Commentary: Conservatives

If there was a theme of speakers at this year's Conservative Political Action Conference, held February 3-6 in Washington, D.C., it was that the conservative movement and the Republican Party must appeal to blue collar workers. These speakers---but not necessarily their listeners, were less intent on ideological purity this year than electoral possibilities.

National Review Publisher William Rusher observed that "it isn't by any means clear to me that conservatives have a lifelong enmity with unions." In his address, former California Gov. Ronald Reagan said: "The New Republican Party I am speaking about is going to have room for the man and woman in the factories, for the farmer, for the cop on the beat and the millions of Americans who may never have thought of joining our party before---but whose interests coincide with those represented by principled Republicanism. If we are to attract more working men and women of this country, we will do so not simply by "making room" for them, but by making certain they have a say in what goes on in the party. The Democratic Party turned its back on the majority of social conservatives during the 1960s. The New Republican Party of the late Seventies and Eighties must welcome them, seek them out, enlist them, not only as rank-and-file members, but as leaders and as candidates."

A similar theme was developed by former Sen. James Buckley of New York: The Republican Party's natural constituency is to be found, rather, among the ranks of the blue collar workers---the union members whose voters can no longer be arbitrarily commandeered by distant bosses; among those struggling to get by on low-to-middle incomes and who know what it is to be caught between high taxes and high inflation among people who are neither so poor as to be totally dependent on government favors nor so rich as to be able to escape the reach of a federal judge's edict; among the increasing number of blacks and other minorities who are entering the middle class and find the same economic and social interests to protect and problems to resolve that confront other middle-class Americans in their day-to-day lives; among those who by tradition and circumstance feel strong roots in the family and in the communities and neighborhoods in which they live; among the millions of small businessmen and women struggling to translate dreams into success in the face of an ever-increasing burden of taxation and regulation.

It may not have occurred to conservatives but Nelson Rockefeller did a pretty good job of attracting the blue collar vote in his frequent elections as governor of New York. There are a number of Republican governors and Republican senators of progressive bent around the country who also have done a pretty good job of attracting the votes of this same group---much better than have conservatives. Perhaps it simply nice that conservatives have begun to realize how elections are really won in the United States. Reagan, Buckley, and company are sounding strangely like the moderate Republican heretics who have repeatedly called for broadening the party's base. In contrast to Reagan's standard "no pastel shades" line on party purity, this time he said:

I want the record to show that I do not view the new revitalized Republican Party as one based on a principle of exclusion. After all, you do not get to be a majority party by...
Searching for groups you won't associate or work with. If we truly believe in our principles, we should sit down and talk. Talk with anyone anywhere, at any time if it means talking about the principles of the Republican Party. Conservatism is not a narrow ideology nor is it the exclusive property of conservative activists.

Big Business also came in for its share of conservative licks. Patrick Buchanan chided Big Business for going to bed with liberal, free-spending Democrats. Echoing Buchanan on such businessmen, Rusher said, "And I say the hell with them." Even Reagan said the party had to beware the Big Business image. And among the special interests derided by North Carolina Sen. Jesse Helms were "the big bankers, and their friends, the internationalists—since when did they give a hoot about America." Added Helms, "Sometimes Big Labor is in Bed with Big Business, while the Little Guy—the creative entrepreneur who sees a need and takes a chance—is crushed underfoot."

A third and recurring theme for Helms, Reagan, et al was the wit and wisdom of the 1976 Republican National Platform, which has quickly become a conservative credo. Reagan called on conservatives and Republicans to use the platform as the basis for a Republican Declaration of Principles:

This was not a document handed down from on high. It was hammered out in free and open debate among all those who care about our party and the principles it stands for.

The Republican Platform is unique. Unlike any other party platform I have ever seen, it answers not only programmatic questions for the immediate future of the party, but also provides a clear outline of the underlying principles upon which those programs are based.

The untapped power of the GOP platform could solve the natural gas shortage—or almost, according to Helms:

Of course, as always, there was a small group at the convention that was determined that there should not be a definitive, intellectually honest platform. This was a group that wanted the usual, mealy-mouthed platitudes.

But the majority united. The majority stood up for principle. And the majority came from every section of America, people from the grass roots who knew what they wanted and what their friends and neighbors back home wanted too.

So the Republican Party platform was indeed a victory; it was a statement by the people—-to the people. It was ratified by the Republican Governors' Conference last December, and once again by the Republican National Committee in January. And if our party's nominee had stuck to the platform, he very well might be the President of the United States tonight.

Helms, Buckley and Reagan all seem to sympathize with the need to unite "economic" and "social" conservatives and seem convinced that this can be done in the Republican Party. But both Buckley and Reagan stress the need for a good job of selling conservative principles as "concern for individual human beings."

To accomplish that selling task, there are an increasing variety of conservative retail outlets. In addition to the Conservative Victory Fund (a Human Events offspring), there is now the Fund for a Conservative Majority (a YAF offspring), the National Conservative Political Action Committee (chaired by former Helms aide Charles Black) and the Committee for the Survival of a Free Congress (a Joseph Coors creation). And, to fill the vacuum in conservative political action committees, there are an increasing variety of conservative retail outlets. In addition to the Conservative Victory Fund (a Human Events offspring), there is now the Fund for a Conservative Majority (a YAF offspring), the National Conservative Political Action Committee (chaired by former Helms aide Charles Black) and the Committee for the Survival of a Free Congress (a Joseph Coors creation). And, to fill the vacuum in conservative political action committees, there has recently been established "Citizens for the Republic," blessed with over a half million dollars from Reagan's presidential campaign and the guiding genius of the former California governor. The new organization will push conservative candidates as well as Reagan. •

THE RIPON SOCIETY, INC. is a Republican research and policy organization whose members are young business, academic and professional men and women. It has national headquarters in District of Columbia, chapters in fifteen cities, National Associate members throughout the fifty states, and several affiliated groups of subchapter status. The Society is supported by chapter dues, individual contributions and revenues from its publications and contract work.


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The American economy is currently suffering from an inadequate rate of economic growth, excessively high levels of unemployment and a high level of inflation. President Carter has submitted one set of policy alternatives. We suggest that the Democratic option is inadequate and a real opportunity exists for our party to offer a more lasting, long-term solution to the nation's economic ills.

The components of President Carter's two-year, $31.2 billion economic stimulus package include both tax reductions and new expenditures. First, the Administration proposes a $50-per-individual tax rebate and a $50 payment to Social Security and railroad retirement beneficiaries at a cost of $11.4 billion. Second, the program would introduce a flat standard deduction of $2,400 for single persons and $2,800 for married couples at a revenue loss of $7 billion. Third, the Administration offers business an option of an additional two percentage points of investment tax credit or an income tax credit equal to four percent of an employer's Social Security tax payment. This cost is pegged at $3.6 billion. And fourth, the Administration proposes increased expenditures totaling $9.3 billion for countercyclical revenue sharing, public service employment, public works, and expanded youth and other job programs.

The last report of President Ford's Council of Economic Advisers (issued in January 1977) offered sound principles for dealing with our economic malaise. They are: 1) stimulus should be provided by tax reduction rather than by increases in government spending; 2) tax reduction should be permanent rather than in the form of temporary rebates; 3) economic initiatives should be balanced between measures to stimulate consumption and those designed to increase business investment; and 4) economic policy should aim at a steady expansion for the balance among the components of aggregate demand.

Unlike the Carter proposals, the Ford-enunciated economic guidelines focused on the underlying economic malaise in our country. The statement recognizes the fact that much of the economic drag the nation suffers is a result of governmental policy. Specifically, too many government policies now discourage and penalize initiative and work and instead reward complacency and non-work. Consider just a few unfortunate facts: Both employers and employees suffer from excessively high payroll taxes which reduce employee real wages while at the same time inflating real labor costs to employers. Social Security recipients are penalized if they want to improve their economic lot and remain in the workforce. Excessively high minimum wages, in effect, prevent teenagers and other unskilled workers from obtaining entry-level employment and obtaining necessary job skills.

Tax laws, in particular, and other monetary and fiscal policies are biased against savings and investment with resultant insufficient new productive plant equipment. Excessive government regulation and paperwork requirements have greatly added to the cost of doing business, thereby decreasing the efficiency of our economic system. And finally, many government programs are either mismanaged or undermanaged, especially in the context of cost-benefit analysis. Few taxpayers or government officials can articulate the social or economic payoff for dollars spent by the government. Our economic malaise will not be mitigated in a permanent way until the
suffocating effects of government are removed.

Some aspects of the Carter economic package may prove to be beneficial or at least will not exacerbate the economic drag of government. Increased expenditures for revenue sharing, the use of the private sector for job training and youth programs, the proposed standard deduction and simplification of the tax code, all fit in this category. Other aspects of the Carter proposal are quite troublesome. The expansion of public sector jobs is predicated on the notion that people can be quickly hired, put to productive use, and managed at reasonable cost. Past experience, especially in the heyday of the Great Society, has shown all these ideas are fallacious. The use of proper incentives in the tax code to induce the private sector to create permanent productive jobs is a better alternative.

The $50 check which most Americans will receive in the mail will not solve our economic woes. Eventually, the federal revenue loss will have to be made up in higher taxes to the American people. In addition, inflation has pushed millions of American families into higher income tax brackets without any increase in real income—thus suffering non-legislative tax increases each year. Already, the effect of President Ford's 1974 individual tax reduction has been offset by inflation. Permanent cuts in individual income taxes at all levels of the wage scale—coupled with expenditure control—would go further to better the overall level of performance of the economy. President Carter's suggestion of a tax credit equal to four percent of payroll taxes for business firms and an additional two percent in the investment tax credit for businesses is an innovative concept. However, the proposed four percent credit against employers' Social Security tax payment is too small an amount to have any real effect on the economy because it is insufficient to substantially encourage business firms to hire more workers.

As a substitute for the Carter business tax reduction proposals, House Ways and Means Chairman Al Ullman, U.S. Rep. Barber Conable, and the Senate Republican Caucus have suggested a more substantial employment tax credit for businesses to hire the currently unemployed. Conceptually, the employment tax credit, relying on the private sector, is preferable to public service jobs, but difficulties in the administration of such an approach would still have to be worked out.

At this time, raising the investment tax credit from the current 10 percent to 12 percent may be the most efficient way to stimulate business expansion and investment, create new jobs in the private sector, and diminish future inflationary pressures. A long-term goal should be cuts in the corporate tax rate. Myths aside, corporation taxes are always passed along to stockholders, workers, and consumers. A substantial cut in the corporate tax rate will result in lower consumer prices, higher real wages for workers, and higher earnings on equity capital, all of which the economy desperately needs.

The American people need long-term solutions to our nation's ills, not more stop-gap measures. The suffocating effects of government interference with the free market must be removed. Policies that encourage complacency and non-work should be replaced with those rewarding initiative and work. And a reduction in individual and corporate taxes together with a more efficient public sector will result in a smaller but more effective government and a less regulated but more effective economy.

Contributor Notes: Richard W. Rahn and Mark Bloomfield are executive director and deputy executive director, respectively of the American Council for Capital Formation.

Ripon: Update

KENTUCKY State Rep. Raymond Overstreet, a 34-year-old attorney, has announced his intention to seek the GOP gubernatorial nomination in 1979. The controversial legislator was the subject of an assassination attempt in 1974 and declined to seek the GOP nomination for lieutenant governor in 1975 because of differences with GOP gubernatorial nominee Robert Gable over legislation Overstreet had proposed to limit strip-mining rights attached to broad-form deeds. Overstreet has frequently been on the outs with the GOP establishment and his governmental colleagues. Besides State Rep. Overstreet, Commonwealth's Attorney Harold Rogers of Somerset, the 1976 Ford chairman in Kentucky, and former University of Kentucky vice president Lawrence Forgy have also been mentioned as possible candidates.
Attention in Idaho is focused on the 1978 governor's race. Liberal Lt. Gov. John Evans (D) succeeded to the gubernatorial post when Cecil Andrus left for Washington to become the new secretary of the interior. Evans has been, to put it politely, serving under Andrus' shadow and his State of the State address surprised most observers simply because he was able to give a coherent and commanding speech—even if it made few program proposals.

A controversy quickly arose over the appointment of a new lieutenant governor. Republicans said that Senate President Pro-Tem Phil Batt should succeed to the position. Democrats maintained that the new governor appointed his successor. Evans resolved the impasse by appointing a former Andrus aide, Bill Murphy, universally respected by members of both parties. While Evans said one important factor in choosing Murphy was that he would fill a caretaker role, Murphy promptly announced that he would seek election to the position.

Jockeying for the Republican gubernatorial nomination is bound to increase. Most observers thought Andrus would have been tough to beat for a third term but considered Evans—at least initially—to be easy prey. Republicans already hold a commanding majority in the Idaho House and 20-15 majority in the State Senate.

The last time the Republicans lost control of the legislature was in 1958—over the issue of "right-to-work" laws, and this year the issue has been raised again. The National Right to Work Committee has been making a major effort in Idaho. This, among other battles such as rescinding ERA passage, has led an ultra-conservative group of GOP legislators to start meeting separately from the GOP caucus.

Meanwhile, various candidates are the subject of gubernatorial speculation. U.S. Rep. Steve Symms (R-Id) is considered more likely to seek reelection and may be too libertarian for some conservative tastes. Attorney General Wayne Kidwell was defeated by Symms in a 1972 congressional primary but is generally perceived as more moderate than Symms despite his chairmanship of the Idaho Reagan campaign. State GOP Chairman Vernon Ravenscroft ran unsuccessfully against Andrus in the 1970 Democratic primary and he probably must make a gubernatorial run this time if he wants the job. State Sen. James Risch is the business establishment candidate and the only genuine moderate in the race. The serious candidates are rounded out by State Senate President Pro-Tem Batt.

The key race in 1978 may yet turn out to be Sen. James McClure's first bid for reelection. There was some speculation that Andrus might step down as governor and take on McClure in 1978, but most of this speculation has ended with Andrus' move to Washington. It is possible, however, that Andrus' potential as a senatorial candidate may have risen with his new Cabinet position. Idaho voters have a history of seeing governors as state politicians who should stay at that level and not "get too big for their britches." Now that Andrus is a national figure, he may be perceived in a different and more senatorial light. And if Carter runs into trouble handling Congress, he may welcome an additional ally in the Senate from Idaho. One factor in Andrus' political mathematics may be steep medical bills for his daughter. Running for the Senate would be a step down for him economically. If Andrus does not run against McClure, the Democrats have a pretty open field.

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National political attention is likely to be focused more and more this winter on the race in Georgia's 5th C.D., a post made vacant by the decision of Andrew Young to accept an appointment as U.S. Ambassador to the United Nations.

For Democrats, it is a necessary seat to retain in the home state of President Carter, who would not be pleased with a repudiation of his party so early in his new administration. For blacks, it is a fight to keep a seat won after a decade of change and determined effort and given considerable prominence by Young during his two terms of service. For Republicans, it is a chance to rebound from body blows they received in the Carter landslide here in November and a shot at broadening their base with an attractive, young moderate.

Republican State Sen. Paul Coverdell's chances of going to Congress as a Republican were increased February 3 with the withdrawal from the race of conservative attorney Ed Gadrix, who had received 35 percent of the vote against Young last November. Gadrix's departure leaves Coverdell as the sole Republican in the field and should add strength to Coverdell's moderate-to-liberal base on Atlanta's north side. In appreciation of his gesture, Gadrix was awarded the chairmanship of the Fulton County Republican Party. Coverdell now faces challenges in both battling Atlanta City Council President Wyche Fowler for the white liberal vote and trying to enlist at least a measurable amount of black support.

As the race toward the March 15 special election takes shape, the bid for money gains momentum. Coverdell seems assured of a substantial chest from the Republican National Committee, which insisted on only one Republican aspirant as a condition for its input. National civil rights groups are contributing to the efforts of leading black contenders John Lewis and Ralph D. Abernathy. If a runoff develops between Republican Coverdell and a Democrat, the Democratic national councils are expected to fund their candidate heavily.

Lewis appears to be on top among black voters but is facing a stiff test from Southern Christian Leadership Council leader Abernathy. The prospects of dividing the black vote and keeping each other out of a certain runoff are very real. In the district's northern half, the bid for votes between Fowler and Coverdell is just as intense and a front-runner is yet to be identified.

One of the Georgia GOP's best and brightest has been tapped for a top-level post in the Justice Department. State House Minority Leader Michael Egan, a 12-year veteran of the legislature and one of the party's most respected and articulate figures, has resigned his leadership post and seat in the House to become an associate attorney general in the Carter Administration.

Egan had been mentioned frequently during his years a minority leader as a potential GOP contender for governor or senator. The Atlanta lawyer and close friend of Attorney General Griffin Bell realized, however, that progressive Republicans with Yale and Harvard Law backgrounds found the entrance to the innermost circles of Georgia's political leadership somewhat difficult in a state still basically conservative Democratic.

Egan's House seat, an area in the affluent north side of Atlanta, will be up for grabs in the March 15 special election, along with the 5th C.D. seat. Already in the running and considered by many the favorite is the GOP's unsuccessful candidate for lieutenant governor in 1974, moderate John Savage. He served for four years in the House prior to his losing effort in 1974, representing a contrasting community on Atlanta's southeast side that was one-third black and included a sizeable proportion of labor union workers. Savage, a dentist, moved to the district in which he is now running following his 1974 loss to now-Lt. Gov. Zell Miller.

A lot of Georgia Republicans are hopeful that by winning a seat in the legislature, Savage will have the power base he has lacked since 1974 to launch another statewide bid, possibly against Sen. Herman Talmadge in 1980.
Politics: Nebraska

With the recently announced retirement of Sen. Carl Curtis (R) in 1978, the key to the future of Nebraska politics seems to be tightly in the hand of U.S. Rep. Charles Thome (R-1st), who has begun his fourth term in Congress.

Thome, a former administrative assistant to Sen. Roman Hruska (R), was opposed in 1974 by a young, personable Democrat, Hess Hyas. Hyas was well-financed and had strong labor support, but Thome won a narrow victory. In the following two years, however, he achieved such widespread support that the Democrats ran only token opposition and Thome won over 73 percent of the popular vote—a testament to popular opinion of Thome's effectiveness as a legislator and his relations throughout his district.

The Lincoln attorney has indicated that he is keeping four options under serious consideration for 1978. He may retire to his private law practice. He may run for reelection. Or he may choose to run either for the Senate or the governorship. At present, it would seem unlikely that any strong Republican would challenge Thome for any one of these elective possibilities. With the retirement of Curtis and the defeat of John McCollister in the 1976 Senate contest, Thome has emerged as the Number One Republican in a state that has a tradition of looking to its congressional delegation for Republican leadership.

It is widely expected that Gov. James J. Exon (D) will seek the Senate seat in 1978. Exon, who is ineligible for reelection would be a formidable opponent for any Republican; a poll last spring showed him demolishing Curtis by 40 percentage points. Republicans shudder at the prospect of another Democratic Senate pickup. Although the GOP won three of the five major offices up in 1976, the loss of Hruska's Senate seat and McCollister's congressional seat were a disaster for Nebraska Republicans.

The year 1964 was also widely regarded as a GOP disaster. The Democrats carried the state for Gov. Frank Morrison (D) and President Lyndon Johnson and elected U.S. Rep. Clair Callan (D). As a direct result, the Republican Party reorganized and sought to broaden the base of its membership. The result was a smashing victory in 1966. Moderate Republican Norbert Tiemann easily won election as governor. Carl Curtis handily won reelection over Morrison, who seemed virtually unbeatable. All three congressional seats were returned to the Republican fold and the GOP won all statewide races.

Since the right wing organized under the banner of Clifton Batchelder in 1970 to cripple the Tieman forces in the Republican Party, the base of GOP support has been noticeably shrinking. It has been increasingly difficult for "Tiemann Republicans" to work within the party structure. Many of the new workers attracted in 1966 have drifted away.

Nebraska's new senator, Edward Zorinsky, was the mayor of Omaha and a nominal Republican before he decided to seek the Democratic Senate nomination in 1976. Zorinsky says he was told by State GOP Chairman Anne Batchelder and other party leaders that McCollister was Hruska's "anointed successor. "Do you mean that it is like a king passing his crown down to somebody," asked Zorinsky, and the leaders said "yes," he claims. Republicans who desired a choice in the Senate primary were effectively denied that choice. The Nebraska Republican Party had become a "Don't call us, we'll call you" private club. Meanwhile, Democrats have almost overcome Republicans in statewide registration.
It is now to be hoped that more moderate Republicans will once again reassert themselves. With a broad political appeal, President Ford carried Nebraska by a wide margin. Thone appealed to a broad base and won easily. In his 2nd C.D. race, by contrast, former broadcaster Lee Terry(R) geared his TV commercials almost exclusively to those issues near and dear to the hearts of ultraconservatives—but to hardly anyone else. Terry lost.

In 1978, Thone is perhaps the only Republican who could put up a stiff challenge against Exon. (The governor may not be able to maintain his current popularity during day-to-day conflicts with the legislature. Exon faces many of the same problems that tripped up Gov. Morrison in 1966, and it will take great skill on Exon's part to maintain his current political support.) But if Thone opts for another race, possible Senate candidates may choose to look elsewhere rather than become fuel for Exon's campaign. In 1974, the Republican leadership did little to oppose Exon's reelection bid. Whether they would give much more support to another Exon opponent in 1978 remains to be seen. Exon is the kind of conservative dear to the hearts of many Republican loyalists.

If Thone chooses not to run for governor, Republican possibilities for that post would be headed by a trio of statehouse Republicans: Secretary of State Allen Beerman, State Treasurer Frank Marsh, and Attorney General Paul Douglas.

If Thone chooses not to run for reelection, two men have indicated their interest. The most likely of these appears to be State Sen. Doug Bereuter, a progressive with broad appeal who gains good publicity for his energetic work in the legislature. Bereuter served as planning and programming director during the Tiemann administration and operates an urban planning consulting firm while teaching at Kansas State University. Beureuter's "unannounced" opponent is Curtis' administrative assistant, Don Shasteen. Curtis has a reputation for having an outstanding staff that has helped large numbers of Nebraskans. Shasteen receives much of the credit and should benefit from the many contacts he has built. But he has no "issues" track record and despite a stint as a reporter for the Omaha World-Telegram, he has no ready access to the news media as does a state senator. Since other candidates have been mentioned, there is a possibility of a crowded primary.

In the meantime, Democrats seem to have only two viable statewide candidates in addition to Exon. Lt. Gov. Gerald T. Whelan seems to be a likely gubernatorial candidate, but he would not be an especially powerful one. Hess Dyas, the former Thone opponent who lost to Zorinsky in the 1976 Democratic Senate primary, is the other possibility and perhaps the man the GOP fears more.

If state Republicans continue on their recent suicidal course, emphasizing ideological purity at the expense of broad participation, Democrats have an open opportunity to gain control of Nebraska's statehouse and congressional delegation in 1978. Thone himself has reason to know the lessons of 1964. He developed gubernatorial intentions as GOP state chairman from 1958 to 1961, but was defeated for lieutenant governor in the Democratic sweep of 1964.

Many voices have recently been raised in support of broadening the state party's base. Chief among these has been John McCollister, who blamed his defeat largely upon the exclusiveness of Nebraska's Republican Party. Meanwhile, the party's future is largely up to Charles Thone.

Contributor Note: Until recently, Arnold Krugler was on the faculty of Seward College in Seward, Nebraska.