

“The Future of American Conservatism”

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Transcription

Dr. Brady:

I will talk about the nature of conservatism in the U.S. today, the issues, and then propose an agenda to solve those issues.

The first kind of conservatives is National Greatness Conservatives. They see the government how Abraham Lincoln saw it. Think of Teddy Roosevelt and the role of the government in creating national parks. This kind of conservatism is ‘borrow and spend’ conservatism. You might also remember it as the “Rockefeller Republicans”. George H.W. Bush is an example of that kind of American conservatism. In regard to ‘borrow and spend’ conservatism, George W. Bush turned out to be a ‘borrow and spend’ conservative, but he didn’t run or sound like that. There are fewer than them now; they are in decline.

The second group is Paleo Conservatives. This group supports isolationism. One example is Pat Buchanan. You hear about this kind of conservatism in the presidential election: “What do we do about China? Should we have sanctions on them?” and so on. They also believe in protectionism. The U.S. should protect its markets. Nativism is also part of their belief system. For example, the notion that what is in the U.S. is the best, and that Americans should remain true to America—traditional values, pro life, not pro abortion, anti-gay marriage, anti-gay union, etc. This sort of conservative has come to the forefront more and more, and this has been exacerbated by the American press. The third kind is the Libertarian Conservatives (I want to remind you that all of these are pure types, I will talk more in detail about each of them in the real world later). They are pro-market, against government regulation, support very limited government, no unconstitutional rules, etc. George W. Bush campaigned on this platform. My favorite moment during the 2000 elections was when he told Gore that we shouldn’t be doing national building, nor do bailouts. This group believes that abortion/gay marriage is not a problem among consenting adults. They are okay with having porous borders. If you have skills, come.

I want to mention Milton Friedman here. He believed that free markets limited government, and that is the way to grow an economy. Less government carries over to social issues. If you don't have intervention in markets, then there will be no government intervention in people's personal lives. However, the religious strand is the opposite. They look for more government regulation. For example, they believe abortion should be banned. Some people may be economic conservatives, but there are others like Mike Huckabee, who is a social conservative, but also an economic liberal. The point to remember is that these can all intermix into one person. The main problem in my view is between economic conservatives and social conservatives—how well do they get along?

Kathleen Parker (quote): Deemphasize Social Issues...the evangelical right wing branch of GOP is what ails the conservative party and will continue to afflict marginalize its constituents if reckoning doesn't soon cometh. Jeffrey Hart Quote...these social issues from the libertarian point of view are not winning issues.

Rod Dreher (quote): The social conservative view is that Wall Street is not the fault of social conservatives. The social conservatives can hit back hard on these sets of issues. All of this conflict takes place in the Republican Party. It used to be that there were liberals in the Republican Party and conservatives in the Democratic Party. There was a measure that was used in the past which counted how many Northern Republicans voted with Southern Democrats and vice versa. During the 1938 Trade Wages Act, both groups got together and they dominated the U.S. Congress until the 1960s. Then in 1964 with Lyndon, there was a slow deterioration of their power. Now Southern Democrats have been replaced by African American conservatives. Think of it as a sorting; the interaction between the two groups does not exist anymore.

“Sam's Club Republicans”—times have changed. The working class and lower middle class is the main support for the party. Wall Street, for example, contributed more to Obama than to John McCain in 2008. They are interested in income security, they are family friendly, support wage subsidies, and are not opposed to tax reform. They fit together strangely when you have economic conservatives. If you are an economic conservative, it is hard to defend bankers for what they did, and for social conservatives to go against their base. The elites are always competing for the same set of votes.

In 2008, the main issue for the Republicans was that they lost 13 percent of Hispanic vote; 12 percent of 18-29 voters, a percentage of independents, and also 6-7 percent of moderates.

The long term Republican problems revolve around the Hispanics and the young. In 2008 when Obama won California with 60 percent of the vote, the Latino/African American turnout was high for Obama. An anti-gay proposition was on the ballot, and the higher turn of both Hispanics and African Americans caused this proposition to pass. Latinos are much more socially conservative than was expected. African Americans are also social conservative, but are econ liberal. Latinos are part of the electorate the Republicans should make progress on, but cannot because of the immigration debate. You can't expect to receive support from them when you have your candidates talking about how high to make a wall on the border, can you? In regards to

the young, from gay marriage to abortion, young people are less likely to be social conservative. There is a very good book: *American Grace*. It has rich data, and shows that anytime politicians talk about the sexual revolution they lose the vote of all those under 35. These two groups are a major problem for conservatives.

This graph shows the U.S. population by race and ethnicity. There has been a huge increase in Latinos and Asians. Asians are socially more conservative, but economically liberal. But they are put off by the immigration policy of the Republican Party. So the Republicans are putting off two major groups in terms of growth potential.

Aging: *The Civil Rights Gerontocracy*—Andrew Young, John Lewis, Jesse Jackson, Al Sharpton. Think of the Jackson vs. Obama on the liberal side. This has not happened for the Republicans. The ancient warriors on the Religious Right—Pat Robertson—and on the Conservatives—Richard Viguerie. The point is that there are contenders in here. You can say that Ryan might make a difference on the whole. However, these people have not been replaced. They are essentially just a bunch of white guys. There is not much youthful leadership coming to the fore. *American Generations*: these are all generations that conservatives are not going to have. (See slide)

I will propose a modest conservative agenda. The current economic situation in the world is essentially due to the fact that many countries have not dealt with globalization seriously. In the U.S., it is believed that when the recession is over, everything goes back to normal. I don't believe that. No country has really dealt with the real problems of globalization. In the U.S., what is the problem? Publicly held debt is 10.2 trillion. Unfunded Social Security liabilities and unfunded Medicare liabilities—the total liabilities are 77.1 trillion, and 18 trillion is in the hole.

Entitlements are a key driver of federal spending. Defense is down in the U.S., nondefense discretionary is up a bit, and interest is up a bit. The driver here is federal spending. Entitlement state at a glance—68 percent of households receive entitlement benefits. It turns out that there is rising dependency despite real income growth. Income is growing, if you look at changes in received households. The nature of the dependency increase comes despite real income growth. The good news is this. If you can solve these problems now, it can have big affects.

Social Security, Medicare, Medicaid and other welfare—unlike the Korean system, Medicare means you get more care than you should. Social Security in the U.S. is indexed to the consumer price index. If you change the payment from wages to CPI you get a huge savings, and this is in 2011 dollars. Out of pocket expenditures goes down while the other goes up. If you adjust this, here, this shows the projected growth out to 2023. Again, Social Security: you see what happens if you do price indexing. You get huge savings. Finally, coinsurance rates are 40 percent. We will still have growth in this but it will not be growth if you go with the present healthcare policy. In my view, there is little likelihood that Congress and President will pass this.

Question & Answer Session

Dr. Bong Yongshik from the Asan Institute:

If the idea is that good, why doesn't it gather supporters among the Republicans?

Dr. Brady:

You could get support for my three ideas among conservatives. But it is impossible for conservatives in the Republican Party to talk about social security and Medicare in the same fashion. Everyone says we have to deal with Medicare—you can't solve problems with tax alone. If you let the Bush tax cuts go, there will be a big problem. The cuts are good for 28 billion a year. That doesn't pay for the long haul problems. Let's take home mortgage for example. In the U.S. you buy a house and deduct interest you paid on house. In the situation now where the housing market is in the tank, what politician would say they would get rid of the home mortgage rate? That would drop prices of houses, and cause chaos in the markets. The third is employer healthcare; they deduct that from their profits. The combination of this is that the status quo makes it hard to change. Most importantly, because it is not all that bad in the U.S., the real effects of the economic crisis have not taken place so people believe it will get better in the future. The status quo is not as bad as it will get. The question is when it will get bad enough for people to act?

Graduate Student from Yonsei University:

I'm American but have lived in Korean for five years now. I have noticed an emergence of sects in the U.S. Is the U.S. ready for a third party?

Dr. Brady:

Why wouldn't a party that was economically conservative, but social liberal, like most Americans are, capture votes? I think it would. An encouraging sign is that the number of independents is at an all time high. That is an indication that people are not happy with both parties. The problem in the U.S. is that it is easy to run a third party candidate, but the hard part is to build a party that goes across the U.S. The congressional parties want to win, so if public opinion moves one way they just shift. In the congressional districts, you will see change occur first, but it is hard to build a third party. The change will come, I think, but the change must come in the primaries. If you want to replace a Democratic you must beat them in a general election or a primary.

Dr. Kim Jiyoung from the Asan Institute:

It is a fact that Republicans are having a hard time uniting themselves. First, throughout the election process usually only hard core Republicans participate. You see that in the real president election you have to be hard core to win. How do you think the old presidential hopefuls can cope? Second, it doesn't seem like the Democrats are doing any better.

Dr. Brady:

The question was in regards to during the primary process when all Republican candidates have to say the same thing in order to win the nomination. If this happens they all get pushed out to

right and don't get back to middle. During the first four primaries every Republican and Democrat goes out and meets real voters. This is the 'make it or break it' for them. It was a problem for the Democrats, too. Except for Southern Democrats, everyone was leaning too far to the left. Now it is a Republican problem and they are suffering. The Democrats have less of a problem because they are more homogenous. Potential challengers to Obama are not even challenging him. The Republican debate process is going to go on regardless. Are the Democrats any better? Yes, because they have the presidency. The president can start to look like a centralist compared to the Republicans. He is probably in better shape. This depends on the euro crisis, however, and the worsening of that situation would damage the economy and accordingly, Obama's chances for re-election. However, if this doesn't happen, it could all work out.

Graduate Student from Yonsei University:

Who do you think will get the nomination?

Dr. Brady:

I usually start off my talks with who will win the nomination. A year in politics is an eternity. It is looking better for Romney. He is front running because he stays around 22 percent. He is the place guard for Obama. Most Republicans say they vote for Obama. Nobody really likes any of the candidates out there. First, it is Michelle Buchman then Rick Perry—in and out, back and forth. Who do we got left? Newt Gingrich—reminds me of Fred Thompson. In 2008 he was the Republican big hope, even though he wasn't running. Then he ran and lost terribly. Nobody is really happy with the candidates. They see Romney as the smart guy. Buchman had to win Iowa, but failed. Among Republican voters in Iowa, what percent do you think believe in evolution? Sixty-eight percent of likely voters believe the Earth is less than 600 years old! All candidates have a different strategy depending on the state. This whole debate process will continue to shift. I think Romney will win the nomination. However, he is a Mormon and this could cost seven percent of the vote. Who will win the election? It all depends on the economy.