

POLITICS

By John B. Judis

WASHINGTON

IN JUNE 1980, MASSACHUSETTS Senator Paul Tsongas gave a speech to the Americans for Democratic Action (ADA) Annual Convention in Washington in which he called upon its members to work for a "new liberalism rooted in the sound values of the past but relevant to the all too real problems of the present and future."

Tsongas' speech, in which he defended the need for business tax cuts and increased gasoline taxes, was taken as the clarion call for "neoliberalism," but the tocsin had been sounded at least two years prior by Colorado Sen. Gary Hart, who had first gained renown as Sen. George McGovern's campaign manager in the 1972 presidential election.

In an October 1978 speech, Hart outlined his own economic programs for responding to continuing inflation and flagging business investment. Like the supply-side Republicans, Hart called for tax cuts, including cuts in the corporate tax, but they were progressive rather than regressive. In addition, he called for cuts in spending commensurate with the tax cuts. For 1979 and 1980, Hart proposed that federal purchases of goods and services should be reduced by 2 percent a year in real terms. Since he was known to favor the 3 percent annual increase in military expenditures projected by the Carter administration, these cuts would come out of social spending.

Hart's proposal would not have been unusual for a conservative Southern Democrat or Republican, but it marked a strict departure in the thinking of Democrats previously slotted in the liberal column.

Six years later, Hart's proposal does not seem unusual at all because neoliberalism has become a leading tenet within the Democratic Party. And Gary Hart, its principal avatar, might capture the Democratic nomination for president this year.

Neoliberalism—Hart said in 1979 that he preferred the designation "progressive realist"—is not simply an economic philosophy. It is the world view of a social and political generation of congressional Democrats who came of age in the '60s Vietnam era and who entered Congress in the difficult '70s.

Vietnam generation.

Hart, like Tsongas and Senators Joseph Biden, Bill Bradley and Dale Bumpers, graduated from college in the late '50s or early '60s and became politically active in the mid or late '60s. While Hart claims John Kennedy is his model, he first became politically involved in Robert Kennedy's 1968 anti-war presidential campaign. As part of this generation, Hart was shaped not only by its opposition to the war but also by its support for feminist and environmental causes.

Hart's generation took office in the '70s, when the world recession and the energy crisis had shaken the Democrats' governing philosophy. When former Vice-President Walter Mondale had entered the Senate in 1964, the Democratic Congress was still concerned with allocating the fruits of a booming economy and finding the means to prevent recession altogether. But by 1974, when Hart entered the Senate, congressional Democrats were worried about both preventing a world depression and apportioning sacrifice equally among income groups.

Mondale's generation had viewed government as a means of correcting inequities and imbalances of an otherwise thriving economy. Government fiscal policy would eliminate recessions while at the same time it could be used to satisfy the demands of competing interest groups. Unless the economy was already at full employment, government spending could always be increased, with no harmful side effects.

Hart and his colleagues had a fundamentally different view of government and fiscal policy, fearing that increased

government spending would only cause greater budget deficits and fuel inflation. They did not view the fiscal crisis of the state as a reflection of the stagnation in the private sector, but instead saw private stagnation as a result of the fiscal crisis. (Oddly, this view was perpetuated not only by conservative and liberal economists like Lester Thurow, but also by left-wing economists like James O'Connor.) They sought to revive the private sector by removing what they viewed as unnecessary government intrusions from taxes and regulations to bailouts of failing industries and protectionist trade measures.

Unlike the supply-side Republicans, who held a similar overall view, the neoliberal Democrats did not contend that once government was removed from "the backs of industry" private industry would automatically flourish. They understood that the removal of government regulations and the reduction of taxes would have to be accompanied by direct or indirect measures to ensure that business took advantage of its new opportunities. Thus, the neoliberals joined some of the older liberals in calling for a government industrial policy.

But differences persisted. The liberals of Mondale's generation had come into

office on the wings of a buoyant labor movement whose base was still in the successful heavy industries of the North. They saw industrial policy as a means of protecting labor and business in these industries from the ravages of international competition.

Many neoliberals like Hart and Tsongas represented states and districts that had grown because of the micro-electronic or information revolution. The neoliberals viewed high-tech industries and the introduction of high technology into older industries as the answer to America's declining industrial competitiveness, and they saw industrial policy as the means of accelerating the transformation of American industry and of the American labor force.

Neoliberals had little allegiance to the labor movement. Their campaigns were supported by labor because of the specter of the Republican opposition, but they viewed labor as an adversary as much as a friend. They blamed the state's fiscal crisis and the stagnation of the private sector on the older interest-group liberalism of Mondale and his mentor Hubert Humphrey and on the interest groups themselves, particularly the labor movement. For them, labor represented the de-

mands for greater social spending, industry bailouts and protectionism.

The first sign of a falling out between labor and the neoliberals came in the fall of 1979. When Hart decided to support the deregulation of natural gas prices, William Holayter of the Machinists union sent Hart a note saying that his union was "reviewing" its relationship with him. Hart sent copies of Holayter's note to other labor officials with the comment, "This is precisely what is wrong with the American labor movement."

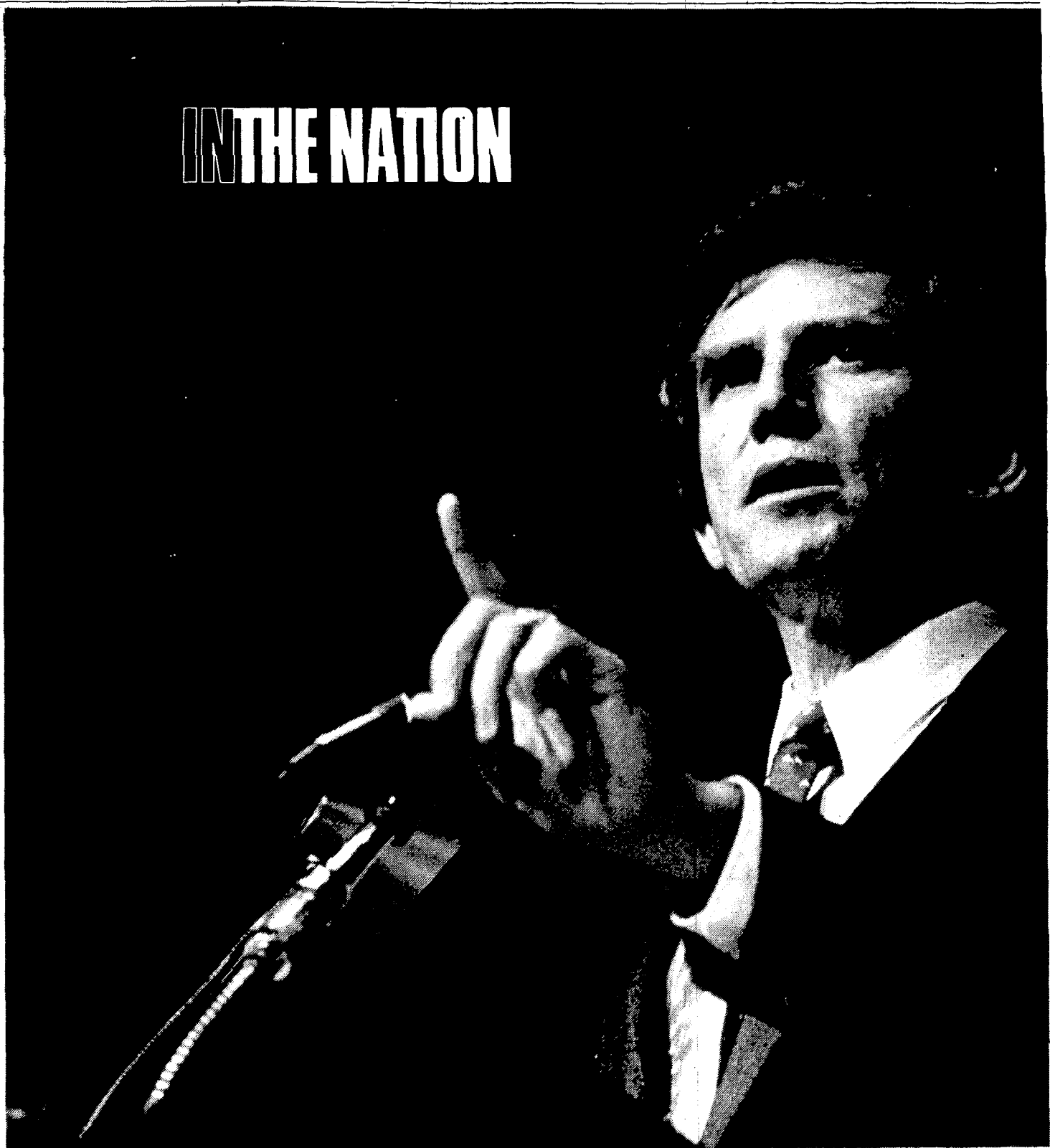
Hart came to some of these views intuitively, almost spontaneously. Others he acquired through reflection and discussion during his 10 years in the Senate, where he surprised his colleagues and constituents by becoming one of the Senate's leading experts on military strategy.

Senator Hart.

One must be careful when using a Senator's record as a legislator as the basis for predicting what he will do if elected president. Senators, for instance, represent state constituencies as well as their own conception of the national interest. They will sometimes act to represent their constituencies at the expense of what they view as the national interest. This is particularly true if they want to stay in office and if their own views are at odds with many of their voters'.

This was a problem for Hart from the beginning. George McGovern's campaign manager was an extremely unlikely choice to become the senator of a state that had elected very conservative Republicans like Gordon Allott and Peter Dominick, the incumbent Hart challenged. Hart won in 1974 largely because of Dominick's ties to the Watergate scandal. Then in 1980, he barely defeated a lightweight Republican opponent.

As a senator, Hart walked a fine line



Gary Hart's view of the world was shaped by the Vietnam war and by the recession of the early '70s.

Neoliberal Hart: stagnation is result of public spending

between politics and principle—supporting water projects and energy tax breaks for Colorado's energy companies that he might easily have opposed if he were president. But as a member of the Senate Armed Services Committee representing a state with considerable dependence on and enthusiasm for the military, Hart fell upon a way to synthesize politics and principle. He became the leading Senate representative of what has been called "military reform."

Hart came under the influence of retired Colonel John Boyd, who had organized a group that was promoting a new military strategy for the U.S. Instead of questioning American foreign policy objectives, the Boyd group questioned the military means by which they were being carried out. They contended that American military strategy, based on acquiring superior firepower and defeating the enemy by attrition, was outmoded and should be replaced by a strategy of surprise and maneuver.

The Boyd group's new strategy had profound repercussions for the military budget. While the strategy of firepower/attrition called for building large, highly sophisticated, unwieldy, often unreliable and terribly expensive planes, ships or tanks, the strategy of maneuver called for building more numerous, cheaper, lighter, less technologically sophisticated and more reliable weapons—smaller conventionally-powered aircraft carriers instead of nuclear carriers, the Polaris instead of the Trident submarine, the F-14 instead of the F-18 airplane.

Hart became the Boyd group's man on the Armed Services Committee: the proponent of a smaller, more numerous Navy—"Hart's Navy," it came to be called—and the opponent of a succession of weapons, from the nuclear aircraft carrier to the B-1 bomber that he claimed were militarily useless.

His new perspective allowed him to evade the terms of the debate between liberals who wanted to decrease the military budget and conservatives who wanted to increase it. He argued that what mattered was what the money bought, not how much was spent. While his opposition to weapons like the B-1 earned him the plaudits of liberals, his support for a larger budget for the Navy and for the Carter administration's 3-percent-a-year projections earned him the respect of conservatives and many of his constituents.

Hart also earned liberal support because of his continuous campaign for arms control. His military strategy, based on conventional weaponry, never betrayed any interest in nuclear war fighting. And he opposed a series of strategic weapons, including the MX, that he believed were destabilizing. In the Senate, he was one of SALT II's most unshakeable supporters. His initial reluctance to support a nuclear freeze was largely the result of his conviction that the campaign to ratify SALT II should still be the arms control lobby's chief concern.

He also retained his Vietnam-era opposition to American intervention abroad. Hart has been one of the few Democrats to oppose "the Carter Doctrine," which stipulated that the U.S. would intervene militarily if Persian Gulf oil supplies to the West were cut off.

But Hart's military strategy may contradict his foreign policy views. His advocacy of a "maritime strategy," in which the U.S. maintains "control of the seas," appears to be a latter-day version of the Theodore Roosevelt-Alfred Mahan doctrine of naval superiority as the key to a new American imperialism. "We have global interests, which require adequate naval power to support them," Hart declared in a 1978 Senate speech justifying increased appropriations for the Navy.

His military strategy nevertheless provided him with a model for how to think about policy. If one could change the terms of debate, one could evade the old left/right distinctions and reduce hitherto unmanageable political questions to technical ones. Hart had sought to do this with military questions; now he wanted to find a way to do it with the equally difficult questions of economic policy.

When certain older liberal politicians like Sen. Edward Kennedy or Humphrey talked economics, their model appeared to be European social democracy. They saw the economy as large companies and large unions, whose performance should be benevolently overseen by the government. But other politicians adhere to a 19th-century economic model of a self-regulating marketplace of small concerns, and they view with alarm and suspicion any deviation from this ideal.

Hart seems to carry this latter ideal within his head, perhaps as a result of his upbringing in a small-town Kansas farming community. In repeated statements during the '70s, Hart blamed inflation on collusion among big government, big cor-

porations and big labor. A certain populist fervor crept into Hart's language when he spoke of this dread triumvirate. For instance, in 1978 he declared, "Corporations, government agencies and labor unions by their very size threaten to crush individual innovation and creativity."

When Hart referred to economic concentration, he also invariably included unions as well as corporations. "Clearly, many of our nation's corporations and trade unions have amassed enough power to exact demands that exclude what could be achieved under conditions of active competition," Hart wrote in explaining the inflationary role of business and labor.

So far, Freeze has been cool to Hart

By Joan Walsh

WASHINGTON

WITH MOST OF THE MAJOR anti-Reagan pressure groups already weighed in behind Walter Mondale, one significant constituency has been conspicuous in its absence—the nuclear freeze movement's fledgling electoral strike force, Freeze Voter '84.

Without the burden of an early endorsement, the freeze has enviable flexibility in the changing political terrain of the primary season. It has used that mobility well, pressuring all the candidates for stronger arms control stands. But the emergence of Gary Hart as Mondale's chief rival is forcing freeze backers to come to terms with a candidate whose record, on their scorecard, shows two serious flaws—his belated sponsorship of the Senate freeze resolution and his early support for what became the Republican alternative to the freeze, the build-down.

Both Hart and Mondale have zeroed in on the freeze backers' quandary. Mondale, who has met with Freeze Voter leaders and pledged himself to their '84 legislative strategy, has since his early primary setbacks proclaimed himself the candidate of arms control. Hart, in turn, has increased the volume of his current support for the freeze and his advocacy of past measures like SALT II, put on ice by the "Carter-Mondale" administration.

The pressure from both camps has been more focused. Consider the attention paid to Alan Cranston's Illinois delegate slate when their man dropped out of the race in early March. Both Hart and Mondale's state campaign managers went after the Cranston supporters, many of whom were freeze activists. In a March 3 meeting, 25 of them heard SALT II negotiator Paul Warnke argue by telephone for Mondale's arms control record. Then Hart himself phoned, and talked for 30 minutes about his arms control stands, pledging himself if elected to an immed-

iate six-month moratorium on nuclear weapons testing and deployment, and to implementation of the freeze.

Most significant, Hart also repudiated the build-down. When Illinois Freeze Voter chair Robert Stein told Hart that Sen. Charles Percy—the Illinois Freeze's chief target—was using Hart's name to cite bi-partisan support for the Republican build-down plan, Hart promised to notify Percy that he now opposed it. In a "Dear Chuck" letter written the next day, Hart told Percy, "I would greatly appreciate your not using my name as a supporter of the build-down," calling the current version a "substitute for the freeze" and a "mechanism to rationalize support for the MX," which Hart led a filibuster against last year.

It was a significant victory for Freeze Voters, but their endorsement dilemma is still not resolved. Freeze leaders have the same problem with Hart as other left-leaning observers: in his neoliberal search for a politics that works, he has taken some pretty reproachable positions. In the early days of the Reagan administration he was quoted as boasting, "I support legitimate increases in spending for national security that are fully as large as the president requested." He put his vote where his voice was, supporting Reagan's cuts in social spending and hikes for the military.

And he has always styled himself an advocate of "military reform" more than arms control, at least until the current campaign. His build-down support fits that image, his "less is not better, more is not better, better is better" approach to military spending. All the existing build-down proposals allow for modernization of the nation's military arsenal and the development of new, potentially destabilizing weaponry (although its more promising versions move the U.S. arsenal away from first-strike multiple warheads to less accurate but more easily protected weapons). To his credit, Hart voted against the Reagan-backed build-down that came before the Senate in October 1983.

But Hart's biggest liability with the freeze movement is his refusal to take a

His disdain for big corporations, labor and government and his nostalgic view of free enterprise was apparent in his December 1979 opposition to the Chrysler bailout. Hart disagreed with the specifics of the loan agreement, but what most offended him about it was the principle involved: government, business and labor were conspiring to frustrate the efficient working of the free enterprise system. "This legislation contradicts the basic tenets of free enterprise that once characterized our nation's economy," Hart declared in a Senate speech.

Until the '80s, Hart found himself uncomfortably perched between the Democratic liberals and Republican conserva-

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prominent role in introducing the Freeze resolution in the Senate two years ago. "He was young, he was the new generation, he was a natural," says one freeze leader. The movement turned to Sen. Edward Kennedy and Sen. Mark Hatfield. Hart took another year to sign on as a sponsor.

Will those bygones be bygones, now that Hart is repudiating build-down, trumpeting both his freeze support and six-month nuclear moratorium plan and making promises to the movement? Opposition to Hart seems to be thawing, but an endorsement is not imminent.

"There's not a consensus to move behind either candidate right now," says William Curry, executive director of Freeze Voter '84. Although a presidential endorsement is on an upcoming board agenda, Curry says a decision will be de-

"Hart's message to us has been mixed," says Freeze Voter '84 head William Curry. "He's raised questions."

laid. "There's a general sense that defeating Reagan is our number one priority and that the difference between the candidates on our issues isn't that great. So there simply isn't that great a reason to move now."

A survey of Freeze Voter members several months ago showed 70 percent of them opposed to an early endorsement, Curry said, "and we decided to abide by that." Interestingly, a presidential preference poll in the survey showed support for Cranston, Mondale, George McGovern and Jesse Jackson, in that order, but none for Hart.

"His message to us has been mixed," notes Curry, who is known to personally favor Mondale. "On the build-down, on waiting a year to sign onto the freeze, he's raised questions that we hope will be answered clearly."

Yet with his surprising primary and caucus showings, "Hart is looking strong right now," says Curry, even to skeptical freeze backers. In this anyone-but-Reagan year, attention must be paid to the candidate with the best chance to defeat the president. If that starts to look like Hart, support for Mondale could melt away like McGovern's admirable but hopeless candidacy.

"If he's the nominee, we'd work hard for Gary Hart," says Curry. "The positions he's running on today are more than acceptable to this movement." But though a pre-nomination freeze endorsement will be intended "to help whomever the frontrunner may be, that won't obscure the obligation we feel to hold any office seeker accountable and find out what they most truly and deeply stand for." For Hart, that means more questions about his "military reform" past. But given Freeze Voter's 35-state PACs and thousands of volunteers, the pragmatic Hart will likely find a way to keep coming up with acceptable answers. ■

Both Hart and Mondale are courting Freeze support.



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