

Tidewater Strategists Fumble On Tax Cuts, Foreign Policy

Easton, Md.—Rep. Jack Kemp (R-NY) set the tone for an otherwise uneventful gathering of national Republican figures here with a call for a “Republican renaissance” based on the American tradition of growth and economic progress.

The conference, organized by Senate and House Republican Campaign Committee Chairmen Bob Packwood and Guy Van der Jagt to discuss the Party’s appeal to the electorate, had plodded through two morning discussions considering such weighty matters as revenue sharing and the use of the phrase “positive and vigorous” instead of “affirmative action.” In this sort of atmosphere, it was possible for Jacob Javits (R-NY) to make an effort to transform the meeting into a cheering section for the Bilderberg Society. Just prior to the gathering, Javits had publicly demanded that the U.S. accept Great Britain’s plan to replace the dollar as a reserve currency with London’s “funny-money” SDRs.

But Kemp’s appearance at the afternoon session changed the atmosphere. Kemp issued nothing short of a call to arms to the Republican Party to take responsibility for the growth of the Republic and republics throughout the world, and thus to return the GOP its historic base of blacks and labor. While Kemp clung to the silly notion that a tax cut will accomplish all of this, his intervention into the discussion period carried with it a qualitatively different thrust than even most Republican discussions of tax cuts. Against attempts to interject a call for a balanced budget and to focus only on the tax cut issue, Kemp said “the issue here is not balancing the budget, or any other means to the end. The issue here is the end result. To show the people that we are the party of growth and production and real meaningful employment. We have to rid ourselves of the Keynesian myth that high unemployment means lower inflation. As NAACP head Margaret Bush Wilson said, “more and more people working is not what causes inflation.”

Javits, who had been billed by the press as the other

half of a Kemp-Javits debate on tax-cut policy, could only mouth Republican-sounding phrases about the need for capital formation. One Senator commented afterwards, “He sounded so conservative. I told him he sounded to conservative.”

A recent New York *Daily News* article reported that Kemp is already considered a surefire 1980 Republican candidate for the Senate seat held by Javits, whether or not Javits decides to retire. The same article noted that Kissinger, also seeking the Senate seat, was getting little support in Republican circles as “the Rockefellers and the Conservative Party are interested in Kemp’s campaign.”

The spirit of Kemp’s intervention carried into the next day’s discussion on defense policy. One senator stressed the need to defend the dollar and to ensure economic stability as perhaps more important than any other aspect of strategic policy.

Despite Kemp and his impact, the resolutions actually passed by the conference in all cases reflected a compromise with Javits’ Bilderberg faction—the most innocuous middle ground positions of the party. For example, Resolution III (Tax-cut): “Resolved, we believe high tax rates and continued deficits are inflationary; we support substantial permanent reductions in federal incomes and capital gains tax rates in order to restore incentive, encourage real economic growth, and expand the reward for working, saving and investing; such private savings and incentives will increase job opportunities, enhance maximum growth and achieve a balanced budget.” Or, Resolution V (Defense): “Resolved, that the interests of world peace will be best served by maintaining a balance of power involving conventional and strategic forces. The current Democrat policy of unilateral U.S. disarmament, in the face of mounting Soviet military aggressiveness, is a serious mistake. Therefore, in the vital search for peace, any agreement on arms limitations must fully protect the security of the United States and our allies.”

Kemp: Make GOP ‘Party Of Growth’

The following are excerpts of Representative Jack Kemp’s speech:

... The truth is I am not really interested first and foremost in a Republican renaissance. What I’d rather have first is a revival of the American dream. But I am don’t think we can get from here to there without a revolution in the Grand Old Party. . . .

Think about a wagon. It’s a simple but forceful way of thinking about the essence of government. The wagon is loaded here, unloaded over there. The people are loading the wagon are the Republicans. The folks who are unloading it are the Democrats. The Republicans are the party of growth. The Democrats are the party of distribution. The system works best when each party is doing its job. What I am saying is that the system is breaking down because the Republican Party has not been doing

its job. Instead of loading the wagon, some Republicans have stepped away to complain about the unloading job the Democrats have been doing.

... What is really necessary to the system is that the Republican Party become the dominant party in America. I mean this only in the sense that it is the party of growth and growth must dominate distribution. . . .

Let us not forget that when we are talking about growth we are talking about the American dream, about opportunity and fulfillment. This is real growth — realizing a potential. . . .

Because Democrats have dominated the system for generations, their idea of growth has become the orthodox one. They picture an America already gobbling a third of the earth’s mineral resources, gobbling more. Growth is seen as the antithesis of redistribution, instead