



Written by [Steve Byas](#) on December 18, 2017

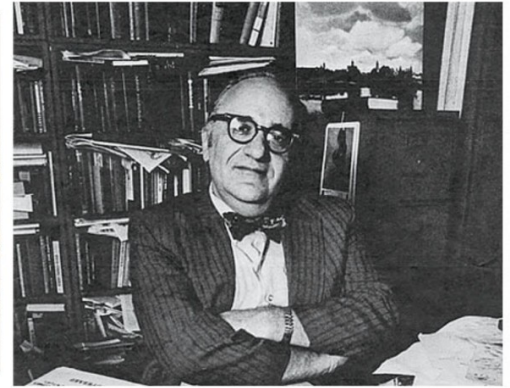
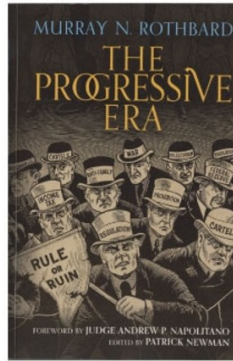
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The Regressionism of Progressivism

The Progressive Era, by Murray N.

Rothbard, Auburn, Alabama: Mises Institute, 2017, 539 pages, paperback.

The late Murray Rothbard was an advocate of liberty, having learned under the great professor Ludwig von Mises, the namesake of the publisher of this book. Rothbard was a prolific writer, and this work was unpublished at the time of his death in 1995. Fortunately, the Mises Institute has shared this masterpiece with the rest of us.



I first heard of Rothbard in 1976 when I purchased his book *America's Great Depression*. In it, he provided me with an understanding of the cause of that horrible event. It was not the free market, but rather government intervention, that brought on the collapse of 1929, and it was government intervention that turned it into what we know as the Great Depression.

In *The Progressive Era*, Rothbard destroys all credibility of the myth that the government interventions driven by the “Progressive Era” saved us from the excesses of the free market. In the Introduction, Patrick Newman summarizes Rothbard’s central thesis: “Big business had previously tried to cartelize on the free market around the turn of the 20th century, but had failed to do so.” Having failed, they turned to government to create the myriad regulations sold as somehow controlling the big “trusts,” but which in reality were designed to reduce competition from smaller businesses.

Try as they might, cartels formed in a free market situation are doomed to failure. As difficult as it is for the players inside the cartel to stick to the agreements on prices and production, they always have to fend off new players in the market. Government regulations, however, favor big business interests over smaller, less-capitalized small businesses. For example, there were the dairy producers who wanted protection from such “fraud” as oleomargarine. In 1886, the dairy interests won a federal tax against the manufacture and sale of oleomargarine.

The politician most important in providing the leadership for the progressives was Republican Theodore Roosevelt. “It was during his administration that progressivism began to take shape as a political force,” Rothbard wrote. Roosevelt was a key player in advancing the cause of “civil service reform,” an effort to take “politics” out of government. “Civil service reform was the first proto-progressive cause to blend moralistic attacks on ‘corruption’ with a supposedly scientific plea for ‘efficiency’ and non-partisanship in government,” Rothbard argued. These laws, such as the federal Pendleton Act, removed large numbers of federal bureaucrats from partisan appointment — and ultimately, partisan responsibility for subsequent performance.

While this appears to be a good thing to most people, Rothbard contended “the consequence was to build and preserve a continuing ruling oligarchy that was not subject to the democratic check of the voting public,” and thus “fastening of a permanent bureaucratic elite upon the hapless public.”

This appears to be the pattern of the progressive agenda — a “reform” that appears to solve some



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“problem,” real or imagined, but only advances the causes of Big Government and cronyism.

Expertly, Rothbard explodes myth after myth taught as fact in our history textbooks and history classes (both high school and college), in popular culture, and in the media. America was cursed with many problems in the late 1800s, the progressives argued then (and now), but fortunately government (the more centralized the better) rode to the rescue, saving the people from rapacious capitalism.

Teddy Roosevelt was known as “Teddy the Trust-buster,” with a mythical image as a slayer of Big Business monopolies. The reality is that T.R. separated such monopolies into two types, “good trusts” and “bad trusts.” Supposedly, the federal government, led by such “civic-minded” men as Roosevelt, could fairly determine which was which.

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Rothbard notes that T.R.’s definition of a good trust was one run by his good friend J.P. Morgan, and the bad trusts were those that stood in Morgan’s way. “T.R.’s closeness to the Morgan interests may also be seen in several of his key appointments,” Rothbard wrote, such as Morgan lawyer Elihu Root as secretary of war. In fact, Roosevelt’s selection as President McKinley’s runningmate in 1900 was a result of intense lobbying by Morgan’s partner, George Perkins. After the 1900 election, Roosevelt gave a “lavish” dinner for Morgan. When Roosevelt ran for reelection in 1904, Morgan provided \$150,000 (nearly \$4 million today) to the cause.

Although supported by both Roosevelt and Morgan in 1908, President William Howard Taft soon ran afoul of both. First, he filed an antitrust suit against Morgan’s U.S. Steel, and followed that up with opposition to the effort to create an American central bank, eventually called the Federal Reserve System. The creation of the “Fed” is yet another example of how the progressives were successful in appearing to oppose Big Business while actually favoring it. Morgan and others were the strongest backers of the Fed’s creation, yet it was sold as a “check” on the power of these same big-banking interests.

When Taft ran for reelection in 1912, Morgan dumped large amounts of money into Roosevelt’s campaign against him on the Progressive Party ticket, which so badly split the Republican Party that it led to the election of only the second Democrat president since the Civil War, Woodrow Wilson. That was fine with Morgan, however, because Wilson was another politician firmly in league with Morgan. Upon taking office, Wilson led the charge for the creation of the Federal Reserve system.

Another popular myth busted by Rothbard is that the progressives took on the alleged unsanitary conditions in the meat-packing industry, in the health interests of the public. After a fictional book by Upton Sinclair, *The Jungle*, “revealed many alleged horrors of the meat packing industry,” J. Ogden Armour, owner of one of the largest meat-packing companies, wrote an article in the *Saturday Evening Post* in strong support of government inspection of meat. But, as Rothbard pointed out, “Government meat inspection ... lures the public into always thinking the food is safe and reduces competitive pressures to improve meat quality.” Rothbard added, “One advantage to imposing uniform sanitary conditions on all meat packers is that the burden of the increased costs would fall more heavily on the smaller than on the bigger plants.” Some of the smaller plants were forced out of business, which Rothbard argued was a major reason the bigger plants supported strict regulation.



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In more recent times, we can still see the favoritism of progressives for big business over small business. When Hillary Clinton was pushing legislation to force businesses to provide healthcare for their employees, she was unmoved by the argument that this was a heavy burden on small business owners. Her answer: she could not be held responsible for “every undercapitalized business” in America. In other words, if small business cannot cough up the money for HillaryCare, then let them fail.

Rothbard offers similar examples in such well-known “progressive” crusades as conservation, workers’ compensation, and women’s suffrage. The pattern then is the pattern now. Something is brought forward as a problem, with the offered solution always the same: more government regulation and control.

Back then, big business interests formed the National Civic Federation (in 1900), and soon began to advocate for passage of workers’ compensation laws. The stated purpose of these new workers’ compensation laws was to protect both injured workers and companies from potential financial ruin. In practice, such laws have led to unsatisfactory medical care and rising labor costs for the employer, particularly tough on small businesses. Before workers’ compensation laws, Rothbard says, “Under the sensible and cogent doctrine of the common law, employers were not liable for accidents to workers if: (a) other workers were responsible for the accident, (b) if the worker knew the risk and therefore could be held to have voluntarily assumed it, or (c) if the worker himself contributed to the accident by his negligence.”

Before the progressive era, labor unions opposed workers’ compensation laws, instead arguing that the liability laws should be changed to make the employer liable “when the worker himself did not contribute to the accident.” This union position stands in stark contrast to the perceptions of the general public today, yet Rothbard offers strong evidence that it was big business that pushed through such laws, not the unions. At the annual 1911 meeting of the National Civil Federation, August Belmont, Jr. announced that six major corporations, such as Edison Electric, had publicly endorsed workers’ compensation laws. “The NCF frankly saw a major reason as the forestalling of any application of employer liability laws to manufacturing.”

This book is full of examples of how progressives have always advanced the cause of big government to the detriment of small business and average workers across America. It should be in the library of every person who needs to recognize the progressive propaganda machine that is still promoting the expansion of government and the retraction of individual liberty to the present day.

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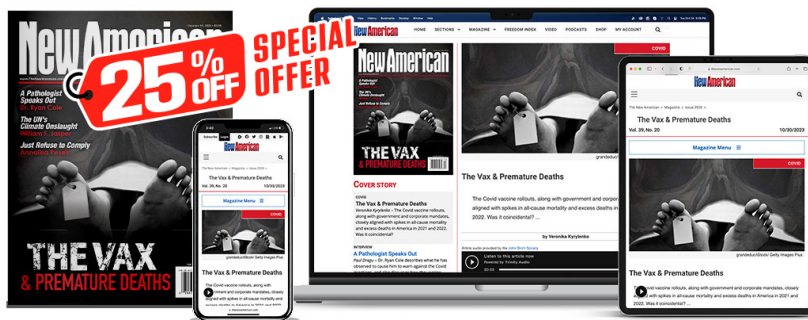
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