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## New Administration: How Will It Address Current Social and Economic Problems?

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redo or imitate what the gods already had had made—real things exist only somewhere in the heavenlies. However, said McIntire, in the Christian view people develop and form culture, either in accordance with or in opposition to the demands of God.

Development in this sense should not be equated with “progress”; for “progress” can often mean going in the wrong way, a negative development. McIntire repeatedly stressed that history is a temporal-cultural process, not “progress” in the customary sense of regular improvement. History moves toward the eschaton, not evolutionary advance. While honoring Professor Herman Dooyeweerd for his use of the formation-development concepts, McIntire specifically rejected the usefulness of Dooyeweerd’s modal scheme for historians. In McIntire’s view, history is a dimension of

all things, rather than merely a distinct kind of matter or modality. Further, McIntire insisted that a certain amount of formation and development also take place in non-human areas, even though the human initiative and creativity of cultural formation are absent.

Thus, McIntire described the historian’s work as the study of the temporal-cultural process of man and man’s relationship to non-human parts of the creation. The historian looks at the events, institutions, and life of any phenomenon; gathering the details of the structures, he examines and organizes them into a temporal-formative-developmental order. And he does this in the grand context of the movement of God’s creatures from Eden to the eschaton, for or against God.

Arnold Koekkoek

## **“The New Administration: How Will It Address Current Social and Economic Problems?”**

*The following is a summary of an address on the above subject delivered by Dr. Marvin Kusters, Director of Research of the Center for the Study of Government Regulation of the American Enterprise Institute for Public Opinion, Washington, D.C.*

The United States of America is a wealthy nation which produces more than is necessary for its needs. While economic conditions in our nation are generally favorable, our economy is not without problems: inflation, unemployment, energy, and others. There are “clouds on the

horizon.”

The problem of unemployment has become a political problem. Dr. Kusters suggested that statistics which communicate the gravity of the unemployment problem are often misunderstood, thus people are often misled. Fewer than one-half of

those unemployed at the beginning of a given month remain unemployed at the end of that month. Much unemployment is caused by changes and adjustments in the labor market. There may be seasonal unemployment; most unemployed expect to be called back to work in a week or two. Much unemployment is caused by the moving of the head of the household to a new location, leaving wife and children temporarily seeking work. A lower minimum wage might assist in the employment of youth, to compensate for the learning provided by the job.

Regarding income inequality, here and in other lands, Dr. Kusters noted that present analyses do not focus on the real problem of poverty. Perhaps some differences in income are legitimate, such as middle age with its many needs compared with retirement years with fewer needs. Perhaps there are differences in skills and related contributions to be made to output of goods and services. Perhaps there should be differences when two or more in one family are working. Obviously there are differences in earning ability, and there are people who are underpaid; the problem of a "just wage" does not have a simple solution.

In efforts to redistribute income there is a definite "transfer cost." When redistribution of income is done by government agencies, we observe the "leaky bucket principle," in which much is lost in the process of transfer. Such costs will continue to increase; they must also be borne by society, without a resulting productivity to society in goods or services contributed.

There is an end to the supply of scarce goods, such as gas, coal, food, and energy. We consume a disproportionate amount of resources—most of which we produce. We may also be consuming a disproportionate share of nonreplacable resources. Scarcity will cause higher prices—scarcity will cause changes in standard of living. But, Dr. Kusters insists, "changes in the fact are more dramatic

than the change in attitude." Energy will become more expensive; perhaps allocation by the government bureaucracy will become necessary.

In the past it was thought that inflation and unemployment were both threats, and that it was not possible to solve these problems simultaneously. The "see-saw" idea, of moving from inflation to unemployment and back again, has been discredited.

The Carter economic recovery package was characterized by Dr. Kusters as an "unimaginative policy like those of other administrations." The plan has a tax reduction component in the form of an increased exemption level. The \$50 per taxpayer rebate component simply means that these funds must be borrowed by government, perhaps from the same banks where the recipients put them. Again, there is the high cost of collection and redistribution by government agencies, and the costs of evasion of tax, which accompanies a high tax.

Then there are increases in Investment Credit, and public service jobs which are supposed to give job experience (though studies do not show that this is happening).

There is a need for more effort to cause people to save, invest, work, and accumulate experience. There is a need to avoid unnecessary costs of collecting taxes and distribution of the same.

More consideration must be given to the effect of inflation on taxes. There is less benefit from depreciation expense because of the inflation factor. There is more tax on the sale of a residence, because of the inflation factor. More people are paying higher rates of taxation, because of the inflation factor. Perhaps the tax problem should be reviewed, in search of a more equitable taxation program.

Dr. Kusters emphasized the complexity of economic problems in our nation, suggesting that in a populous nation as ours solutions to problems also become complex.

Henry De Groot