans finished working to pay off their tax obligations. On the national level April 23, 2008 will mark tax freedom day.<sup>1</sup> Tax Freedom Day should be a day of national debate over reforming taxation at all levels of government. Americans on the national, state, and local levels are being taxed too much and taxpayers need to demand not only reform, but also more accountability and transparency.

"Americans will work longer to pay for government (113 days) than they will for food, clothing, and housing combined (108 days)," noted researchers from the Tax Foundation.<sup>2</sup>

The National Taxpayers Union (NTU) has recently issued, *A Taxing Trend: The Rise in Complexity, Forms, and Paperwork Burdens*. Some of the troublesome findings include:

- "Taxpayers using any of the 1040 tax form series will spend an average of 26.5 hours and \$207 completing their returns

this year, up from 25.4 hours and \$185 three years ago.

- Individual taxpayers will spend about 3.55 billion hours complying with income tax laws this year — up from 3.18 billion hours last year. The value of this time is worth \$92.6 billion.
- Americans filing a Form 1040 with common schedules this year will confront 155 pages of instructions, nearly quadruple the number in 1975 and nearly triple the number in 1985, the year before taxes were 'simplified.'
- Corporations spend about \$170.4 billion on tax compliance — equivalent to 43 percent of corporate income taxes collected in FY 2007.
- A new study from accounting firm PricewaterhouseCoopers and the World Bank found that the U.S. ranks 122nd worldwide (out of 175 studied) in ease of corporate tax filing compliance; an American company would spend 325 hours filing taxes, compared to companies in Hong Kong (80), the U.K. (105), and Germany (196)."<sup>3</sup>

David Keating, Senior

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# A Former NRA President's Tribute to Charlton Heston

by Sandy Froman

As someone who served as a vice-president under Charlton Heston during his five-year presidency of the NRA and to have been privileged to later hold that same office, I'd like to pay tribute to an extraordinary American hero.

There have been several articles written about Heston since his passing, all moving accounts of his full life and contributions to this country. While each mentions his NRA leadership, I am personally grateful for what Charlton Heston did for the NRA, for America's 90 million gun owners, and for yet unborn generations of Americans who will inherit freedom undiminished in no small part because of Mr. Heston's unwavering devotion to our constitutional rights.

Heston was a leading figure for NRA years before he became President. He appeared in pro-gun advertisements and headlined various NRA events, including NRA's 1996 Annual Banquet. An avid lifelong hunter and gun owner, and a devoted student of history, Charlton Heston understood perhaps better than most modern Americans that lawful firearm

ownership is an American birthright.

He also understood that it is a civil rights issue. Heston marched with Martin Luther King, Jr. in the 1960s, and was one of the foremost advocates of racial equality long before others took up the cause. His passion for civil rights and for human dignity was part of the foundation for his Second Amendment leadership. The NRA is the oldest and largest civil rights organization in America. Charlton Heston's leadership of the NRA was a natural extension of his lifelong crusade to protect individual liberty and dignity.

The 1990s, and particularly Bill Clinton's presidency, were troubled times for the NRA. NRA Executive Vice President Wayne LaPierre initiated a bold and innovative strategy to advance and expand NRA's appeal and outreach across America. Wayne made the case to his longtime friend Charlton Heston about where the organization needed to go. Heston shared Wayne's vision and goals, and agreed to run for a seat on the NRA Board of Directors.

Heston ran a brilliant campaign, as might be expected of the former President of the powerful Screen Actors Guild. He won election to the board in 1997 and the board immediately chose him as First Vice

President. The following year Heston was elected President, and he and Wayne LaPierre launched an ambitious strategy to share the message of American heritage, patriotism and constitutional freedom from sea to shining sea.

They were an unbeatable team. Charlton Heston's booming, sonorous voice conveyed a drive and depth of conviction that spoke straight to the souls of his listeners. Wayne LaPierre's brilliant strategy in defense of our gun rights complimented Heston's larger than life presentation.

I was privileged to be there. As Second Vice President from 1998-2003, I shared a stage with Heston, LaPierre, and other NRA officers throughout Heston's presidency. It was a front-row seat to historic events. Even Bill Clinton later acknowledged that the NRA, led by Heston and LaPierre, cost Al Gore the White House in 2000.

You've seen the pictures. Heston would hold up a handmade Brooks flintlock musket and proclaim his defiance to those who sought to ban gun ownership in America. The first time I heard him thunder, "From my cold, dead hands!" the crowd roared in acclamation, and America heard the voice of the National Rifle Association like they had never heard it before.

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*Employees of Public Interest Institute are available for speaking engagements. If interested, contact PII for more information.*

## Some Major Threats to Limited Government

by William Niskanen  
(continued from page 1)

of the Union Address, President Bush reminded us that these two programs should be reformed soon to avoid a large annual increase in their implicit debts, a warning that both Congress and the press ignored. In opposition, the Democrats have either denied any problem with these programs or claimed that small technical changes are sufficient and can be deferred. In general, it is politically difficult to reform a program for which the problems will not be broadly apparent for four or eight years. A substantial Democratic victory in November, however, could accelerate this process by giving the Democrats the political margin to control the restructuring of these programs, most likely by tax increases. The opposition Republicans would have a strong case for criticizing the Democrats for the proposed tax increases or for again deferring the necessary reforms of these programs.

Finally, there are several potential threats to a limited federal government that would only be a consequence of a Democratic victory in November. Based on an expectation of a larger Democratic

margin in each house of Congress, the Democratic-oriented think tanks have been busy making the case for a substantial increase in the scope of federal powers. Matt Miller, a senior fellow at the Center for American Progress, for example, has made "A Modest Proposal to Fix the Schools: First, Kill All the School Boards" and increase the federal share of expenditures for K-12 schools from 9 percent to 25 or 30 percent!

And Bruce Katz, director of the metropolitan policy program at the Brookings Institution, has claimed that "Chicagoland [and other major metropolitan areas] simply [do] not have the power or resources to achieve meaningful reforms to metroscale problems such as crushing traffic gridlock and inadequate work force housing on [their] own....The federal government has a powerful role to play in helping metros address these and other issues -- through smart investments, market-shaping information and environment-strengthening regulation. This potential is not being realized, since for too long the federal government has been strangely adrift and unresponsive to the dynamic forces at play in our country."

Odd -- with all these skills and resources, one might think that the federal government would already have solved the major problems of the programs for which it has a clear constitutional responsibility.

*William A. Niskanen is Chairman of the CATO Institute and he formerly served as a member and acting chairman of President Ronald Reagan's Council of Economic Advisers.*

*This article appeared in the March/April 2008 edition of CATO's Policy Report and is reprinted with permission.*

### LIMITS

#### Question of the Quarter:

Do you think the United States Department of Education should be abolished?

Send your thoughts on this issue to us at [public.interest.institute@limitedgovernment.org](mailto:public.interest.institute@limitedgovernment.org)

We may publish some of your ideas in the September 2008 issue of LIMITS.

Remember to look for other "Questions of the Quarter" in both *Facts & Opinions* & *Iowa Economic Scorecard*

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**A Former NRA  
President's Tribute...**

**by Sandy Froman  
(Continued from page 3)**

And we all felt something new and wonderful had begun.

The numbers bore that out. With Charlton Heston leading the charge, NRA membership soared from 2.5 million when Mr. Heston took office in 1998 to well over four million members by the 2000 presidential election. In all, he served an unprecedented five years as President of the NRA, bringing exceptional public esteem to the organization.

During that time, he was a tireless campaigner for pro-Second Amendment candidates and policies. He made the case like no one ever had that the right of law-abiding, peaceable Americans to keep and bear arms is part of our Founding Fathers' constitutional blueprint, designed to keep our land free and prosperous forever. It recognizes the sanctity of every person's life and the right to defend themselves and those they love. It acknowledges that some things are worth fighting and even dying for. Most remarkably, the Second Amendment reflects a belief not commonly held by governments today that ordinary Americans can be trusted to do the right thing.

The title of Heston's book *In the Arena* is, I believe, a reference to a 1910 quotation of Theodore Roosevelt: "The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly, who errs and comes up short again and again, because there is no effort without error or shortcoming, but who knows the great enthusiasms, the great devotions, who spends himself for a worthy cause; who, at the best, knows, in the end, the triumph of high achievement, and who, at the worst, if he fails, at least he fails while daring greatly, so that his place shall never be with those cold and timid souls who knew neither victory or defeat."

Like other great American leaders before him, Charlton Heston now belongs to the ages. His work is complete but ours remains undone. It's time for us to step into the arena, to strive valiantly, to dare greatly in a worthy cause using whatever talents we're blessed with, and to honor his memory by continuing the fight for freedom that he fought so well.

Charlton Heston would love that.

*Sandy Froman is the immediate Past President of the National Rifle Association of America, only the second woman and the first Jewish American to hold that office in the 136 year history of the NRA.*

*The article appeared on the Tuesday, April 8, 2008, edition of Townhall.com and is reprinted with permission.*

For more information on the Second Amendment: The Right to Keep and Bear Arms

Please refer to the following Public Interest Institute BRIEFS, all of which can be found online at: [www.limitedgovernment.org](http://www.limitedgovernment.org)

*Protecting an Enduring Right: The Second Amendment During Times of Emergency*

*Do Citizens Have the Right to Keep and Bear Arms? Original Intent Says Yes*

*Remington Arms Company, the Supreme Court, and the Right to Keep and Bear Arms*

[www.limitedgovernment.org](http://www.limitedgovernment.org)

*"A well-regulated militia, being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed."  
Amendment II,  
United States Constitution*

# Using Federalism to Reform Education: Reagan Style

by John Hendrickson

"For a democracy to function, its people must understand not only reading, writing, and arithmetic but literature, history, and values. Someone once said that, 'If you think education is expensive, you should try ignorance.'"

President Ronald Reagan, June 16, 1983<sup>1</sup>

"It's time to face the truth. Advocates of more and more government interference in education have had ample time to make their case, and they've failed," noted President Ronald Reagan in a radio address to the nation in the spring of 1983.<sup>2</sup> Reagan's point is still true today. "Each year, the United States spends more than \$550 billion on K-12 public schools — more than 4 percent of the nation's gross domestic product."<sup>3</sup> Dan Lips, who is an education policy analyst with The Heritage Foundation, wrote that "a student attending public school in 2008 can expect taxpayers to spend an average of \$9,266 on his or her behalf — a real increase of 69 percent over the average per-pupil expenditure in 1980."<sup>4</sup>

On all levels from K-12 education to higher education students are not receiving the proper education that they deserve and need in order to function in a successful civilized nation. In addition, taxpayers

continue to pay for continual increases in education funding when academic results are declining. For example, "on the 2007 National Assessment of Educational Progress (NAEP) test, 33 percent of fourth-grade students scored 'below basic' in reading."<sup>5</sup> The solution to the education problem should not include further increases in national funding or involve federal programs such as No Child Left Behind (NCLB), but rather is found in limiting federal involvement, strengthening and supporting parental and school choice programs, and allowing states and localities greater control.

Article 1, Section 8, of the United States Constitution lists the powers and responsibilities of Congress, and education is not listed as an area of policy within the list of enumerated powers. Although the Framers believed education to be highly important and crucial, they believed that issues such as education could be best handled at the state and local level. In the early 20th century, progressives began to change education, not only through curriculum and the beginning of John Dewey's "progressive education," but also through increasing the federal government's involvement in education.

In the 1980s, President Ronald Reagan attempted to reverse this trend by

campaigning to abolish the Department of Education and then promoting a limiting federal involvement and returning education policy back to parents and state and local governments. Reagan believed that "parents, not government, have the primary responsibility for the education of their children."<sup>6</sup>

In a 1983 speech, President Reagan defined his educational reform agenda as following a constitutional approach. "So, we'll continue to work in the months ahead for passage of tuition tax credits, vouchers, educational savings accounts, voluntary school prayer, and abolishing the Department of Education. Our agenda is to restore quality to education by increasing competition and by strengthening parental choice and local control," stated Reagan.<sup>7</sup>

President Reagan's solution to reforming education was much different than the solution offered by President George W. Bush, who not only supported No Child Left Behind, but celebrated the legacy of progressive education by renaming the Department of Education after the grand architect of the "Great Society", President Lyndon Baines Johnson. No Child Left Behind "establishes new regulations and requirements for states to receive federal funding for education."<sup>8</sup> Dan Lips has noted

that the current administration has “requested \$24.5 billion for NCLB programs for fiscal year 2009 — an increase of 41 percent over 2001 levels.”<sup>9</sup>

NCLB has established certain requirements and regulations upon states and localities, and it is not certain if NCLB is actually working. In fact, it appears that NCLB is hindering improvement. “A central purpose of NCLB was to require states to adopt high academic standards and provide other options — the possibility to attend another school — to children enrolled in persistently low-performing schools, but there is reason to believe that NCLB is failing to meet either of these objectives,” noted Lips.<sup>10</sup>

“I believe common sense tells us we don’t have an education problem because we’re not spending enough, we have an education problem because we’re not getting our money’s worth for what we spend,” argued President Reagan.<sup>11</sup> In order to reform education, we need to follow Reagan’s direction, which, in reality, is the correct constitutional direction to follow. Continuing the status-quo of educational policy is not only unfair to children and taxpayers, but it is dangerous to our national identity and security.

In his landmark book *The Conscience of a Conservative*, Senator Barry Goldwater wrote and reflected on these two views of education. “And I suspect

that if we knew which of these two views on education will eventually prevail, we would know also whether Western civilization is due to survive, or will pass away,” wrote Goldwater.<sup>12</sup>

(Endnotes)

<sup>1</sup>Clark Cassell (ed), *The President's Point of View: Ronald Reagan Speaks*, Braddock Publications, Washington, D.C., 1984, pp. 86-87.

<sup>2</sup>Ibid., p. 86.

<sup>3</sup>Dan Lips, “A Nation Still at Risk: The Case for Federalism and School Choice,” *Backgrounder*, No. 2125, The Heritage Foundation, April 18, 2008.

<sup>4</sup>Ibid.

<sup>5</sup>Ibid.

<sup>6</sup>Ronald Reagan, *Remarks on Receiving the Final Report of the National Commission on Excellence in Education*, April 26, 1983, The Public Papers of President Ronald W. Reagan, <<http://www.reagan.utexas.edu/archives/speeches/1983/42683d.htm>> (April 29, 2008).

<sup>7</sup>Ibid.

<sup>8</sup>Lips, p. 6.

<sup>9</sup>Ibid., p. 7.

<sup>10</sup>Ibid.

<sup>11</sup>Casell, p. 86.

<sup>12</sup>Barry Goldwater, *The Conscience of a Conservative*, Regnery Publishing, 1990, p. 70.

*John Hendrickson is a Research Analyst with Public Interest Institute.*

For more information on Federalism, Constitutionalism, Limited Government, and Principles of Taxation

Please read:

*Limiting Leviathan, edited by Donald P. Racheter and Richard E. Wagner, Edward Elgar Publishing, 1999.*

*Federalist Government in Principle and Practice, edited by Donald P. Racheter and Richard E. Wagner, Kluwer Academic Publishers, 2001.*

*Politics, Taxation, and the Rule of Law: The Power to Tax in Constitutional Perspective, edited by Donald P. Racheter and Richard E. Wagner, Kluwer Academic Publishers, 2002.*

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## **Tax Freedom Day**

**by John Hendrickson  
(continued from page 2)**

Counselor of NTU and author of the study, stated that “tax complexity probably will get worse before it gets any better, unless lawmakers start quantifying burdens (or, in the rare case, savings) for proposals that affect our tax laws.”<sup>4</sup> In fact, since the adoption of the 16th Amendment, the Income Tax Amendment, “the tax code has gone from 400 pages to over 67,000.”<sup>5</sup>

The size and scope of the federal government has swelled over the years since the early 20th century and big government and an elephantine tax code seem to go hand in hand. More

government and more taxation also hinder economic growth and restrict economic liberty. As Congressman Ron Paul recently wrote:

"Big government is destructive when it takes your money and when it spends it. There is no economic benefit to supporting a government sector as massive as ours. In fact, this country thrived for well over 100 years without an income tax. Today, if you took away the income tax, the government would still have revenue from other sources equal to total government spending in 1990, when government was still too big. \$1.2 trillion should be more than enough to fund a government operating within its constitutional confines, and that is exactly what we need to get back to."<sup>6</sup>

## **(Endnotes)**

<sup>1</sup>Gerald Prante and Scott Hodge, "America Celebrates Tax Freedom Day", Tax Foundation: Special Report No. 160, April 2008, p. 1.

<sup>2</sup>Ibid.

<sup>3</sup>Natasha Altamirano and Peter J. Sepp, "Tax-Filing Burdens Worsen, with Little Respite in Sight, Citizen Group's Annual Study Finds," National Taxpayers Union, April 15, 2008, <<http://www.ntu.org>> (April 22, 2008).

<sup>4</sup>Ibid.

<sup>5</sup>Ron Paul, "The Double Trouble of Taxation," Texas Straight Talk: A Weekly Column, <<http://www.House.gov/paul/tst/tst2008/tst042008.htm>> (April 28, 2008).

<sup>6</sup>Ibid.

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