

Clinton's Job One:

Reversing the Anti-Government Tide

By Ronald Brownstein

More than one year into his presidency, Bill Clinton still faces the intractable political problem that confronted him on the day of his election: the absence of a stable majority in both the country and the Congress for an activist government committed to aggressive new attacks on entrenched social and economic problems.

Though Clinton's victory represented a widespread repudiation of Republican economic management, the tumultuous events of the past year have made clear his success did not constitute a mandate for a revival of government activism. Opinion polls, the results of the off-year elections, and the attitude of legislators on Capitol Hill all point to the opposite conclusion: resistance to government activism—expressed in both opposition to new taxes and skepticism about the worth of new public spending—still constitutes the bedrock of national politics twelve years after Ronald Reagan rode a populist anti-government wave into office.

The paradox is that voters clearly see the nation in need of social and economic renewal; but all evidence suggests they remain dubious that new government programs can improve conditions. And though voters are still uncertain about the economic impact of the federal deficit, it has emerged as a defining symbol of waste and mismanagement in Washington. Reducing the deficit holds a clear priority in the public mind over increasing spending on new programs, even to combat problems Americans agree have long been neglected. These attitudes stand as the principal barrier to Clinton's domestic agenda—which envisions reform and reinvention of government, yet entails an across-the-board revival of federal initiatives against a broad range of problems.

The dominant current in the contemporary political environment continues to be opposition to taxes and spending, rooted in a corrosive distrust of government's capacity. These sentiments, as they influence the attitudes of legislators on Capitol Hill, create an almost insuperable barrier to the expansion of government activity candidate Clinton proposed. Looking back, many Clinton advisers now agree that, in the flush of victory, they underestimated the public skepticism about new programs from Washington—particularly when paired with new

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taxes (even if those taxes were portrayed as funding deficit reduction, not the new initiatives). "They didn't understand how serious the lack of faith in the federal government was and the amount of work they had to do to reconstitute the center...before they could go and propose all these new little programs," one White House political adviser said in the waning days of the dispiriting 1993 budget fight.

Given this atmosphere, Clinton has actually enjoyed a noteworthy level of success at moving into law programs like national service, urban "empowerment zones," universal access to college loans and community development banks. But across the board, these programs are smaller than he

preferred—and in many instances too small to have the impact for which he hopes. For instance, as passed by the House the community banking plan would provide only \$338 million over the next five years to subsidize the establishment of local lending institutions in distressed neighborhoods. If Clinton is to do more than tinker at the margins, insiders understand he must first dispel the fog of cynicism about government.

Plummeting Confidence in Government

That fog has been a long time building. Consider the difference in the political climate faced by Clinton and his idol, John F. Kennedy. Clinton has often attempted to portray his presidency as a revival of the public purpose and idealism that is Kennedy's popular legacy. But Kennedy made his calls for renewal and shared sacrifice in an atmosphere where Americans still accorded wide respect to the government that within their living memory had defeated the Nazis, educated the returning soldiers with the GI bill, and linked the nation through the interstate highway system.

In 1958, two years before Kennedy's election, 73% of those surveyed in a University of Michigan National Election Study (NES) poll said the "government in Washington" could be trusted "to do what is right" most or all of the time; just 23% said it could be trusted only some of the time. By 1964, according to a NES poll of the same year, the percentage of Americans who trusted Washington most or all of the time had increased to just over three-fourths.

But over the next fifteen years confidence in government plummeted, in several discrete steps, like a rock bouncing from ledge to ledge down a mountainside.

After the first wave of urban disorders in 1965, the percentage of Americans expressing a high degree of confidence in government dropped to 65%; in the wake of widening social tensions over Vietnam and race relations, that number fell again to 54% in 1970. After Watergate, only about one-third of the public expressed a high level of trust in government; by 1980, after the energy and inflation shocks of the Carter Administration, just one-fourth of Americans said government could be trusted most or all of the time.¹

Not much has changed since. Ironically, under Reagan the level of public trust in government improved somewhat, but by the late 1980s it had resumed its slide.² In 1992, when Clinton was elected, just 29% of Americans expressed a high level of trust in government; fully two-thirds said it could be trusted only some of the time.³ That figure jumped to three-in-four in an ABC/*Washington Post* poll last fall. In other words, the level of trust in government has *completely reversed* since 1964, when Lyndon Johnson launched the Great Society.

This sea change in American attitudes was the unacknowledged backdrop to Clinton's victory. It is difficult to view Clinton's victory as anything but a call by Americans for renewed attention to domestic problems. But from the outset, a majority of Americans sent clear signals through polls that they did not necessarily view an expansion of government programs as the path to those ends.

In exit polls conducted by Voter Research and Surveys on Election Day 1992, 55% of all voters said they would prefer a government that cost less in taxes and provided fewer services; just 36% wanted a more expansive government that included more taxes. Comparable findings persisted through the long congressional debate over Clinton's economic plan. In a February 1993 *Washington Post*/ABC poll respondents preferred a smaller government with fewer services by more than two-to-one; a *Los Angeles Times* survey last summer reached a similar result. Asked directly in the *Times* poll if Washington should place

highest priority on increasing spending for public works, research, reducing the deficit, or cutting taxes, less than three-in-ten endorsed more spending; almost two-thirds preferred cutting the deficit or reducing taxes.

In addition, the *Los Angeles Times* survey carefully tested attitudes toward government among the three major blocks in the electorate: Clinton supporters, Republicans, and those who identified themselves as followers of Ross Perot. Among the plurality of voters who backed Clinton, the poll found substantial support for larger

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government, more public investment, and closer partnerships with business to create jobs. Voters who identify as Republicans ideologically opposed all those ideas. Those in the middle—supporters of Ross Perot from 1992—were, in theory, open to an expanded role for government, particularly in areas like working with business to create jobs. But they were also the most dubious that government could effectively meet its goals, and thus overwhelmingly preferred deficit reduction or tax cuts to new spending programs.

In retrospect, Clinton's first economic plan can be seen as an attempt both to satisfy the demands of his core supporters for more spending after twelve years of Republican rule and to reach out to the critical swing voters aligned with Ross Perot. In the end, he was left with something close to the worst of both worlds: little new spending for his base, and a reputation among Republicans and Perot voters as a traditional Democrat, too quick to tax and too reluctant to cut spending

favored by powerful Washington constituencies.

A 1990s Tax Revolt

As the anti-spending currents in public opinion continue to be channeled into legislative proposals, Clinton will have to exert enormous energy just to resist further reductions in domestic spending, much less invigorate his public investment agenda.

At the end of the last session, a bipartisan coalition led by Representatives Timothy J. Penny (D-Minn) and John R. Kasich (R-Ohio) came within four votes of passing an austere deficit reduction package that would have virtually eliminated any of Clinton's hopes of expanding public investment. Their strong showing, despite a frenzied lobbying campaign from the Administration and senior legislators in both parties, adds weight to Kasich's shot across the President's bow: "There is no question that if this group can stay together, this is the group that is going to write the next budget for the country," he declared shortly after the vote. Another bipartisan alliance led by Bob Kerrey (D-Neb) in the Senate is also pushing for greater deficit reduction. And even the Senate vote rejecting the Balanced Budget Amendment showed majority support for an initiative that would drastically scale back government's scope.

In the end, Clinton may be able to fend off future efforts to demand further deficit reduction, just as he turned back the Balanced Budget Amendment. But the backdrop these battles create is not auspicious to his agenda. The same chilling message is percolating up from the states. In particular, the defeat last November of New Jersey's Democratic Governor James J. Florio sent a shock wave through Washington. Florio followed almost exactly the same strategy as Clinton: he raised taxes early (hoping to maximize the time available for making peace with the voters), swaddled the new levies in populist rhetoric, and balanced his fiscal liberalism with tough centrist stands on welfare and crime. He had the added fortune of attracting a weak and unsteady opponent in Christine Todd Whitman. And still, on election day, he was swept away, with exit polls showing a clear majority of voters still resentful

about his tax hike, and an overwhelming majority preferring smaller to larger government.

Less attention focused on two other results that sent a similar message. In Texas and Washington state, voters approved ballot initiatives that require legislators to receive voter approval for major tax increases. These requirements—which vastly complicate the task of increasing revenues—have already passed in Oklahoma and Colorado and are emerging as a major new strategy for conservatives. The National Taxpayers Union estimates that similar proposals could make the ballot in as many as eight states in 1994, including Florida, Oregon and Missouri. Further, experts agree that voters would willingly extend these revenue restrictions to the national government, “If you could figure out a way to get a tax limitation on the national ballot, it would pass with 90%,” says Colorado-based Democratic pollster Floyd Ciruli.

All of this suggests continued frustration for Clinton. But it is only one side of the ledger. As he demonstrated during the debate over the NAFTA, he has the capacity to engage and move public opinion through sustained argument. And he is not without assets on which to build a case for a revival of public activism.

For all their skepticism about government, Americans do see the need for someone to “police the system,” as Republican pollster Bill McInturff puts it—some institution to protect ordinary families against big business and other threatening impersonal forces, such as the medical industry and the disorienting turbulence in the international economy. The resistance to government does not reflect complacency about the state of the nation; if anything it is a manifestation of the widespread anxiety about the nation’s course, particularly the economic opportunities available for ordinary Americans.

This anxiety defines the long-term project of political reconstruction facing Clinton and the Democrats. The President’s task is to convince Americans that government can alleviate, not exacerbate, the trends in modern life that concern them—or to

reverse Reagan, that government can be part of the solution, not the problem.

Clinton's Agenda

The Democratic party harbors diverse—and sometimes contradictory—schools of thought on how to achieve that. As is his style, Clinton is borrowing a bit from each of them. Although he has never explicitly labeled it as such, Clinton’s agenda for rehabilitating government seems to rest on four ideas:

Reinventing Government: Clinton has

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long recognized that it will be difficult to convince Americans to accept more government unless they believe it is being streamlined and reformed. But he failed to emphasize his “reinventing government” initiative at the outset of his Administration—a decision that now looms as a major error. During the transition, Texas State Comptroller John Sharp, whose work in his home state served as the model for the national effort led by Vice President Al Gore, recommended that the Administration tie its funding of new initiatives to savings from the audit of federal operations. Despite the subsequent disagreements with the Congressional Budget Office over assessing those savings, Clinton probably would have been much better off had he followed Sharp’s advice.

Looking forward, advocates of this strategy maintain the strict five-year cap on discretionary spending may prove to be a blessing in disguise—for it will force the

Administration to pursue serious spending cuts in existing programs to fund its new initiatives, as he did in the budget released in February. Those cuts, and their inevitable successors next year, could add credibility to Clinton’s claim that he is redirecting and reforming government even as he launches new initiatives. “It is his gamble,” says senior adviser George Stephanopoulos. “By doing deficit reduction first, and getting the bond market in tow, does a recovery in the first term buy you the space to make good on your [public investment] vision in a second term?”

Renegotiating the Social Contract: From the outset of his candidacy, one of Clinton’s most powerful themes has been his call for a new balance between rights and responsibilities—with government expanding efforts to provide opportunity but demanding greater personal responsibility from those it helps. Though many liberals remain suspicious of those arguments as a coded attempt to blame the victim, they may be the only way to rebuild sustained support in the middle-class for programs to help the poor, and to diminish the perception that Democratic policy is premised on taking money from those who work to fund the indolence of those who don’t.

The national service plan embodies the new ethic of mutual obligation. But the pivotal test in this arena is welfare reform. Clinton has approved but not yet proposed a plan that would increase funds for day care, education and training, but require welfare recipients to work after two years on the rolls, phasing in the plan with younger recipients first. It would also seek to discourage out-of-wedlock births through such measures as preventing teenagers from establishing their own households with AFDC dollars. Such a plan would probably fracture the Democratic Party as badly as the debate over NAFTA. But without meaningful welfare reform, Clinton will have a hard time convincing voters he delivered on his promise to embody middle-class values in government programs.

Reconnecting with the Middle-Class: Reinforcing the widespread sense that government programs channel resources from the deserving to the non-deserving has been

the belief that Washington offers no tangible assistance to hard-pressed middle-class families. This lament has always been overstated: the home mortgage deduction, for instance, is nothing if not a vast subsidy to the middle-class. But it is true that over the past generation, Washington has shifted its emphasis from programs that offer universal benefits, like Social Security or the GI Bill, toward initiatives targeted primarily by income or race, like Food Stamps or affirmative action. By contrast, Clinton has demonstrated a clear preference for universal programs. National service was designed to be available to young people of all incomes; the Labor Department has proposed an initiative that would make job training a right for all displaced workers; and most importantly, the Administration's proposed health care reform would offer universal coverage to all Americans, without regard to income.

Change on the cheap: To deliver politically popular benefits without increasing spending, Clinton has pursued a strategy of imposing new mandates on the private sector. Such mandates can produce tangible evidence of the benefits of government activism, without higher taxes. One example is the family and medical leave bill he signed last year; another is the proposed mandate that all employers contribute to the purchase of health insurance for their employees. The same thinking is influencing the Administration's urban agenda. With direct federal dollars limited, Clinton is trying to leverage more private

money into inner-cities by stiffening enforcement of fair lending and community reinvestment laws affecting banks.

An Uphill Battle

None of this promises a quick reversal in attitudes that have cumulated over a generation, and have roots in suspicions of centralized power which trace back to the Republic's founding. Inherent contradictions in these strategies complicate the task. As his programs are more completely phased in, Clinton will face choices between his desire to demonstrate fiscal probity and his eagerness to create expensive new entitlements that bond the middle-class to government, like guaranteed job training or health care. And there are clear political limits on the Administration's ability to shift obligations to the private sector.

A final hurdle is the most formidable. Much of the public antipathy toward government is reflexive and beyond the reach of argument and evidence. But many people have soured on the state for good reason: government has failed to arrest, and in some cases inadvertently contributed to, the most distressing trends in American life over the past generation, from the stagnation in wages, to the rise in out-of-wedlock births and the decline of the cities. In the end, it is unlikely that anything other than tangible success for Clinton's initiatives will reverse the skepticism about government and the national direction those trends have engendered.

As Stanley B. Greenberg, Clinton's pollster, puts it: "Passage of programs by themselves does not guarantee success. There has to be restructuring of the American economy...there has to be health care that is secure...there has to be a government that is leaner and more efficient. He has got to show government can be successful. That's the way out of this mess—the way we can create a new coalition."

Many on the left may see a paradox in this, of course. Clinton can't fully implement his public investment agenda until he dissipates the resistance to government. But unless his economic agenda first demonstrates results he'll never change those attitudes. That may not be fair, but as John Kennedy said, life isn't. The complexity of this dynamic—which demands incremental progress to continually clear the political space for a gradual revival of public activism—suggests that the Clinton years will be marked not by a revolution in government's role, but by a slow and arduous expansion of federal activities that may stall, or be forced into retreat, at almost any point.

Endnotes:

¹Surveys by the University of Michigan National Election Study (NES), 1966, 1970, 1974, and 1980.

²Survey by NES, 1986.

³Survey by NES, November 1992-January 1993.

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