

Human Events^{ONLINE}™

The 10 Most Harmful Government Programs

Posted Apr 10, 2006

Each [judge](#) was asked to nominate a few programs for the 2006 list of the 10 Most Harmful Government Programs. We then sent them ballots listing the nominated programs. They ranked their choices 1 through 10, with No. 1 being the program they believed to be "most harmful." A program earned 10 points for each No. 1 vote it received, 9 points for each No. 2 vote, and so on.

The program with the highest aggregate score -- Social Security -- was given the No. 1 position on this year's list, and next year will be retired into the [Government Program Hall of Shame](#). When the ballots were tallied, we phoned spokesmen for the federal agencies responsible for each program that made the list to see if they could point to the constitutional language, if any, that authorized the program.

1. Social Security

Score:155

Started when:1935

By whom: President Franklin Roosevelt and a Democratic Congress.

Why: To replace the family with the federal government as the principal means of providing financially for seniors who lack the savings to sustain themselves.

What it does: The government imposes a 12.4% tax on the first \$94,200 in income earned by every worker. Half of this tax, 6.2%, is paid by the employee and is shown on his paycheck as a deduction. The other 6.2% is paid by the employer and is not shown on a worker's paycheck. However, as conservative economists point out, it also effectively comes from the worker as it is part of the cost the employer incurs on his behalf. The program has socialized the retirement of Americans, making most seniors financially dependent on payments that the federal government may alter, decrease or even cancel. Democrats routinely and demagogically use this fact to their political advantage. Benefits for current retirees are paid by those still working. When the system was founded, there were 42 working taxpayers per beneficiary. Today, there are about three. In 25 years, there will be about two. President Bush made a valiant effort last year to begin reforming the system with a proposal that included allowing workers to create small personal retirement accounts with a minimal segment of their Social Security tax. Democrats uniformly opposed the idea.

Cost: Social Security collected \$657.7 billion in taxes in 2004 and paid out \$501.6 billion in benefits. Congress spent every penny of the \$156.1-billion Social Security surplus on non-Social Security items. The Social Security Administration says the program faces \$4 trillion in unfunded liabilities over the next 75 years.

Constitutional provision: No response from the Social Security Administration.

2. Medicare

Score: 103 points

Started when: 1965

By whom: President Lyndon B. Johnson and a Democratic Congress

Why: To provide federally funded health insurance to seniors.

What it does: The government imposes a 2.9% Medicare tax on all income earned by workers. Half is paid directly by the worker, the other half is paid by employers. In return, the government provides seniors with hospital insurance, or Medicare Part A, which pays for hospital and hospice care. Also, for a modest premium, seniors receive supplementary medical insurance, or Medicare Part B, which pays physicians' fees and outpatient care. Part D, President Bush's Medicare prescription drug plan, became effective this year (and last year was enrolled in the HUMAN EVENTS Government Program Hall of Shame). It covers much of the cost of drugs for seniors on Medicare. These programs have socialized health care for seniors, making them dependent on the government not only for their income, but also for their medical coverage. Medicare covered 41.7 million people in 2004.

Cost: In 1966, according to the Office of Management and Budget, Medicare cost \$64 million.

Republicans predicted its costs would increase enormously. In 2007, it is estimated it will to cost \$392 billion. By 2011, its projected cost is \$494 billion. The Government Accountability Office estimates Medicare faces \$28 trillion in unfunded liabilities over the next 75 years.

Constitutional provision: No response from Medicare.

3. Income Tax Withholding

Score: 102 points

Started when: 1935 and 1943

By whom: President Franklin Roosevelt and a Democratic Congress.

Why: Roosevelt and his Democrat Congress vastly expanded the number of Americans who owed income taxes when they imposed a "Victory Tax" of 5% on all incomes over \$624 in 1942. Because they feared that low- and middle-income workers might not pay the new tax unless it was withheld from their wages, Congress enacted the Current Tax Payment Act in 1943. This program is linked to this year's No. 1 Most Harmful Program, Social Security, because the Social Security Act of 1935 paved the way for the withholding of income taxes by mandating the withholding of Social Security taxes.

What it does: Compels employers to withhold income and payroll taxes from workers' paychecks and pay the money directly to the federal government each quarter before tax returns are actually filed. It allows the government to extract far more revenue from workers than would be politically feasible if workers paid the tax directly. In a study for the Cato Institute, Charlotte Twight noted: "[W]ithholding is the paramount administrative mechanism enabling the federal government to collect, without significant protest, sufficient private resources to fund a vastly expanded welfare state."

Cost: According to the OMB, Americans will pay \$1.76 trillion in individual income and payroll taxes in 2006.

Constitutional Provision: The 16th Amendment, which authorizes an income tax.

4. McCain-Feingold

Score: 101

Started when: 2002

By whom: President George W. Bush, even while doubting its constitutionality, signed a law sponsored by Senators John McCain (R.-Ariz.) and Russ Feingold (D.-Wis.) and Representatives Chris Shays (R.-Conn.) and Marty Meehan (D.-Mass.).

Why: Purportedly to "clean up" financing of federal election campaigns, following various investigations of the financing of the 1996 Clinton-Gore reelection campaign.

What it does: It prevents political parties from raising funds that are not allocated to specific candidates -- so-called "soft" money -- and bars citizens groups from using candidates' names or photographs in broadcast advertising for 30 days before a primary and 60 days before a general election. It violates the 1st Amendment by restricting political speech. It also protects incumbents from challengers and from issue-oriented groups that oppose the way they vote in Congress. Only candidates and news organizations, as opposed to regular citizens, are permitted to publicize a politician's voting record at election time.

Cost: Lost freedom.

Constitutional provision: The Supreme Court, although unable to explain convincingly why the law didn't violate the 1st Amendment, upheld the constitutionality of McCain-Feingold in the 2003 case of *McConnell v. Federal Election Commission*. When asked where the Constitution authorized the federal government to assume powers granted by McCain-Feingold, a spokesman for the FEC told HUMAN EVENTS: "Well Congress passed this in 2002 ... You would have to speak to a congressional lawyer for this, which I am not."

5 (Tie). Contraceptive Funding

Score: 86

Started when: 1970

By whom: President Nixon signed the Title X law co-sponsored by then-Rep. George H.W. Bush (R.-Tex.) and passed by a Democratic Congress.

Why: To fund clinics to distribute and promote contraceptives and, as Planned Parenthood puts it, "reproductive health care services."

What it does: According to the Department of Health and Human Services, Title X now funds 4,600 "family planning" clinics nationwide. Planned Parenthood says these clinics are located in 73% of the nation's counties, and that they were visited by 4.7 million women in 2001, 33% of them going to federally funded clinics operated by Planned Parenthood itself. Thanks to the Supreme Court's 1977 decision in *Carey v. Population Services International*, these federally funded clinics can hand out contraceptives to children under 16. "As a result of this court decision," says Planned Parenthood,

"clinics supported by Title X funds have traditionally served adolescents on a confidential basis." In other words, Title X as interpreted by the Supreme Court allows Planned Parenthood to use federal tax dollars to hand out contraceptives to children under 16 without informing their parents. The law says Title X funding cannot be used for abortions. But federal regulations allow Title X grant recipients and abortion providers to share the same office and staff. Planned Parenthood, a major recipient of Title X funding, is also a major abortion provider.

Cost: President Bush has requested \$283 million for Title X in fiscal 2007. The Government Accountability Office reported to Rep. Chris Smith (R.-N.J.) that Planned Parenthood spent \$162 million in federal funds on its domestic activities in fiscal year 2001.
Constitutional provision: No response from HHS.

5 (Tie). Farm Subsidies

Score: 86

Started when: 1929

By whom: A Republican Congress passed the Agricultural Marketing Act of 1929 and Republican President Herbert Hoover signed it.

Why: To prop up prices of agricultural products and subsidize farmers and agricultural businesses.

What it does: In the late 1920s, a Republican Congress twice passed a bill that would have authorized the government to buy up agricultural products to boost prices. President Coolidge twice vetoed it. In 1929, however, newly elected President Hoover signed a similar law. "After Hoover's election," wrote Randall G. Holcombe in a study for the Cato Institute, "the Agricultural Marketing Act of 1929 was passed, creating a Federal Farm Board with the power to buy and store 'any quantity' of agricultural commodities for the purpose of supporting prices." In 1933, President Franklin Roosevelt, working with a Democratic Congress, pushed through the Agricultural Adjustment Act, which authorized the government to pay farmers not to grow crops or raise livestock. It put government in command of the agricultural industry. Or as Roosevelt explained it in a 1935 speech, it was "a plan for the adjustment of totals in our major crops, so that from year to year production and consumption would be kept in reasonable balance with each other." Ever since then, the government has been manipulating the farming business to control prices.

Cost: The Department of Agriculture is authorized to spend \$96.2 billion in 2006.

Constitutional provision: "Article 1, Section 8, the Commerce Clause," said Wayne Baggett, a spokesman for the Department of Agriculture.

7. Medicaid

Score: 75

Started when: 1965

By whom: President Johnson and a Democratic Congress.

Why: To pay the health-care expenses of poor people.

What it does: Medicaid is a joint federal-state program that pays for health care for poor people. The federal government mandates that states include certain categories of people in the program and provide certain services. The states are free to expand the categories of people and services subsidized. Forty-six million people are now on Medicaid. The massive number of Americans in the combined Medicare and Medicaid programs (over 92 million), plus the massive amount of tax dollars spent on these programs, means that a large segment of the U.S. health-care industry is already socialized. This gives the federal government tremendous leverage over health care, affecting the choices and freedom of Americans in and out of the programs.

Cost: In 1966, according the Office of Management and Budget, Medicaid cost \$770 million. In 2007, it is projected to cost \$199 billion. It is projected it will cost \$264 billion in 2011.

Constitutional provision: When asked what language in the Constitution authorized Medicaid, a spokeswoman for the program said, "Title 19 of the Social Security Act."

8. Affirmative Action

Score: 69

Started when: 1965

By whom: President Lyndon Johnson issued Executive Order 11246.

Why: To ensure that federal contractors and agency do not discriminate against minorities in hiring.

What it does: Requires federal contractors to take "affirmative action" to make sure that they are providing equal employment opportunities to people by as measured by "race, color, religion, sex, national origin, disability and gender," which many critics say means meeting quotas. Requires federal contractors to demonstrate they are not discriminating by filing Compliance Reports. The order states: "Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment policies, programs, and employment statistics of the contractor and each subcontractor."

Cost: Keeps America from becoming a truly colorblind society. Forces federal contractors to consider the statistical composition of their workforce along ethnic lines. Cost \$401 million to administer in 2005.

Constitutional provision: A spokesperson for the Department of Labor office that oversees Executive Order 11246 said, "We don't have anyone who speaks for the Constitution."

9 (Tie). Earmarking

Score: 60

Started when: A 1999 report by the Heritage Foundation says that "Webster's Dictionary traces the American origins of the expression 'pork-barrel spending' back to around 1905 or 1910 and defines it as 'a government appropriation ... that provides funds for local improvements designed to ingratiate legislators with their constituents.'"

By whom: Unknown

Why: Members of Congress like to target federal tax dollars to specific projects and interest groups in their states and districts so they can take personal political credit for them.

What it does: An "earmark" is a specific line item inserted into the actual language of a federal spending bill -- or into the non-binding language of the House or Senate appropriations committee report on that bill -- that directs a federal agency to spend a specific number of dollars funding a specific project or program in a specific place. Earmarks increase the overall amount of federal spending and limit the discretion of state and local governments to direct funds to areas and projects the local governments deem appropriate.

Cost: Citizens Against Government Waste identified 9,963 pork barrel projects in the appropriations bills enacted for fiscal year 2006. These earmarks will cost taxpayers \$29 billion. In 1987, President Ronald Reagan vetoed a transportation bill that included 152 earmarks, totaling \$1.4 billion. Last year, President Bush signed a transportation bill that contained 6,371 earmarks, totaling \$24 billion.

Constitutional provision: House Appropriations Committee Spokesman John Scofield pointed to Article 1, Section 7, of the Constitution, which authorizes Congress to pass all otherwise constitutional laws for the federal government.

9 (Tie). Davis-Bacon Act

Score: 60

Started when: 1931

By whom: President Hoover signed a bill sponsored by Rep. Robert Bacon (R.-N.Y.) and Sen. James J. Davis (R.-Pa.)

Why: According to a study by the Senate Republican Policy Committee, the law was designed to address what its big labor supporters described as the "growing menace" of black workers who were depressing the wages of employees working for government contractors. American Federation of Labor President William Green, who supported Davis-Bacon, testified in Congress: "Colored labor is being brought in to demoralize wages." And Rep. John Cochran (D.-Mo.) said: "I have received numerous complaints in recent months about Southern contractors employing low-paid colored mechanics, getting work and bringing in employers from the South."

What it does: Requires contractors on government jobs to pay workers no less than the "prevailing" local wage for the type of labor they perform. The Labor Department, in consultation with union officials and major contractors, determines the "prevailing" wage (which is usually the local union wage) for all types of labor in all regions of the country. This works to the disadvantage of non-union workers and small contractors who could otherwise out-compete larger competitors and unionized competitors.

Cost: The Senate Republican Policy Committee estimates that Davis-Bacon increases the cost of federal construction projects by as much as 38%.

Constitutional provision: No response from the Labor Department

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