



The Phyllis Schlafly Report

VOL. 26, NO. 4

Box 618, ALTON, ILLINOIS 62002

NOVEMBER 1992

Yes, It's Time For Finger Pointing

With grace in adversity, President Bush took "full responsibility" for his defeat. But then he added, "There must be no finger pointing." I beg to differ, first, because we can't plan the future unless we properly assess the mistakes of the past and, secondly, because Bush failed to take responsibility for the Republican Senators and Congressmen he dragged down to defeat.

The lesson of the 1992 Presidential election is that, in order to elect a Republican President in 1996, the Party must return to the tax-cut conservatism of Ronald Reagan. Whereas the eight years of Ronald Reagan successfully mainstreamed the conservative ideology, George Bush spent four years trying to dissociate himself from Ronald Reagan, and finally succeeded.

Bush's fatal mistake was reneging on his "read my lips" campaign promise by going along with the Democrats' tax increase in October 1990. That was morally wrong, politically stupid, and an economic tragedy which was the primary cause of the recession we've been in ever since.

This mistake was exacerbated by Bush's stubborn refusal to fire his economic adviser Richard Darman, who gave the bad advice, talked disloyally about his boss, and was the culpable architect of Bush's domestic policies. Bush's campaign advisers poured salt in his political wound by thrusting him out on the hustings to make "trust" his campaign theme when everyone knows that Bush's greatest weakness was his failure to keep his solemn promise.

Just think how different the 1992 campaign would have been if Bush had been able to campaign on the platform, "I promised you no new taxes and I kept my word. You know you can trust me."

Darman was only the most damaging of Bush's staffing errors that brought him bad policies and personal embarrassment. Another was Bush's appointment to the AIDS Commission of the country's most notorious example of reckless promiscuity, Magic Johnson. A third was the country's most notorious example of spending federal funds for obscene "art," John Frohnmayer, whom

Bush retained during long months of bad publicity. A fourth was using as an Administration spokesman the chairman of the Joint Chiefs of Staff, Admiral William Crowe, whose TV image was an embarrassment. Johnson, Frohnmayer and Crowe all endorsed Bill Clinton.

George Bush's foreign policy was as bad as his domestic policy. Henry Kissinger, the author of the disastrous agreements that Richard Nixon signed with the Soviet Union and with Vietnam, had been barred from policymaking during the eight Reagan years. But George Bush brought back the Kissinger associates — Brent Scowcroft as National Security Adviser and Lawrence Eagleburger to run the State Department.

The guiding hand of the Kissinger group was evident in such bad foreign policy judgments of the Bush Administration as siding with Mikhail Gorbachev instead of Boris Yeltsin during the Russian transition from Communism to freedom, calling for a "New World Order," aiding Iraq in the months just before the Gulf War, pressing the Senate to ratify the dangerous UN treaties signed by Jimmy Carter and rejected by Reagan, and the petty refusal to credit Ronald Reagan with winning the Cold War.

The media are working overtime to try to blame Bush's defeat on the alleged "takeover" of the Republican Party by the so-called "religious right." That's ridiculous because the religious and pro-life community was the only part of the Reagan coalition that remained faithful to Bush to the bitter end, and was clearly responsible for Bush carrying Texas, Florida, North and South Carolina, and Virginia.

The exit polls conducted for the networks on November 3 showed that, by a whopping 68 percent majority, American voters want government to respect traditional family values, rather than show an even greater tolerance for nontraditional values.

The same exit polls showed that the American people did not vote for liberalism, higher taxes, and bigger government (which is what they will get from President

Clinton). By 55 percent to 37 percent, the American people said that they want lower taxes and less government services instead of more government services and higher taxes.

When the modern conservative movement got started with Barry Goldwater, Republican establishment types used to argue that we must be pragmatic and nominate a Big Government Republican such as Richard Nixon or Gerald Ford in order to win, because conservatives couldn't be elected. Today, Reagan conservatives not only have the high moral ground, but the pragmatic argument, too. It is clear that Reagan-style conservatism is the route to victory.

The Republicans should follow the tax-cut philosophy and coalition building politics of a proven winner, Ronald Reagan. To take back the White House in 1996, it's not enough to say "no new taxes"; Republicans must call for a roll-back of the stupid tax increase of 1990 and work for an across-the-board cut in the size of government, government spending, and oppressive government regulations.

Did George Bush Want To Lose?

In the wake of the President defeat, grassroots Republicans are asking the question, How is it possible that the Bush Administration could make so many mistakes? Did Bush want to lose?

Of course, Bush didn't want to lose the 1992 election! But his chief backers, the eastern liberal Republican establishment (sometimes called the "country club Republicans"), cared more about maintaining control of the Republican Party than about electing Bush, and cared more about maintaining its pipelines into taxpayer subsidies than about electing Republicans. Anyway, this financial crowd has already established its ties to Bill Clinton.

In 1980, George Bush was the candidate of the eastern liberal Republican establishment which has tried to control the Republican Party throughout our lifetime and whose Presidential candidate for so many years was Nelson Rockefeller (and before that, Thomas Dewey). Those are the Big Government Republicans who consistently support high taxes, big domestic federal spending, foreign handouts, taxpayer-subsidized foreign trade, population control, and a globalist foreign policy.

The 1980 Republican Convention rejected the establishment candidate in favor of Ronald Reagan, who then, in a spirit of "big-tent" Party unity, offered the olive branch to the defeated faction and named George Bush as his running mate. For the eight Reagan years, Bush was a loyal and exemplary Vice President, which led to his own nomination in 1988.

Unfortunately, once in the White House, Bush quickly reverted to the Big Government policies of his establishment patrons instead of following the policies of the man to whom he owed the Presidency, Ronald Reagan. The litmus test for political and social goodies from the Bush White House was to have been a pre-1980 Bushie,

so Republicans from the liberal establishment wing of the Party flooded back into government and Party offices.

George Bush and his campaign team didn't understand coalition politics. He was always condescending to Reaganaut Republicans and to Reagan Democrats. They were not in his policymaking loop, and not on his White House invitation list. His WASP Administration kicked away the Catholic vote.

Bush and his campaign team didn't understand issue politics, either. Why didn't they produce a health insurance plan that was understandable and saleable? Why didn't they make use of the issue of the Democrats' plan to increase the federal inheritance tax? Why did Bush go before a huge audience of pro-family types in September and make a slighting reference to the "Ozzie and Harriet" type family (a line that Gloria Steinem types would have cheered)?

In the 1992 campaign, the Bush Administration tried to keep the votes of the Reagan conservatives, the pro-lifers, and the so-called religious right without letting them into any positions in the campaign. The Bush campaign people seemed to care more about who would control the Party after the election than whether it would be won at all.

In Texas, Florida, North and South Carolina, and Virginia, the pro-lifers got out the winning majority for Bush independently of the Bush organization. In Texas, the Texans United for Life distributed one million voter guides, Christian Coalition distributed another million voter guides, and National Right to Life and other pro-family groups mailed hundreds of thousands of pro-Bush pieces. Pro-lifers manned effective phone banks in Dallas and Houston with dedicated workers after the Bush campaign discovered it was unable to get volunteers without them. In Houston, pro-lifers stunned everyone by producing 41,000 write-in votes for a local pro-life judicial candidate, and in so doing won upset victories over five Democrats in a state House race and four other judicial races.

After a year of media harangue that Bush's pro-life position would chase voters away, exit polls proved that, among those voters who vote primarily on the abortion issue, pro-life is a plus over pro-abortion by a margin of three to five points.

The media hype about the danger of a "religious right takeover" of the Republican Party is a strawman designed to divert attention from the power players in the game. The real battle for control of the Republican Party is between the liberal establishment types who gave us Bush (after failing with Rockefeller) and the grassroots Republicans who won with Reagan. There is nothing new about this division; it's been going on since the 1930s.

The hysterical media assertion that the so-called religious right is trying to "exclude" people from the Republican Party is just paranoia. For decades and throughout the Bush campaign, the liberal establishment Republicans have been ruthless in excluding grassroots conservative Republicans from Party positions.

The reason the liberal-conservative division in the Republican Party is suddenly noisier now is that, during the George Bush Presidency, most grassroots Republicans kept their mouths shut, hoping he would recognize the pragmatism, if not the wisdom, of the Reagan ideology. Now that the verdict is in on the Bush Administration and campaign, we can see that hope was in vain.

It's time for grassroots Republicans to go forth into Party battle using the immortal words with which Senator Everett McKinley Dirksen denounced the liberal Republican establishment at the 1952 Republican National Convention: "We followed you before and you took us down the path to defeat." The Reagan coalition is the key to victory.

How Regulations Stop Job Creation

It is self-evident that the economy was the number-one issue in the 1992 Presidential election, and the evidence is persuasive that the 1990 tax increase was a major factor in the recession that followed. The runner-up cause of the recession was the dramatic increase in costly federal business regulations. Like the 1990 tax increase (fraudulently labeled the "deficit reduction" bill), the new regulations were all initiated by the liberal Democrats and acquiesced in by President Bush. They marked a U-turn from the Reagan years and are the chief deterrent to employers hiring new workers.

The most important issue that voters care about is **jobs**. Our gross domestic product rose steadily for six straight quarters prior to the 1992 election, but that didn't convince voters that times are good because they are worried about finding or keeping a job.

We all know that new jobs are created by small business, while big businesses hire efficiency experts to tell them how to eliminate jobs. During the economic expansion of the Reagan years, firms with fewer than 20 employees produced one-half of the new jobs, and firms with fewer than 500 employees produced two-thirds of the new jobs.

Congressman Dick Arme (R-TX) explains that the job market is so anemic today because "government policies have made it increasingly difficult for the small business sector of the economy to create jobs. Federal government policies since 1989," he says, "amount to nothing less than economic crib death, suffocating jobs in the cradle of small business."

According to Congressman Arme, this increased burden is in federal regulations on businesses, specifically by the Fair Labor Standards Act of 1989 (which increased the minimum wage), the Americans With Disabilities Act of 1990, the Clean Air Act amendments of 1990, and the Civil Rights Act of 1991.

Arme says that, by 1992, "American businesses were burdened with about \$130 billion of costs beyond those of 1990." That's the difference between the Reagan and Bush Administrations. Small businesses are hammered by red tape government regulations, strangled by "green tape"

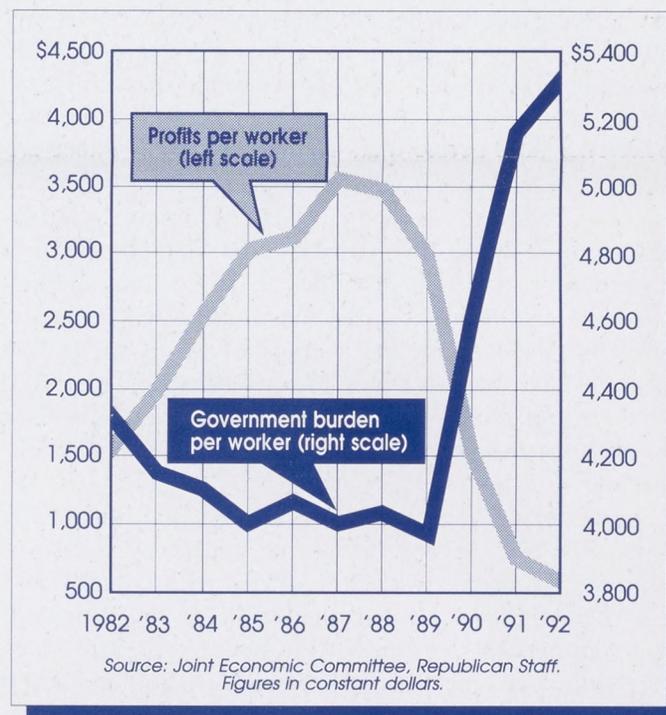
environmental regulations, and hit with dramatic increases in indirect business taxes (sales and excise taxes). Start-up costs for starting a new business are staggering.

The media are suddenly pointing the finger of blame at what they call the "Reagan-Bush years." But there were no "Reagan-Bush years." There were the Reagan years of tax cuts, reductions in regulations, and the creation of 18 million net new jobs. Then there were the Bush years of tax increases, drastic increases in regulations, and job stagnation.

The voters should be on guard against the media manipulation of the news by the skillful use of words. In the early months of the Reagan Administration in 1981 and 1982, when we were still suffering from the Jimmy Carter stagflation, the *Washington Post* was totally enamored of the word "Reaganomics," which the *Post* used as an epithet. In March 1982, the *Post* used the term 59 times in 32 stories.

In September 1982, when unemployment reached its highest level, the *Post* used "Reaganomics" 235 times in 85 stories. After the Reagan tax cut took effect and unemployment dropped, so also did use of the term. By 1984, when it was clear that Reaganomics had produced economic recovery, funny thing, the *Post* didn't talk about Reaganomics any more.

The graph below marks the stark difference between the Reagan years and the Bush years. During the 1980s, the tax and regulatory burdens imposed by government on small businesses declined slightly, then took a sharp turn up after Bush was elected and rose dramatically between 1989 and 1992. It should be no surprise that the average profits per worker rose during the 1980s, then declined sharply as the regulatory burden increased. Is it any wonder that businesses don't want to risk hiring new workers?



Your Taxes Are Twice What You Think

The average American family pays about \$11,000 a year in federal taxes, but many families pay an even larger amount in a hidden tax called Regulation. The cost of burdensome federal regulations is estimated to be between \$8,388 and \$17,134 per household, and new regulations are increasing faster than ever before.

Oh, Thomas Jefferson, where are you when we need you? The great words he penned in the Declaration of Independence are even more apt today: "He has erected a multitude of new offices, and sent hither swarms of officers to harass our people, and eat out their substance."

Since all federal regulations must be published in the *Federal Register*, it provides a handy method to record the trend in regulations. The all-time high was reached in 1980 under Jimmy Carter when the *Register* had 88,000 pages. Under Ronald Reagan, they declined to 47,418 in 1986. In 1991 under George Bush, the *Register* was back up to 67,715 pages.

Most of the regulations started out with worthy goals. Despite the expenditure of enormous sums of money, however, their track record in achieving their objectives has been dismal. Numerous think-tank studies have found no significant improvement in workplace accident rates, worker injuries, or illnesses from OSHA (Occupational Safety and Health Administration) regulations. Other studies have found no reduction in the proportion of unsafe or ineffective drugs reaching consumers as a result of the Food and Drug Administration's drug approval process.

Studies have found that the biggest effect produced by the Consumer Product Safety Commission, in industry after industry, has been to raise prices, not to improve consumer safety. Examples of products where this is true include matches, mattresses, and bicycles.

For example, government standards have had no measurable effect in decreasing bicycle-related injuries, but regulations have driven up the price of bicycles to U.S. consumers and reduced their options. One study suggests that the real purpose is to make it more difficult for foreign bicycle producers to compete in the American market.

The Corporate Average Fuel Economy (CAFE) regulations show how costly unforeseen adverse consequences can be. The law requires that all auto manufacturers selling new cars must meet a federal miles-per-gallon standard for the average of all its cars. The required figure for 1991 was 27.5 miles-per-gallon. But, as auto manufacturers reduced the size and weight of their cars to meet this standard, they also reduced the crash-worthiness of their cars.

A recent economic study found that CAFE is responsible for several thousand additional fatalities resulting from accidents over the life of each model-year's cars. The authors calculate that reducing the weight of American cars to meet the CAFE standard of 27.5 miles per gallon is costing the nation between 2,200 and 3,900 lives, plus 11,000 to 19,500 serious injuries, **per year** than

would have occurred without the regulations.

The costs of federal regulations, which include attorney and accountant fees and staff for paperwork and negotiation as well as direct expense for compliance, are disproportionately unfair to small companies. One study suggests that EPA and OSHA regulations actually benefit large, unionized firms because the regulations are so much more costly to their small-firm competitors.

How much Americans like airline deregulation is manifested in the figures: Americans took 254 million flights during the last year before deregulation, and because of lower prices, greater choices, and more frequent flights, took 453 million flights in 1989, an increase of 78 percent. Meanwhile, carrier insurance rates fell 22 percent, a sure sign that the marketplace thinks deregulated air travel is less risky.

Murray Weidenbaum, director of the Center for the Study of American Business at Washington University in St. Louis, estimates that the 1991 Clean Air Act will cost an additional \$25 to \$35 billion a year on top of the \$100 billion we already spend annually on pollution controls.

The Americans With Disabilities Act, which is just now going into effect, will require private businesses, apartment buildings, restaurants and stores to spend enormous sums of their own money to provide mandated benefits. Chicago economic consultant Robert Genetski estimates that the required physical modifications of office buildings and hospitals alone may cost \$65 billion. The 1991 Civil Rights Act has made it radically easier for employees to sue employers and harder for employers to defend themselves. It's no wonder that employers try to avoid hiring new workers.

The whole notion that bureaucrats can micro-manage the economy with regulations that make ordinary life more safe and fair is not supportable because they cannot foresee or regulate the unintended consequences.

Phyllis Schlafly was elected a Delegate to the Republican National Conventions of 1956, 1964, 1968, 1984, 1988, and 1992, and elected an Alternate Delegate in 1960 and 1980. She was three times elected president of the Illinois Federation of Republican Women, 1960-1964, and elected First Vice President of the National Federation of Republican Women in 1964. She served as elected Republican Precinct Committeeman, 1965-1984. She has received many awards for volunteer Republican service, including Illinois Republican Women of the Year in 1969 and the Women's National Republican Club Award in 1977.

The Phyllis Schlafly Report

Box 618, Alton, Illinois 62002

ISSN0556-0152

Published monthly by the Eagle Trust Fund, Box 618, Alton, Illinois 62002. Second Class Postage Paid at Alton, Illinois. Postmaster: Address Corrections should be sent to the Phyllis Schlafly Report, Box 618, Alton, Illinois 62002.

Subscription Price: \$20 per year. Extra copies available: 50¢ each; 4 copies \$1; 30 copies \$5; 100 copies \$10.