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NEWS FROM Conservative Digest

FOR RELEASE: Immediately

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CONSERVATIVES OPPOSE NEW TAX INCREASE

Richard A. Viguerie, publisher of Conservative Digest magazine, has announced the opposition of _____ conservative leaders to proposed increases in either the federal gasoline tax or the Social Security tax. Viguerie said that these tax increases would seriously damage the economy and hurt families who are struggling to make ends meet.

"At a time that economic conditions are already extremely precarious, we do not need to make it more difficult for people to make a living. Increasing the cost of gasoline will hurt working men and women who need an automobile for their jobs or for the basic transportation of their families. And hiking the Social Security tax will take more disposable income out of the hands of the people, while adding additional pressures on businesses. More bankruptcies and unemployment would inevitably result from these tax increases," Viguerie said.

"In funding defense, a jobs program, and Social Security, all kinds of alternatives have been discussed. But one option seems to be missing from the list of possibilities -- reduce spending on low priority and counterproductive projects. Our critical needs can all be provided for by transferring funds out of the budgets of the Energy and Education departments, from foreign aid, and out of our contributions to the United Nations. We absolutely do not need to increase taxes on the people," he said.

"Coming on the heels of the Administration's recent \$228 billion tax increase, many conservatives are shocked and disappointed that new taxes would even be remotely considered by the President and some Republican leaders in the Congress. I am afraid there is a strange inclination on the part of some Reagan advisers to repeatedly turn to tax increases as the solution to our economic problems," the statement added.

Among those joining Viguerie in this statement are:

William Raspberry

Has the President Been Deposed?

The first coup d'état in U.S. history appears to have been accepted by the American people with surprising calm. There has been hardly any panic since the overthrow of the Reagan government, the stock market remains optimistic, and life seems to be going on pretty much as usual.

This unexpected equanimity in the face of unprecedented crisis may be attributed to the smoothness with which the coup was carried out, and also to the calmness with which the deposed leader himself has accepted his ouster.

Indeed, not even the most sophisticated Washington observers knew about the coup until former President Reagan revealed it during a nationally televised news conference last Thursday evening.

At an earlier news conference, this one on Sept. 29, the now-deposed leader was asked whether, in view of his "great distaste" for raising taxes, he could "assure the American people now that you will flatly rule out any tax increases, revenue enhancers or, specifically, an increase in the gasoline tax." The answer, more ominous in retrospect than was obvious at the time:

"Unless there's a palace coup and I'm overtaken or overthrown, no, I don't see the necessity for that."

Then last week, in an exchange with UPI's Helen Thomas, he revealed that

the gasoline tax increase, which 43 days earlier had been "flatly" ruled out was under active consideration—even to the extent of renaming it a "user fee." That was the first official indication that, sometime between the Sept. 29 and the Nov. 11 conferences, there had been a "palace coup" or that Reagan had somehow been "overtaken or overthrown."

Edwin Newman and William Safire, two of the country's best-known semanticists, have insisted that the original Reagan response should be read to mean only that he didn't "see the necessity for" flatly ruling out the tax increase absent a coup. However, most Washington observers, noting Reagan's frequently muddled syntax, assume that the former leader meant to indicate that a coup was imminent and that active consideration of a gasoline tax increase would be the cue that it had occurred.

Details of the apparent ouster are still not clear. Indeed, it is still not known who heads the new government. What is clear is that the change was handled with consummate grace, both by the coup leaders and by the former president himself.

Even the announcement was smoothly orchestrated, coming in apparent response to a routine question from a wire service reporter. But it can

hardly be a coincidence that the revelation was made to the senior White House correspondent. There is some speculation that the entire exchange between Reagan and Thomas was prearranged so as to minimize public panic.

Early indications are that the coup was prompted by Reagan's refusal to take actions to combat the country's near-record and still-growing unemployment rate. The tax increase, which the former president earlier had refused to consider, would be used to finance repair of the nation's bridges and highways, both because they desperately need repairing and because it is a time-tested way of creating jobs.

Apparently, leaders of the new government have decided to let Reagan remain at the White House, as a sort of figurehead caretaker. The best explanation may lie in the national polls.

As matters appear to be unfolding, the American people will still have Reagan, whom they like personally, and be rid of his policies, which they found increasingly dismaying.

Such sensitivity augurs well for the future of America.

Rowland Evans and Robert Novak

... No, He's Just Being Misadvised

Moments after President Reagan told his press conference Thursday that it would not take a palace coup after all for him to support higher gas taxes, one of his anti-tax economic advisers voiced his own disapproval of the scheme, but added: "If we get away with just that, we'll be well ahead of the game."

The nickel-a-gallon tax to finance public works spending is, therefore, a ploy to appease growing bipartisan hunger on Capitol Hill for old-fashioned pump-priming in the New Deal tradition. It is supposed to preempt ambitious schemes for far more spending and far higher taxes.

However improbable that goal, the gas tax ploy marks another benchmark in the administration's departure from basic principles. It undercuts both the "new federalism" and free-market economics; it signals that the White House is moving toward accommodation, not confrontation, with the expanded Democratic majority in the House and increasingly fractious Republicans in the Senate.

It also provides fresh evidence that Reagan is no match for the concentrated barrage from his advisers. Indeed, his turnaround on the gas tax raises this question: can he withstand the renewed spend-and-tax syndrome no matter how much he protests?

Consider the private White House briefing of Sept. 28 in preparation for the night's press conference. In the critique of Reagan's answers during a question-and-answer prep session, budget director David Stockman cautioned him about promising a balanced budget in the years ahead.

But, Reagan asked, wouldn't the \$100 billion tax increase he reluctantly swallowed last summer at least trim the projected future deficit? No, Stockman replied, the deficits will get bigger. Stunned, the president said: "If I had known that, I never would have backed the tax increase." For the next 10 minutes of the briefing, Reagan's eyes glazed over and his mind seemed detached.

Accordingly, at that night's press conference, when he was asked about new tax hikes and "specifically, an increase in the gasoline tax," he replied: "Unless there's a palace coup and I'm overtaken [laughter] or overthrown, no." Hearing that, and coupling it with his shock during the afternoon briefing session, White House insiders assumed the president had drawn the line.

What's more, there were plenty of arguments inside the administration to bolster the president's instincts against the gas tax, plugged relentlessly for two years by Transportation Secretary Drew Lewis. Stockman, for once opposing higher taxes, has argued that the non-interstate highways most in need of repair are the responsibility of the states. Reagan's "new federalism" would dictate that if states want to repair their roads, they should raise their own gasoline taxes.

The more sophisticated argument at the Treasury discounts the notion that the gas tax actually creates jobs. The increase in the price of gasoline could cost as many jobs in the energy industry as it creates building highways.

But even the Treasury is split. At last week's Cabinet council meeting the

day before Reagan's press conference, Stockman was the only solid voice against the tax. Even White House aide Rich Williamson, usually strong against higher taxes, was benevolently neutral in his role as the presidential liaison with hard-pressed state governments.

At last week's press conference (his first since Sept. 28), the president apparently had forgotten that his "palace coup" crack answered a specific gasoline-tax question, claiming he was referring only to "general" tax increases. More remarkably, Reagan had swallowed whole Lewis' contention that the tax is a "user fee" (Treasury experts consider it, plain and simple, an excise tax). Reagan also reverted to New Deal logic in declaring "There would be jobs created" by the tax.

The hope of conservatives inside the administration that this at least would forestall worse retreats is dimmed by decisions facing the president this week. He will be asked by his budget-makers whether he wants to slash defense spending, raise taxes or abandon the balanced-budget goal.

Ronald Reagan, still ignoring the monetary policy that has created this deep recession, is entrapped in the budget process that led to the huge tax increase (and no relief in budget deficits). The immemorial pressures to spend and tax are not going to be assuaged by the ploy of a 5-cent gas tax.

The Washington Times

TUESDAY, NOVEMBER 16, 1982

Time for another White House 'coup'

In September, President Reagan said it would take a "palace coup" to get any further tax increases past him — on gasoline or anything else. Of course, the palace coup had already taken place last summer, when his advisers persuaded him that a \$99 billion tax increase would narrow the deficit.

That wasn't just a coup; it was a lie. By September they were telling him the deficit would grow anyway.

By last week, the president's advisers had pulled another one. They got him to say a \$5.5 billion gas-tax hike was (a) under active consideration, (b) was not a tax increase at all, but a boost in "user fees" and (c) would lower unemployment by creating jobs.

"User fees" our foot. Ditto for unemployment medicine. A tax is a tax. You pay it whether you ever drive over a bridge or a road to be repaired by the tax. You also pay a real "user fee" when you drive over the growing number of toll roads and bridges in this country.

Since the gas tax hike would be introduced as part of the fiscal 1984 budget, it wouldn't begin creating jobs until 1985 — *during* the recovery. The jobs would be in construction. But \$5.5 billion taken out of consumers' pockets will leave that much less to spend on food, clothing, energy and what-have-you. This will mean fewer jobs in the food, clothing, energy and what-have-you industries.

We get tired of saying it: But, no, there's no free lunch in government job-creation either.

The gas tax will take even more out of the economy — and the recovery. Salesman and truckers will have to pay it and pass it on to employers and shippers and manufacturers. They'll pass it on in higher product prices, leaving still less for consumers to spend. Ergo, an even more sluggish recovery and still fewer jobs.

The truth is the president's advisers know this. And don't care that it undermines Reaganomics' supply-side incentives (more

taxes mean less money for saving and investment) and the New Federalism (if the states need to repair intrastate roads and bridges, let them raise the money from their own taxpayers).

No, what the president's men are after has nothing to do with principles, Reagan's or anybody else's. Or with what's good for the nation in the long run. They want to pre-empt the Democrats on spending for job creation—or, rather, the illusion of job creation. They think this will buy voter loyalty for Republicans. And show the electorate the Reagan White House *cares*.

Cares? Cares enough to hike taxes \$99 billion after giving a paltry 5 percent personal income tax break? Working people we know shook their heads over that one — and muttered: "The bastards, they give it to you one day and take it away the next." And the president's men wonder why the GOP lost 26 House seats on Nov. 2.

Cares enough to sock Americans again, with \$5.5 billion more in excise taxes? To create jobs in one industry and take them away from others?

When Reagan learned the deficit would rise in spite of the \$99 billion tax increase, he reportedly said if he had known, he wouldn't have backed the increase. His instincts had been right.

He knew it was bad economics and that the electorate would see it that way. His advisers, the same ones who told him to abandon Reaganism during the midterm elections, were wrong.

For the past two years, his instincts told him to hold out against a gasoline tax boost. Now his advisers are on the verge of pulling another anti-Reagan tax coup. They don't or can't understand that most Americans don't want from Reagan more of the Democrats' tax-and-spend policies. These won't pre-empt the Democrats. Tax-and-spend will merely pre-empt Reaganism. It's time for another coup in the "palace." This time, by the president. To get rid of his mis-advisers.

Conservatives Form Committee Against Tax Hike

An ad hoc political committee, Conservatives Opposed To The Tax Increase, was formed recently during the congressional debate on the \$228 billion Reagan-Dole tax bill. Purpose of the committee, according to Richard Viguerie, CD publisher, was "through mailings, phone banks, meetings with congressmen, speeches and concerted press activity to get the message to the White House and Congress that Americans are taxed too much and this bill should be defeated."

Conservatives Opposed To The Tax Increase was a key factor in mobilizing opposition to the tax bill. More than 200 conservative leaders from all across America joined the Committee. Members of the committee are listed below: (Organizations are listed for identification purposes only.)

ALFIERI, Dennis, Arcadia, Calif.; Field Rep., Rep. John Roussetot
 ALTHAM, James F., 1976 Connecticut chairman, Citizens for Reagan
 ANTOSH, Steve M., Springfield, Va.
 ARENA, John, Rome, N.Y., Right-To-Life Federation chairman
 BACLE, Rev. Robert B., Austell, Ga.
 BAILEY, James D., Jamestown, N.Y., Moral Majority chairman
 BAKKE, Charles Q., Anniston, Ala.
 BALDWIN, Chuck, Pensacola, Fla.
 BARLOW, Rev. W. C., St. Louis, Mo.
 BAUMER, David L., Raleigh, N.C., North Carolina State University Department of Economics
 BELKNAP, Paul A., Charleston, S.C.
 BELL, Curtis, San Antonio, Texas; District Director, Conservative Caucus
 BENNETT, James T., Fairfax, Va., George Mason Univ., Dept. of Economics
 BENZ, John G., Pittsburgh, Pa.
 BESSLER, Edward W., Covington, Ky.
 BESSLER, Edward W., Covington, Ky.
 BINGHAM, Jean, Catonsville, Md.
 BLACK, Charles, Alexandria, Va., Political Consultant, Black, Manafort and Stone
 BORICH, Rev. Frank E., Greenburg, Ky.
 BOYNTON, Rooks E., Clarkston, La.
 BRADFORD, M. E., Dallas, Tex., Univ. of Dallas, Dept. of English
 BRIDGES, Billy A., Hallsville, Texas
 BRADY, J. Christopher, Alexandria, Va.
 BROOKS, Roger A., Washington, D.C., Heritage Foundation
 BUCKLEY, John S., Vienna, Va., former Va. state delegate
 BURCH, Mike, Washington, D.C., National Taxpayers Legal Fund executive director
 CAGLE, Roy, Joplin, Mo., State Representative
 CAMPAGNE, Tony, Manchester, N.H.
 CHAMBERLAIN, John, Cheshire, Conn.
 CHRISTY, George A., Denton, Tex.
 CIGNA, Paul, Winfield, Ill.
 CONNOR, L. S., Lancaster, S.C., physician
 COUEY, Rev. Charles M., Eight Mile, Ala.
 CRAPPS, Rev. Burton M., Alma, Ga.
 CROUCH, Dr. E. C., White Rock, S.C.
 CROWELL, Harold F., Wrentham, Mass.; State Chairman, Moral Majority
 DAUGHERTY, Lloyd, Knoxville, Tenn., Southern Regional Director, YAF
 DAVIS, J. Frank, Dallas, Tex.
 DEHR, Albert, Sacramento, Calif.
 DeLONGE, Berdette, Kalamazoo, Mich.; Republican Exec. Committee
 DEMETTER, Douglas, Erie, Pa.
 DENMAN, Morris W., Lyn Haven, Fla.
 DILORENZO, Thomas J., Fairfax, Va.; Asst. Prof. of Econ., George Mason Univ.
 DINGMAN, Dick, Vienna, Va.; Chairman, Kingston Group
 DOLAN, John T. (Terry), Arlington, Va.; Exec. Dir., NCPAC
 DOUGHERTY, Jude P., Potomac, Md.; Chairman, School of Philosophy, Catholic Univ.
 DREYER, Dr. June Teufel, Center for Advanced International Studies
 DUGNAN, Peter, San Francisco, Calif.
 DURANTINE, J. E., Lakewood, Ca.
 DURRETTE, Wyatt B., Jr., Fairfax, Va.
 EDWARDS, Rev. Linton, Lyndale, Ga.
 ELAM, Arlo, Manchester, N.H.
 FALSTER, Karl E., Jackson, Miss.; Exec. Dir., Miss. Moral Majority
 FIKE, Elmer, Nitro, W. Va.; Chairman, Bye Bye Byrd Committee
 FISHER, Paul A., Bowie, Md.; *The Wanderer*
 FISHER, Scott S., Washington, D.C.

FOLLETTE, Walter D., Jonesboro, Ariz.
 FRECH, H. E. III, Santa Barbara, Calif.
 FUCETOLA, Ralph III, North Jersey, N.J.
 GABBERT, Dr. Janice J., Dayton, Ohio
 GEANDREAL, Robert A., Indian Lake, N.Y.
 GEMMA, Peter B., Jr., Falls Church, Va.; Executive Director, National Pro-Life PAC
 GEORGE, French, Monticello, Miss.
 GILDER, George, New York, N.Y.; International Center for Economic Policy Studies
 GODWIN, Ronald, Vice-President, Moral Majority, Inc.
 GORDON, Leon, Needham, Mass.
 GREENE, Kathy, North Jersey, N.J.
 GUNNISON, Foster, Jr., Hartford, Conn.
 HAINES, Mrs. Adelle, Brooklyn, N.Y.; Publisher and Editor, *The Greenpoint Gazette*
 HAGER, Rev. W. N., Pelham, Ga.
 HALL, Malcolm C., Montgomery, Ala.
 HARKINS, Jim, Ft. Walton Beach, Fla.
 HARRIS, Dr. William E., Somerset, Ky.
 HART, Jeffrey, Hanover, N.H.; Dartmouth College
 HAUSKINS, David E., Grand Rapids, Mich.; Michigan Coordinator, The Conservative Caucus
 HEBERT, Joseph, St. Paul, Minn.
 HECKMAN, Robert C., Washington, D.C.; Executive Director, Fund for a Conservative Majority
 HELDMAN, Dr. Dan C., Irving, Texas; Graduate School of Management, University of Dallas
 HEY, John, Greenwood, Miss.
 HICKEY, Rev. Orville D., Gray, Ky.
 HITCHCOCK, David, Tulsa, Okla.; 1980 Reagan Delegate (Detroit)
 HODGES, Mark, Tomlinson, N.C.
 HODGES, Pastor Melvin, Baton Rouge, La.; Foundation for Black Christian Education in America
 HUMMEL, Rev. Dan, Harrisburg, Pa.
 HYATT, C. J., Winston-Salem, N.C.; District Director, The Conservative Caucus
 IRELAND, Dr. Thomas R., St. Louis, Mo.; Economics Dept. U. of Missouri
 JALWASSER, Melvin, Reedley, Calif.
 JONES, Gordon, Washington; Exec. Director, United Families of America
 JORDAN, Rev. E. David, Chattanooga, Tennessee
 KEATING, David, Washington, D.C.; Director of Legislative Policy, National Taxpayers Union
 KIMBALL, Rev. Thomas E., El Dorado, Ark.
 KING, Randy, Vanleer, Tenn.
 KINTNER, William R., Philadelphia; Professor, U. of Pennsylvania
 KNIEP, Jerre G., Dallas, Texas
 KORSMOAL, Dr. Maurice, Amarillo, Texas
 KVAM, Adolph L., Minnesota; State Representative
 LATIMER, Tom, Chicago, Ill.
 LAWLER, Philip F.
 LAWSON, Charles R., Waltersboro, S.C.
 LEN, Leonard F., Leslie, Mich.
 LEVIN, Michael, Professor, City College of New York
 LIEBERMAN, Eddie S., Greenville, S.C.
 LONGYEAR, R. M., Lexington, Ky.
 MABEY, Howard, Cedar Hill, Texas
 MacDONALD, A. H., College Park, Ga.
 MALONEY, Ray A., Redondo Beach, Calif.
 MANAFORT, Paul, Jr., Alexandria, Va.; Political consultant, Black, Manafort & Stone
 MARTIN, Dr. Dolores T., Lincoln, Nebr.
 McCULLOCH, Dr. Wendell H., Jr., Prof. of Finance, Calif. St. Univ. Long Beach

McGRAW, Onalee, McLean, Va.; Heritage Foundation
 McGUIGAN, Patrick, Arlington, Va.; Editor, Initiative and Referendum Report
 McHAN, Rev. J. T., Marietta, Ga.
 McQUEEN, Pastor Don, Washington, Mo.; Pastor, 1st Baptist Church
 MENGDEN, Walter, Texas; State Senator
 MILLS, Charles G., New York, N.Y.; lawyer
 MOE, Alice J., Salinas, Calif.
 MONTGOMERY, Marion, Crawford, Ga.
 MOSER, Charles A., Washington, D.C.
 MYERLY, Mrs. Robert, Franklin, Ohio
 NELSON, Edward, Belmont, Mass.
 NELSON, Gordon, Grafton, Mass.; GOP National Committeeman
 O'BRIEN, Rev. Frank, Lake Park, Ga.
 OLIVER, James L., Royal Oak, Miss.
 PALMER, Edward, Lake Oswego, Ore.
 PANUZIO, Nicholas, Alexandria, Va.; political consultant, Black, Manafort & Stone
 PASOUR, E. C., Raleigh, N.C.
 PAYNE, Wesley, Memphis, Tenn.
 PETRO, Sylvester, Winston-Salem, N.C.
 PETTY, Judy, Little Rock, Arkansas; State Representative
 PHILLIPS, Howard, Vienna, Va.; National Director, Conservative Caucus
 PIERCE, Jacqueline Smith, Jackson, Miss.; American Public Policy Foundation
 PLETTA, D. H., Blacksburg, Va.
 PORTER, Rev. Sam, Eakly, Okla.
 POWELL, Dr. William A. Sr., Buchanan, Ga.; Editor, *Southern Baptist Journal*
 PYLE, Rev. Norman, Riverdale, Ga.
 QUINN, Arthur B., Waterbury, Conn.
 RADZAI, Dr. Frank, Harrisburg, Pa.
 RAINES, Rev. Carl H., Westminster, S.C.
 REAL, Jere
 REES, John, Baltimore, Md.; *Review of the News*
 REGINERY, Henry, Chicago, Ill.
 REINHARDT, Gough C., Pleasanton, Calif.
 REYNOLDS, Alan, Morristown, N.J.; Vice-President and Economist, Polyconomics, Inc.
 RHODES, Mark, Illinois; State Senator
 RIBBLE, Ileadia, Fairfax Station, Va.; Va. Taxpayers Assn.
 RICE, Dr. Charles, South Bend, Ind.; Professor of Law, University of Notre Dame
 RILEY, Ken, Texas; State Representative
 RIZZO, Mario, Economics Department, New York University
 ROAN, M. G., Jr., Vidalia, Ga.
 ROBBINS, O. C., Hammond, Ind.
 RUEDA, Rev. Enrique T., Washington, D.C.; Director, The Catholic Center
 RUSHDOONY, Rev. R. J.; Vallejo, Calif.
 RUSSELL, Rev. Clarence K., Houston, Texas
 RUSSELL, Jerry, Little Rock, Ark.
 RUTLEDGE, Steve, Greenville, S.C.
 RYKER, Dr. Kenneth, Fort Worth, Texas
 SCHAEFER, David, Worcester, Mass.; Holy Cross College
 SCURLOCK, Joseph H., Sr., Aripeke, Fla.
 SECKER, Girard V., Hannibal, Mo.; District Director, Conservative Caucus
 SELLERS, Al, Houston, Texas
 SEMMENS, John, Tempe, Ariz.
 SENNHOLZ, Hans, Grove City, Pa.
 SEREG, Ronald, Washington, D.C.
 SHIELDS, John E., Miami, Fla.
 SILVERS, Rev. Dale L.
 SIMMS, Mrs. John M., Alexandria, Va.
 SIMMS, Pastor Robert F., Charlotte, N.C.
 SIZEMORE, Rev. Hershel, Montgomery, Ala.
 SOUTH, Furman, III, Zelenople, Pa.
 SPEAKMAN, W. A. III, Wilmington, Del.

SPIRES, James W., Aribi, Ga.
 STIVERS, T. W., Idaho; State Representative
 STONE, Roger J., Jr., Alexandria, Va.; Political Consultant, Black, Manafort & Stone
 STREET, Philip P., Hayward, Calif.
 SWEENEY, Jon G., Redmond, Wash.
 TARLETON, Sam, Lake Charles, La.
 TEAGUE, Kathleen, Washington, D.C.; Executive Director, American Legislative Exchange Council
 THOBURN, Robert L., Fairfax, Va.; Fairfax Christian School
 THOMPSON, B. G., Fort Worth, Texas
 THOMPSON, Michael, Virginia
 TIMBERLAKE, Richard H., Athens, Ga.; Professor, Banking and Finance, University of Georgia
 TODD, Don, Washington, D.C.; Executive Director, American Conservative Union
 TOTTINGHAM, Dr. Ron, Sioux Falls, S.D.
 TOWNSHEND, Jim, Fullerton, Calif.; *The National Educator*
 TRIPP, Bill, Houston, Texas
 VAN DOMELIN, John E., Bryan, Texas
 VAN EATON, Dr. Charles, Hillsdale, Mich.; Dept. of Economics, chairman, Hillsdale College
 VARNELL, Rev. Wallace A., Chattanooga, Tenn.
 VAUGHN, Karen, Fairfax, Va.; George Mason University
 VIGUERIE, Richard A., McLean, Va.; publisher, *Conservative Digest*
 VINCENT, JOHN S., Ontario, Ore.
 WALTER, Charles, Southfield, Mich.
 WALTON, Rus, Marlboro, N.H.; chairman, Plymouth Rock, Foundation
 WANINSKI, Jude, New York, N.Y.; President, Polyconomics, Inc.
 WARE, James H. Jr., Baton Rouge, La.
 WATTS, V. O., Midland, Mich.; Director of Economic Education, Northwood Institute
 WAY, Bernard J., Monterey, Calif.
 WEBB, James A., Mohawk, Tenn.
 WELCH, Robert, Belmont, Mass.; Founder, John Birch Society
 WESTOVER, Helen, Pasadena, Calif.
 WICKES, Kim, West Memphis, Ark.
 WIDENER, Alice, New York, N.Y.
 WIEGAND, G. C., Carbondale, Ill.
 WIERSMA, Charles M., Grand Rapids, Mich.
 WRIGHT, Richard O., Oxford, Wis.
 YESSE, Craig, Connecticut
 ZIELINSKI, Ron, La Habra, Calif.; State Director, The California Roundtable
 SHIELD, John, Miami, Florida
 VICKERY, Harry, Saddle River, New Jersey
 BALOGK, Sander, Troy, New York
 COLLINS, Henry, Paducah, Kentucky
 SCMITZ, Mark, Seattle, Washington
 UHLMANN, John W., Kansas City, Mo.
 GILLESPIE, Kenneth, Memphis, Tennessee
 VAN NUS, Albert, Valdosta, Georgia
 MOORE, James
 GAYLORD, ROBERT M., Rockford, Illinois
 JOHNSON, Lavoy, Lithonia, Georgia
 SLOM, Sam, Honolulu, Hawaii
 TAYLOR, Jaquelin E., Richmond, Virginia
 CAMPAGNE, Jameson, Aurora, Illinois
 STEWART, Col. John, Monument, Colorado
 REYNOLDS, Morgan, College Station, Texas
 BERGGREN, Jennie, Duluth, Minnesota
 BLOCK, Dr. Michael, Tucson, Arizona
 BETHELL, T., Washington, D.C.

Conservative Digest

7777 Leesburg Pike, Falls Church, Virginia 22043
(703) 893-1411

November 19, 1982

Dear Friend:

A few months ago, the Reagan Administration was successful in passing legislation to increase taxes by \$228 billion between now and 1987. Now, new ideas are brewing to extract even more money from the American people!

Serious consideration is being given by the leadership of the House of Representatives and the Senate and the White House staff to increasing the federal gasoline tax by five cents per gallon. In addition, talk is being heard of a big increase in Social Security taxes.

Both of these proposed tax increases would seriously damage the economy by diverting more disposable income from the people to the government! Many families are already having a hard time making ends meet! We do not need to add to their difficulties in making a living!

I am afraid that one option has been missing from the alternative approaches to funding defense, a jobs program, and Social Security -- reduce spending on low priority and counter-productive projects. Our critical needs can all be provided for by transferring funds out of the budgets of the Departments of Energy and Education, from foreign aid, or out of our contributions to the United Nations. We absolutely do not need to increase taxes on the people!

If we conservatives can speak out immediately against both of these proposed tax increases, we could stop them before they get much further! If the President and the GOP Congressional leadership realize that there is a broad grass roots opposition to increasing taxes, we might be able to overcome those who are pushing for those new taxes! But if we delay, it may be impossible to stop later!

A copy is enclosed of a draft of a proposed news release that I am planning to send out in the next few days. With your permission, I would like to include your name on the list of prominent conservatives opposed to tax increases!

Please return the enclosed card as soon as possible or call

(over, please)

my office at (703) 356-0440 ext. 277 and ask for Art Kelly.
While you are at it, please let your two Senators, your
Congressman, and the President know how you feel on this
vital matter! It is important that we act now!

Regards,

Richard

Richard A. Viguerie
Publisher

CONSERVATIVES OPPOSED TO INCREASED TAXES

Dear Richard,

 YES, please include my name in your news release of those opposing new taxes. I understand that I am signing as an individual only, and that this will be made clear in any of the committee's public statements.

 NO, I do not wish to participate.

Signed _____

RICHARD A. VIGUERIE
C/O CONSERVATIVES OPPOSED
TO THE TAX INCREASE
7777 Leesburg Pike
Falls Church, Virginia
22043

Conservative Digest

7777 Leesburg Pike, Falls Church, Virginia 22043
(703) 893-1411

April 8, 1982

Dear Friend:

I and many other conservatives feel that our number one political objective should be to have the U.S. Congress stop giving hundreds of millions of dollars each year to the political Left.

The use of taxpayer money to fund leftist groups should concern everyone who believes in fairness. This problem reached a peak in the Carter years, and it still plagues the Reagan administration.

April's 56-page issue of Conservative Digest focuses on how Congress helps finance the Left through federal grant programs. It marks the first time an entire issue of the magazine has been devoted to one subject. It reveals important new information on liberals who receive federal tax dollars.

We are bringing this shocking story to the attention of our national leaders and concerned citizens throughout the country. A saturation radio advertising campaign in the Nation's Capital is planned. The magazine also will be mailed to the entire Congress, the White House, key members of the Executive Branch, and newspaper columnists, reporters and editors. Radio and television editors throughout the country, in addition to conservative activists and religious leaders, will also receive a copy.

Members of pro-family, pro-life, pro-right-to-work, pro-defense, pro-business and other conservative groups, whose liberal opponents are funded with tax dollars, share a concern about this issue.

I have enclosed a copy of the April issue. I hope you find it useful.

Sincerely,



Richard A. Viguerie
Publisher

Enclosure

Conservative Digest

7777 Leesburg Pike, Falls Church, Virginia 22043
(703) 893-1411

For Immediate Release

April 7, 1982

Contact: John Lofton (303) 893-1411
Gary Maloney (703) 893-1411

CD Research Reveals:

HUNDREDS OF MILLIONS IN TAX DOLLARS GO TO LEFTIST GROUPS ;

175 LEFT-LEANING GROUPS THAT GET FEDERAL MONEY ARE LISTED ;

REAGAN ADMINISTRATION CONTINUES GRANT GIVEAWAYS TO LIBERAL ACTIVISTS:

CD Lists 30 Reagan Grants to Left Groups in 1981 Alone

PRESIDENT URGED TO REPLACE EDUCATION SECRETARY TERREL BELL:

His Department Has Refused to Stop Funding of Radical Organizations

The New Pork Barrel: HOW WASHINGTON FUNDS THE LEFT is the topic of the special 56-page April issue of Conservative Digest.

In the last five years hundreds of millions of dollars have flowed into the coffers of left-wing organizations, CD has discovered.

"The poor and needy are supposed to receive this federal aid and benefit from federal programs. But in case after case -- in program after program -- the leftist career bureaucrats and social activists use this money to further their own political goals," states the magazine's introduction.

"Programs like Legal Services, CETA and Title X Family Planning are dominated by leftists who use them to pay for political and social activism. The voters do not support this -- but the money still flows to the agencies, and from the agencies it goes to the Left."

GRANTS TO THE LEFT CONTINUE UNDER REAGAN

CD lists a sampling of the grants to anti-Reagan Left-oriented groups since Reagan came to office. These include:

● \$656,664 to Jesse Jackson's PUSH-EXCEL from the Department of Education (September 30, 1981)

● \$275,755 to the National Organization for Women's Legal Defense and Education Fund; two grants from the Department of Education's Women's Equity Program (June 30 and September 18, 1981)

● \$240,000 to the National Urban League from the Environmental Protection Agency (February 1, 1981)

● \$350,000 to the National Economic Development Law Project from

(more)

the Community Services Administration, now the HHS Office of Community Services (July 13, 1981)

CD RESEARCH REVEALS LONG, EXPENSIVE HISTORY OF TAXES GOING TO LEFT ACTIVISTS

Conservative Digest reviewed hundreds of government documents, many obtained through the Freedom of Information Act. Among the findings published in the April issue:

---175 Left-Leaning Groups That Have Received Tax Dollars. From David Rockefeller's Council on Foreign Relations, to the Naderite Center for Auto Safety, to the AFL-CIO, to William Winpisinger's Citizen/Labor Energy Coalition, to Tom Hayden's Laurel Springs Institute, 175 organizations that took grants in the past five years.

---A Close-up on 30 Major Grant Recipients: Who Funded Them, How Much They Got. The bottom line on 30 tax-funded groups -- the total federal take according to CD sources.

---Close-ups on How Big Labor, Environmentalists, Planned Parenthood and Jesse Jackson Use Their Hefty Federal Grants.

---Articles on programs aiding the Left: Legal Services, CETA, Arts and Humanities, and VISTA.

-- EXCLUSIVE: From Inside the Education Department, A Look at a Program Run By and For Radical Feminists -- Women's Educational Equity Act Program. An honest bureaucrat tears the lid off a liberal scam.

PRESIDENT URGED TO STOP GRANTS TO LEFT, REPLACE EDUCATION SECRETARY BELL

In his monthly column, CD publisher Richard Viguerie outlines a three-point plan for President Reagan to stop the flow of federal dollars to the Left.

---Terrel Bell Should Be Replaced as Secretary of Education: "Bell has failed to stop the flow of federal dollars to radical groups...He is fighting to preserve his department under a new name (Foundation for Education Assistance). President Reagan should replace him quickly," Viguerie says.

---Reagan should immediately freeze all grants to activist groups and order a review of each grant. "Each grant [should] be approved by a specifically designated Reagan appointee to make sure that no political groups are getting federal dollars," Viguerie says.

---The President should move to convert all grant programs into contracts. "It's very difficult to keep track of grants, and abuses usually aren't discovered until after the money has been spent...A contract requires the recipient to meet specific goals...and can be ended on short notice due to abuse or the failure to perform satisfactorily," Viguerie says.

A copy of the April issue of Conservative Digest is attached.

Conservative Digest

7777 Leesburg Pike, Falls Church, Virginia 22043
(703) 893-1411

August 6, 1982

Dear Friend:

Ronald Reagan was elected President to make Big Government smaller.

Repeatedly, as a candidate and, until just a few months ago as President, Mr. Reagan stated clearly how this was to be done: by reducing taxes and cutting federal spending.

Now, the President is supporting legislation sponsored by Sen. Robert Dole (R-Kan.) which would increase taxes. The Dole bill would increase taxes by almost \$99 billion by 1985. But, this is not the whole story. Through 1987, the Dole bill would increase taxes by nearly \$228 billion.

A spokesman for the Treasury Department, Charlie Powers, says the Dole bill is the "largest one-year and three-year legislated tax increase on record, in dollar terms, in a single piece of legislation."

There are many other bad features to Dole's bill. For example it would increase I.R.S. agents by 5,200 and double the number of audits that I.R.S. conducts each year.

Events are moving swiftly. Time is rapidly running out on this issue. The Dole bill is now before a Senate-House conference committee. It is expected to be voted on by the House and the Senate within the next two weeks.

Already a firestorm of reaction is beginning to build against the Reagan-Dole effort to increase taxes. On July 20, a coalition of 42 conservative leaders signed a statement protesting this action.

On August 4, another group of 24 supporters of President Reagan met and also signed a statement opposing the Reagan-Dole tax hike.

There is an urgent need to let conservative Congressmen know that conservatives across America are strongly opposed to raising taxes.

If conservatives don't speak out quickly, the tax bill may pass Congress within the next 2 weeks.

I would like for you to join a new Ad Hoc committee that has been established for the sole purpose of opposing this tax increase.

I would like to add your name to the other conservative leaders who I expect to become members.

-MORE-

I plan to issue a press release announcing the committee next Thursday, August 12th. Please send me your reply today so we'll have it in time to include in our press release.

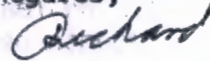
I am interested in adding your name to our committee because you are a key leader who will help influence public opinion on this absolutely crucial issue.

Enclosed is background material on the Dole bill.

If you will join our Committee, which we are calling Conservatives Opposed to the Tax Increase -- and I hope you will -- please call my office by Wednesday, August 11, 1982. My number is (703) 356-0440 and ask for GARY MALONEY or mail the enclosed reply form no later than Monday, August 9th.

If Congress receives a large outpouring of mail and phone calls, I am convinced this tax hike can be defeated. Please do all you can to urge people you are in touch with to contact their Congressmen, Senators and the President immediately. Thank you.

Regards,



Richard A. Viguerie
Publisher

P.S. Once again, we have an example of Conservative Congressmen being asked to raise the taxes to pay for Great Society/liberal welfare programs.

Rowland Evans And Robert Novak McGovern Would Be Proud

The transformation of Ronald Reagan into a tax reformer capable of converting George McGovern's dreams into reality was beyond doubt at 10:15 a.m. last Thursday when Republican senator Robert W. Kasten Jr. was summoned to the Oval Office to face the great communicator.

Using all his magnetism, the president pleaded with Kasten, a 40-year-old Wisconsin conservative elected in the 1980 Reagan sweep, to withdraw his amendment to the tax bill. That amendment would have stripped the bill of a proviso to withhold taxes on dividends and interest, long the far-out dream of tax reformers now becoming reality under Reagan.

Kasten refused. But under the White House whip, 24 Republican senators who sponsored a 1980 resolution opposing a similar withholding scheme by President Carter voted for it in the Senate Thursday night as it passed, 50 to 47. One word from the president could have chilled the amendment and the bill.

Instead, the famed anti-taxer pushed for a tax increase that is not only one of the largest in history but that contains a generation worth of accumulated tax reform debris geared to higher revenue and soaking the rich. The late edition even includes Jimmy Carter's notorious attack on the three-martini businessman's lunch. Alternative explanations of Reagan's conduct are equally damning: that in his rush for revenue, he either did not understand or did not care.

As a result, liberal Democrats won the best of two worlds: a bill that achieves McGovern-Carter tax reform beyond their wildest dreams but that bears a Republican label. Only two other freshman senators, Florida's Paula Hawkins and Georgia's Mack Mattingly, joined Kasten to break Republican ranks on final passage. Smirking Democrats to a man voted against it, not wishing to be saddled with increasing taxes in an election-recession year.

Some administration officials who understand the debacle blamed the Treasury for giving Sen. Robert Dole a free hand in writing the 700-page bill in his Finance Committee. "We let Dole run loose. Just when he was

launching his campaign for president," one official told us.

But that lets the Treasury off too easily. In truth, the Dole bill emerged from the catacombs of the Treasury where holdover bureaucrats in the Tax Division unearthed their hoary "loop-hole-closing" schemes last September when White House chief of staff James Baker began his drive for more revenue. Their boss, Assistant Secretary Buck Chapoton, is a Houston tax lawyer congenial to cleaning up the tax code at the expense of the taxpayers.

The two main supply-side economists at Treasury, Under Secretary Norman Ture and Assistant Secretary Paul Craig Roberts, protested futilely and finally resigned. Secretary Donald T. Regan allowed himself to be swept along by the tide. On the day the bill was brought up in the Senate, Regan was oblivious to private protests from Peapack chief Don Kendall and economist Walter Williams.

There was no voice in the administration to echo Sen. Kasten's plea that "we Republicans were not elected to raise taxes on savings and investment." Instead, Don Regan was pumping the telephone to support the interest and dividend withholding provision.

The rationale for the president to swallow a McGovernite tax bill is his belief, mocked by sophisticated opinion, that the bill will make markets soar and interest rates fall. Despite a lifetime of sermonizing against liberal

tax policy, he swallowed the Dole bill as effortlessly as he had massive tax increases as governor of California.

Speaker Thomas P. O'Neill, a last remaining political asset for the Republicans, nearly saved the GOP as the Senate bill was passing by insisting that anti-oil taxes be added in the House. Majority Leader Jim Wright, understanding that the bill must retain its Republican label, quickly repaired the damage.

That leaves the fate of the bill squarely in Republican hands. "In this bill, we alienate the last constituency that has any use for the Reagan administration—business," one key House Republican leader told us. He is hard at work to expunge the anti-business provisions from the bill but retain the \$99 billion in extra revenue.

However, that would mean still higher taxes for ordinary Americans. Norman Ture believes that, whatever the merit of one or two of the bill's provisions, no tax increase should be passed in today's economic climate. That credo is shared by Reaganites such as Rep. Jack Kemp of New York on the leadership and Reps. Phil Crane of Illinois and John Rousselot of California on the Ways and Means Committee. It is surely a Reaganite credo, even though Reagan himself has chosen to borrow the worst of George McGovern and Herbert Hoover by pushing revenue-raising tax reform amidst an economic agony.

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Rowland Evans

And Robert Novak

Revolt Against The Tax Bill

WASH. POST
AUGUST 4,
1982

The Oval Office presumption that Ronald Reagan can quell the Republican tax revolt with telephone calls to Reaganite congressmen is belied by a closed-door strategy session July 30 between Rep. Jack Kemp and national New Right leaders.

Present in Kemp's office were the Rev. Jerry Falwell of the Moral Majority, Howard Phillips of the Conservative Caucus and right-wing fund-raiser Richard Viguerie. All agreed that the \$99 billion tax increase, passed by the Senate at President Reagan's insistence, must die.

The meeting signified that for the first time as president, Reagan has lost the right-wing populists responsible for his nomination and probably his election. To save the tax bill that today would lose by 100 votes on the House floor, Reagan cannot hope for conservatives; he must now seek help from his mortal enemies in the Democratic establishment.

Seldom in history has a presidentially supported bill generated such passionate opposition within the president's own administration. Rebellious officials in the White House and Treasury are praying that the bill will be killed.

Their mood is intensified in the House. On July 28, Republicans voted 137 to 44 against the position of Minority Leader Bob Michel and Minority Whip

Trent Lott, who joined majority Democrats in sending the tax bill to the Senate-House conference. At the Republican caucus the next day, rebellious rank-and-file members scolded Lott and Michel, saying they were supposed to be representing the GOP congressmen, not the White House.

Nevertheless, the president's advisers this week were saying "the conservatives" in Congress were shaky and likely to bail out. Their conventional wisdom: Ron Reagan's mellifluous baritone over the telephone would bring around the rebels in the House as it did in the Senate.

Signs are that it will not. The meeting in Kemp's office signaled that the right is mobilized against Reagan for the first time. Kemp, seeking broader support, has called a meeting of Reagan friends, including ex-presidential aides Lyn Nofziger and Martin Anderson. The U.S. Chamber of Commerce is running its own opposition campaign.

Thus, the Republican tax revolt is no mid-summer escapade on Capitol Hill. It is a mid-term crisis for Reagan. Pummeled by Richard Wirthlin's polls showing he lacks fairness and David Stockman's balance sheets showing huge deficits, Reagan has alienated his right wing.

At one recent pep talk for business lobbyists in Wirthlin's office, Nancy Sinnott of the Republican Congressional Campaign Committee echoed the White House line: the "populist" tax bill would gain new ground for the GOP. Small business lobbyist Mike McKevitt exploded, contending Main Street America hoped for something new when it exchanged Jimmy Carter for Ronald Reagan. If Reagan now courts Democrats in Congress, he would be doing the exchanging.

WASH. POST
JULY 26,
1982

FRIDAY, JULY 9, 1982

VIEWS

Rowland Evans

And Robert Novak

Reagan Faces a Reaganite Revolt

Having agreed in detail to the largest tax increase in the nation's history, Ronald Reagan must now decide whether to battle a revolt against it by Reaganites in the House led by the president's old protégé, Rep. Jack Kemp. "Unbelievable!" was Kemp's description when Sen. Robert Dole, chairman of the Senate Finance Committee, pulled off the decade's greatest legislative sleight of hand by gaining committee approval of a \$98.6 billion, three-year tax increase. Kemp's attitude is shared by one Reaganite on the White House staff, who told us, "This bill violates everything we stood for on the campaign."

But perhaps insensibly, Reagan has drifted away from the 1980 campaign. Brilliantly executed though Dole's unexpected triumph was, he had support at every step from the administration. Treasury Secretary Donald Regan and Assistant Secretary Buck Chapoton visited every Republican on the Finance Committee to lobby for higher taxes. The president himself was no disinterested observer during the making of Dole's miracle. Over the telephone he vetoed a gasoline tax increase, sending Dole back to the drawing board for other revenue. Specifically, if incredibly, Reagan approved resurrecting Jimmy Carter's withholding of taxes on dividends and interest.

Over the last six months, Reagan has succumbed to

budget director David Stockman and chief of staff James Baker in accepting a policy of austerity in the teeth of the recession. Whereas in February the president spit out a \$9 billion gnat in rejecting higher excise taxes, in July he swallowed a \$99 billion elephant. He also swallowed a pledge. In a mid-June meeting at the White House, Reagan answered Rep. Ed Bethune of Arkansas by promising only a \$20 billion tax hike, limited to one year. The Dole package raises taxes forever.

Furthermore, its emphasis on "fairness" adopts the zero-sum philosophy that a rich man's tax benefit is a poor man's loss. Yet, the package still avoids confrontation with super-lobbies—particularly oil. Dole's early suggestions of an energy tax collapsed under threats from oil men back in Kansas. Instead, the bill hits cigarette smokers, telephone callers, airplane passengers and hospital patients. Its emphasis on enforcement concentrates on hounding waiters and waitresses to pay a tip tax and abandons successful Republican opposition to President Carter's proposed multiplication of IRS tax sleuths. All this dilutes the impact of the July 1, 10 percent personal income tax cut (on top of the \$12 billion Social Security tax hikes).

The bill seems headed for early Senate passage while bemused Democrats witness this painful Republican answer to the recession. But the House is another matter. Even loyalist House Republican whip Trent Lott is tiring of unfulfilled promises that successive exercises in austerity would bring down interest rates. Another member of the Republican leadership, conference chairman Kemp, will oppose the administration in full cry for the first time. More than half the 12 Republicans on the Ways and Means Committee may vote no. Only Reagan's intervention for higher taxes may stem the Republican revolt brewing from fear that the tax bill would ensure a Democratic landslide.

New tax bill means the collapse of Reaganomics

The collapse of Reaganomics (as the event is accurately being described) is testimony to a failure of both nerve and understanding. Sen. Robert Dole, R-Kan., the chairman of the Finance Committee, who mobilized all 11 Republican senators to vote for the highest single peacetime tax increase in U.S. history (in round

**WILLIAM F.
BUCKLEY**



figures, \$100 billion), is suddenly being greeted as a hero — by the Democrats. And with good reason.

In the first place he has thrown in with voodoo redistributionism, by coming in with a tax bill substantially aimed at higher income taxpayers and corporations. And he has baptized that bill as a Republican measure (all the Democratic senators voted against it); so that Republicans running for re-election will have the choice of explaining to their con-

stituents either that a) Americans are undertaxed; or b) Reagan made an awful ass of himself in 1981 by asking for more tax reductions than he should have done. I suppose a finished politician will come up with a third way of saying it, but if I were his Democratic opponent, I wouldn't let him get away with it.

Senator Dole and his Republican colleagues appear incapable of making one or two very simple declarations.

The first of these is that the progressive rate of taxation is too steep. Americans who work, who earn income, who provide jobs by investing that income or who provide markets by spending that income have been penalized. Taxed too much. Moreover, taxed without the explicit consent of their representatives in Congress. The tax on \$10,000 in 1972 was 7.5 percent. In 1980, it had grown to 10 percent. Up one-third. The tax in 1972 on \$30,000 was 14.7 percent. In 1980, it had grown to 21 percent. Up almost 50 percent. The idea, then, was to flatten the progressive curve because its steepness had begun to choke economic enterprise. We are scheduled to

spend 23 percent of every dollar on government this year. Twenty years ago that figure stood at 13 percent.

The original idea (Kemp-Roth) was to reduce taxes evenhandedly. Since everyone knows that 10 percent of \$100,000 is more than 10 percent of \$10,000, the Reaganites should have been prepared for all that rhetoric about favoring the rich. But not having stressed the risks of excessive progressivity, they proved unready for it. Came the big media ululations about the rich.

So along comes Dole with a complicated 24-point tax increase, aimed primarily at depressing exactly those people and enterprises we need at this moment to energize. Why increase taxes on corporations, when corporations are earning at the lowest rate in years and are going bankrupt in the greatest number since the Depression? Why are we so concerned to get more money from General Motors, when General Motors is already losing money?

And we are going now to tax dividends and savings at the source. The same president, who as governor of California denounced the withholding

tax, would preside over its extension to bank accounts. Why? To feed more money, more quickly, to the government. Which means the banks will need to charge more interest to pay for the paperwork. Oh yes, and if they work longer hours, they'll smoke more cigarettes and, paying higher taxes, will swell government revenues. So will you do when you telephone, or travel by airplane. The airlines are losing money, so tax air travel.

The philosophical basis of Reaganomics was in part that people overtaxed don't do as much. And in part that government does too much. Senator Dole has capitulated on both fronts. One must hope that the president's tacit approval of Dole's bill was wrung from him in the middle of a coughing fit during which Mr. Reagan could not collect his senses. Or that he will now regroup his forces, fight it out in the House and veto the bloody thing on the grounds that when he said he wanted to reduce taxes and reduce government, he didn't mean the opposite of that.

William F. Buckley's column appears Tuesday and Thursday.

Editorials

Dole ushers in GOP surrender

Now I know how the old civil rights crowd must have felt when it came over the wire that the Rev. Ralph David Abernathy was endorsing Ronald Reagan.

The New Republic, which never met a tax increase it didn't like, has just devoted its lead editorial to the beatification of Bob Dole.

"Who would have thought that Sen. Bob Dole, bad boy Republican-vice presidential candidate in 1976 and co-perpetrator (with President Reagan and the House Democratic leadership) of the rich people's tax bonanza of 1981, would emerge as the loophole-closing hero of 1982? Well, it's happened. To the horror of right-wing ideologues and corporate lobbyists, Dole convinced his Senate Finance Committee to accept \$98.6 billion in tax increases over a three-year period, restoring roughly a fifth of the revenue losses imposed by the 1981 act ..."

The Left can hardly believe its luck. The largest tax increase in history, "Democratic in spirit" in the depiction of The New Republic, has been shaped by conservative Republican Robert Dole and endorsed by conservative President Ronald Reagan — providing political cover, a free ride, for any Democrat who wants to sign on. "Take the finance committee tax measures and run," The New York



Patrick Buchanan

Times pleaded with congressional "moderates" of both parties on Monday.

BUT IF WE have here, and we do, a tax bill which wipes out one-fifth of Mr. Reagan's core program, which is redistributionist and statist, i.e., "Democratic in spirit," which will ease pressure on Congress for further cuts in spending, which will diminish the private sector to the benefit of government, which will leave Mr. Reagan, three months before off-year elections, with responsibility for the biggest tax hike in history — how is that in the interest of the Republican Party?

The answer, of course, is that it is not. This bill is a disaster. Again, it compromises the principles, betrays the promise and muddles the banner of Reaganism. Why, then, the silent acquiescence of so many Senate and House Republicans?

Under the Reagan Dole tax hikes of 1982, here is what will happen to the Middle American factory worker, earning \$20,000, who voted for Ronald Reagan in the expectation he would be the man to cut taxes.

HIS TELEPHONE BILL will be going up; if he is a two pack-a-day man, he will be paying \$60 more in federal taxes on his cigarettes; the interest on that savings account for the new boat or the kids' college educations will be nicked for withholding taxes; the kids' medical bills will have to rise over \$2,000 before he can deduct a nickel, and the take-home pay of the wife — who went to work in the restaurant downtown to augment the family income — will be neatly clipped by a new withholding policy for tips received by waiters and waitresses.

Most of the \$100 billion over three years will be milked out of the rich corporations, we are told. But General Motors does not pay a nickel in federal taxes it does not first collect — from people, from investors and stockholders, from families that buy Chevrolets and Pontiacs.

Is the economy so robust that the private sector, which was supposed to haul the freight, can haul another hundred-billion in new taxes? Does it make economic sense to raise taxes on business to reduce the

deficit and interest rates so that the same businesses can borrow back the lost money more easily?

WHAT'S HAPPENED to the Republicans? The New Republic has sensed it. "They are scared," says TNR. "They realized they could not lower deficits solely by slashing domestic spending, but had to raise taxes, too."

Actually, TNR is only partly right. The GOP is indeed scared — scared of interest rates, scared of deficits, scared of unemployment figures, scared of the network portrayals of Mr. Reagan as the enemy of the poor, scared of the "fairness" issue, scared of November. They "could," however, slash domestic spending, or at least try; but they won't.

Because the perception has taken hold in the GOP that the political cost of further budget cuts is higher, much higher, than the political price of raising \$100 billion in new taxes. This tax bill, then, is a Republican admission that the press and Democrats have won the national debate, a Republican surrender of the principles of "supply side economics"; a Republican confession their adversaries were right all along.

Patrick Buchanan is a syndicated Washington columnist.