

from forfeitures. Law enforcement agencies routinely keep seized assets for their own uses—one of the most brazen conflict-of-interests around. Forfeiture policies continue to be a grave blot on the

integrity and credibility of the federal government. If the Bush administration wants to set a loftier tone in Washington, ending forfeiture abuses is one of the best places to start. ✎

Conservatives Grow Up

Bush's tactics don't incite fears of betrayal

BY GROVER NORQUIST

For once, conservatives are not whining. They are not whining that Bush moved to the left. They are not whining that the cabinet is filled with Washington insiders and retreads. They are not whining, period. This is a first.

Reagan's victory in 1980 and Newt Gingrich's capture of Congress in 1994 were both followed by carping. Before Reagan even took office, leading conservatives complained that he had been coopted by the establishment. When Republicans didn't have the votes in the House or Senate to abolish the National Endowment for the Arts, some conservatives thought this meant that Gingrich was against us.

It was conservative writer Stan Evans who formulated this Law of Politics: "Once one of our people gets in a position to help us, he ceases to be one of our people." That was true for too long. Eisenhower and Nixon had campaigned to the right and governed in the middle of the liberal Washington establishment. Ford, a firebrand in Congress, became the champion of détente, the Equal Rights Amendment, and abortion.

But the lack of whining reflects more than the difference between Nixon, Ford, or even George Bush of Connecticut and George Bush of Texas. Conservatives, and their movement, have grown up. There are several signs of maturity.

First, conservatives understand that winning one battle is not winning the war. Reagan's win in 1980 and the Republican capture of the Congress in

1994 were steps forward. But Reagan was limited in what he could accomplish with liberal control of the House of Representatives, and Gingrich could not

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overcome the Clinton veto. Grassroots activism fell off after the 1980, 1984 and 1994 victories. Bruce Eberle, the conservative direct-mail leader, says that traditionally Republican and conservative causes have suffered from a belief among donors that with the battle won they could retire and let Reagan or Gingrich solve the problems.

After the 2000 election there was no such drop off in direct-mail fundraising or activism. Eberle says he has added 600,000 activists through e-mail since the November election. The 2001 Conservative Political Affairs Conference, run by David Keene's American Conservative Union, was the largest in its history with more than 3,500 attendees in February, 1,000 more than last year. Half those attending were new to the conference. Virginia Republican Party committeeman Morton Blackwell reports that attendance is skyrocketing at local and state GOP events.

No more do conservatives expect elected leaders to do all the heavy lifting. Far from assuming that Bush's White House was responsible for winning on

the Ashcroft nomination, conservative groups organized to phone, fax and e-mail in his support. The ACU formed Americans for the Bush Cabinet and 154 state and local groups joined through the Internet to generate 900,000 e-mail messages to the Senate. The Family Research Council organized conservative women in a series of press conferences, demonstrations and Hill visits that out-hustled the feminists and won more press coverage than Ashcroft's opponents. The Capital Research Center, led by Terry Scanlon, documented that many of the liberal groups attacking Ashcroft had received federal funds during the Clinton years totaling hundreds of millions of dollars.

Conservative activists who howled when Gingrich simply praised FDR in his maiden speech as Speaker were mature enough this time around to understand that George Bush was right to begin his administration smothering the Democrats with bear hugs while activists delivered body blows to vulnerable Democrat senators. Praising dead Democrats and hugging live ones is not treason when the goal is legislative victories.

Once sure they would always be a minority, conservatives now have the confidence reserved for those who believe they are on the right side of history. Bush's once radical goal of privatizing Social Security has 70 percent support in polls. School choice polls at more than 70 percent. Abolishing the death tax won 80 percent of the vote on the South Dakota ballot last November.

Patience flows from having won four congressional majorities in a row. Back in 1995, many congressmen viewed Republican control of the House as a fleeting opportunity through which every conservative goal would have to be squeezed in two years, or four.

Today both conservative activists and congressional Republicans grasp that one victory leads to another. When Reagan focused on tax cuts in 1981 some social conservatives charged that he was betraying the pro-life cause. But Reagan's tax cut built his political capital, won a second and a "third" presidential term, and thus brought Scalia and Thomas to the Supreme Court. The business lobby in 1981 that scurried to load the tax bill with special interest ornaments today support fast-tracking Bush's broad but simple tax measure, knowing that victory will bring more chances next year and beyond.

Trust flows in both directions. The Bush White House is working well with the conservative movement. When Pat Toomey (R-Pa.) introduced a capital gains tax cut and expanded Individual Retirement Accounts to add to Bush's tax cut, the White House assured Republican congressmen there was no objection to them co-sponsoring Toomey's legislation. And in a town where personnel is policy, in a blind taste test you couldn't tell which phone list belonged to the White House and which to the Heritage Foundation.

number of such funds has skyrocketed, from 450 in 1986 to 6,000 in 1998. But the OECD claims that over \$1 trillion is invested in offshore funds. Peeling back the tax havens' privacy veil, says Mitchell, "is a move towards a world-wide system of taxation based on 'information exchange.' That's a system where all countries agree to eliminate financial privacy so their governments can go on fishing expeditions for more revenue."

Spokesman Nicholas Bray denies the OECD is trying to tell any country how to set its tax rates, saying tax cheats are its only goal. "Democracies need governments and governments need to levy taxes in order to provide services," says Bray. "When a person is living in a country, benefiting from these services and not paying their fair share of taxes, it puts an unfair burden on those who do." Or it sends a signal to high tax governments to back off, helping all taxpayers.

Six of the tax havens caved to the OECD pressure right away: Bermuda, the Cayman Islands, Cyprus, Malta, Mauritius, and San Marino. But negotiations between the remaining havens and the OECD have made little progress. The Isle of Man and the Netherlands

The Taxmen's Union

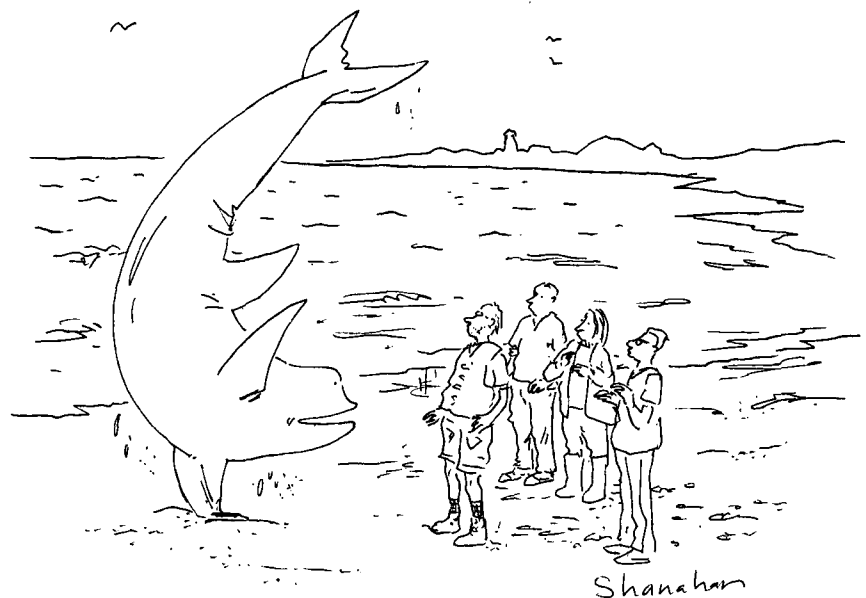
The world's high-tax governments pledge solidarity forever

BY EILEEN CIESLA

Last June, the 30 industrialized nations that make up the Organization for Economic Cooperation and Development (OECD) blacklisted 41 tax havens, mostly small islands and principalities from the Bahamas and Bahrain, to Liberia, Liechtenstein, and the United States Virgin Islands. Alter your financial privacy laws and stop preferential tax treatment for foreigners by July 31, they were told, or face sanctions from member states. So far the Bush administration shows little inclination to alter the U.S. position supporting the blacklist or to extend the deadline.

Despite claims that the intent is simply to expose illegal activity, the clear purpose of the blacklist is to make it easier for OECD states to keep their own taxes too high. "This is really a means of grabbing more revenue for high-tax European nations," explains the Heritage Foundation's Dan Mitchell. If successful, it would "destroy the competitive pressure to keep tax rates down."

Today the havens present a real—and growing—check on high tax governments. Globalization and the Internet have made it easier for investors to move their assets into offshore tax shelters. The



"If I were beached, could I do this?"