



Winning Issues that are not just about ‘not Obama’

BY RICHARD W. RAHN

POSITIVE MESSAGES ABOUT SPENDING REDUCTION AND TAX REFORM WILL RESONATE WITH VOTERS

If you were a campaign manager for Republicans running for the Senate or House in November, what policy positions would you advise them to take? The Republican Party has been under a lot of criticism for running a campaign of "not Obama" rather than presenting a positive agenda — and much of this criticism is valid. That being said, it is far easier for those of us who are with policy organizations to give advice about what a candidate ought to say — because we don't take the direct hit if our policy ideas don't resonate with a majority of voters. As a result, too many candidates resort to the banal — "I am in favor of a strong national defense, lower government spending, and tax reform."

Countries with parliamentary political systems typically have many issue-driven parties, and the trick to forming a government is to build a coalition of these parties to obtain a governing majority in parliament. The U.S. system requires that one of the two parties builds an internal coalition of interests to obtain 51 percent (or more) of the vote. Years ago, I

occasionally advised political candidates from the congressional to the presidential level, and so I have some understanding of why candidates are less policy-pure and specific than we would like them to be.

For instance, as an economist with expertise in tax policy, I am in favor of abolishing the corporate-income tax for many good reasons — but unfortunately, we have yet to persuade a majority of the voters. If I were advising a Republican candidate in a marginal district, I might well tell him to advocate a "reduction in the corporate-income tax to 20 percent, so it is internationally competitive." It should be easy to explain that the United States, having the highest corporate-income tax in the world, is driving investment, innovation and jobs out of the country. Thus, the position would seem sensible to most people — and would be a good, but incomplete, step forward.

Asset forfeiture — that is, the seizing of assets from totally innocent citizens, without being convicted of anything — by federal, state and local law enforcement officials, including the Internal Revenue Service (IRS), is an issue that rightly appalls most Americans. I have been writing about it for 15 years, but only recently, owing to the continuing and gross abuses by government agencies, has it become a hot issue. The Wall Street Journal and The Washington Times have editorialized about it many times, and last week even The Washington Post ran a three-part series about the abuses. Asset forfeiture has become a poster child for out-of-control government. Judge John Yoder and Brad Cates, the first and second directors of the Asset Forfeiture and Money Laundering Office in the Department of Justice, have come out for its abolition. Candidates demanding an end to the practice of asset forfeiture, including the use of it by the IRS, will be on the winning side. It also has the virtue of delivering a real punishment to the IRS for its continued misdeeds.

Excessive regulation is a concern of most people, because it is a clear drag on economic growth and job creation, and thus, is a good campaign issue if properly addressed. If the Republicans gain control of both houses of Congress, they can cut the budgets of the regulatory

agencies and demand real cost-benefit analysis for all regulations. They could also make it much easier for individuals and companies to challenge regulations that do not meet a reasonable cost-benefit standard, including the reimbursement for legal and associated costs if they win in court. Congress could also require a sunset provision on all new regulations (as the South Koreans have done) and a cap on the total cost of regulations.

Many companies, such as banks, find it impossible to comply with contradictory regulations, such as those that require both information-sharing and financial privacy. This has enabled government agencies to extract huge and unjustified fines from banks and other companies, undermining the rule of law. Candidates who propose ending this hypocrisy and double jeopardy will be on the winning side.

The above are only a few examples of specific policy suggestions that, if properly stated, would be win-win for any candidate. Rep. Paul Ryan has presented a long list of specific spending-reduction and tax-reform proposals that all Republican candidates should review, because many of them could be win-win, depending on the district.

Running a safe campaign when a candidate thinks he is ahead (which always has the danger of not being true) does not mean running a bland, non-issue campaign. The safest course for any candidate is to run a positive, issue-oriented campaign where the majority of the voters will agree if the issues are properly presented. It takes more work, but hard work usually results in greater success.

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