

*“The administration has had no capacity to launch strategic offenses on behalf of Reagan’s vision. If Reagan represents no more than a right-of-center version of the welfare state, he doesn’t represent change; he simply represents cheap government. Republicans cannot win in that framework.”*

*Representative Newt Gingrich*

Ronald Reagan is the only coherent revolutionary in an administration of accommodationist advisers. The Reagan of 1980 was a different candidate than the Reagan of 1976. You can see it in his language of hope and optimism, the ideas that Jack Kemp and other young Republicans began developing as an alternative world view to the liberal welfare state. It took Kemp five years to get the Republican party through those early legislative victories in 1981. But then there was a power vacuum. The new strategy was smothered by a Republican old guard in the Senate and a White House that didn’t understand what we were doing.

The administration has had no capacity to launch strategic offensives on behalf of Reagan’s vision. Someone in the spring and summer of 1981 should have been saying, “What do we do to keep up momentum after the tax and budget bills pass?” But there was a vacuum of activity, and when the administration returned from California after the August 1981 recess, a new agenda had been set. Political debate was once again totally enmeshed in the rhetoric and values of the liberal welfare state. If Reagan represents no more than a right-of-center version of the welfare state, he doesn’t represent change; he simply represents cheap government. Republicans cannot win in that framework.

Reagan’s honeymoon was not cut short by recession and deficits. Franklin Roosevelt was never slowed down by temporary failure in his economic policy. Reagan could have gone to the country and said this is Jimmy Carter’s pain. The problem was that Reagan’s people were so excited by victory, they forgot they didn’t control the country. They didn’t control the House and they didn’t really control the Senate. They didn’t in fact have real power, but psychologically they acted as if they did. Reagan should have focused more on changing the nation than on governing. The most powerful thing a president can do in a free society is preach. The second most powerful thing is to connect up new alliances, so that when the world view changes, political organizations will be in place to rule the country.

The administration clearly lost morale and will in the Social Security fight. It shouldn’t have picked that fight when it did, and it lost its natural base among senior citizens. This was the kind of issue where you either had

to back away, or you had to win by discrediting Claude Pepper. You would point at Pepper and other liberal Democrats and say these were the guys in 1977 who promised they would solve the Social Security problem forever by raising taxes. How do they now have the gall to come back and say they know how to solve it again?

Reagan should have prepared for reelection by forcing a polarization of the country. He should have been running against liberals and radicals. He should have made crime the number-one issue in America today. Conservatism makes no sense as a short-term value system. The conservative issue is life for your grandchildren.

Reagan was correct to place a higher priority on tax cuts than on deficit reduction. He had to rally the middle class. But he could have cut spending by rallying the 60 percent of the American people who support budget cuts. He didn’t reform defense spending. He and Weinberger have squandered the biggest prodefense base since Pearl Harbor.

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NEWT GINGRICH is a Republican representative from Georgia.

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*Howard Phillips*

Ronald Reagan’s major accomplishments were showing the courage to block the Law of the Sea Treaty and going along with Bill Armstrong’s indexing proposal. I can’t really think of many others.

I believe we will see major recession and unemployment because of the president’s unwillingness to get the size of nondefense government spending under control. He asked for too little at first. The president should have said, “Look, here’s my budget and I’ll veto anything that goes beyond it.” The only way a president can bring about major change is by the politics of confrontation. He’s got to rally the grass roots to do battle against Washington.

The president has been particularly disappointing on arms control. He has continued to abide by SALT I and SALT II, he has refused to call into question Soviet arms control violations, he has bought the notion that arms control should be the centerpiece of our relationship with the Soviet Union, he has retreated from the idea that you build up your defenses before you negotiate.

The president is not well informed and defers to credentials, even to people who don’t share his values. He shrinks from conflict. He is just the sort of nice fellow I’d like to have as a neighbor, but he defers too quickly to anyone in a three-piece suit. I wish he had more confi-

dence in his own judgments.

This has been more like Ford's presidency than a real revolution. The American people can be rallied, but not if it looks like you're in hock to the banks. Budget cuts should have been across the board—for synfuels, Ex-Im Bank—as well as welfare.

There are practical things Reagan could have done on moral issues that he didn't do. He could have taken away federal money going to Planned Parenthood, he could have cut off subsidies for homosexual and feminist groups.

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*Richard Rahn*

Reagan's big success was the reduction of high marginal tax rates, and the reduction of taxation as a percentage of GNP by 1 percent. The big problem was that he didn't go after spending as much as he went after taxes.

In September 1981, Dave Stockman came out with bigger deficit projections and called for tax increases. That piece of inconsistency right after the tax cuts, together with radical monetary policy, aggravated the recession. The Tax Equity and Fiscal Responsibility Act (TEFRA) tax increases of 1982 set back the recovery for at least a quarter and certainly increased uncertainty.

Contrary to what some of the supply-siders say, economic growth won't take care of our spending problems so long as the entitlements formulas are kept the way they are. You could have real GNP growth of 15 percent a year and still not balance the budget so long as you have a consumer price index that overstates the rate of inflation (and hence the Social Security cost-of-living adjustment) as well as the kind of entitlements program we have for Medicare. In 1981 the administration could have changed the indexing formulas if Reagan had talked about a fiscal crisis: In the short run, people wouldn't have noticed much. The president also missed an opportunity in 1981 to cut the 17 to 23 percent annual growth of Medicare expenditures. With the proper marketing, he could have offered a program that focused on catastrophic medical care and reduced major risks while cutting minor expenses.

There's a widespread belief in the business community that there's a tremendous amount of waste in the Defense budget. A public war on waste in the Defense Depart-

ment would have been useful at least for psychological purposes in building support for overall spending cuts.

When TEFRA came up for a vote, the president got on national TV and promised \$3 in spending reductions for each dollar in additional taxes. In fact, he got \$1.14 in spending growth for each extra tax dollar. By claiming they got spending reductions when in fact they didn't, the Reagan people kept playing into the hands of the liberal media.

Reagan may have been too successful too fast. He was elected before there were enough people ideologically committed to his program who also had the necessary technical skills to run the government. In addition, people who understand the issues best are often the worst ones in terms of day-to-day management.

There was a shortage, for example, of supply-side economists. There were only a handful of technically capable supply-side economists to fill a couple of hundred economic policy positions. Thus many people who joined the administration didn't understand the Reagan program and in some cases didn't agree with it. On deregulation, the administration would have been a lot better off if it had another 20 people like James Miller, chairman of the Federal Trade Commission. At Health and Human Services, there wasn't much of a pool of talent to draw on of people who understood what Reagan was trying to do. There were a lot of gaps in staffing, which means you get people who know something about a subject and use the conventional professional reasoning. That is why nothing changes.

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*“Genuine conservatives are by and large overjoyed by Reagan, and rightly so.”*

*William A. Rusher*

Genuine conservatives are by and large overjoyed by Reagan, and rightly so. He has a great many accomplishments to his credit, and he has been remarkably loyal to the agenda of movement conservatism. What little he hasn't done, he hasn't forgotten that it needs to be done later. Just look how he kept fighting for the MX even after it looked defeated.

Reagan has put together a successful combination of economic conservatives and social conservatives that produces victories at the presidential level. He is the only man in the upper ranks of the Republican party who has understood the importance of this combination.

He has changed the whole area of the battlefield by redefining the battle. The debates are now, How much shall the budget be cut? How much shall we build our defense?

He has put conservatives into lower echelons of gov-