

# FISCAL AWARENESS SERVICE

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DR. GERALD FAVERMAN, Chairman of the Board

## A LETTER OF POLITICAL AND SOCIAL COMMENTARY

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MEMO TO: Clients and Interested Persons

SUBJECT: 1986 CONGRESSIONAL RACES: A PREVIEW

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It is understandable that nearly all current discussion of politics in Michigan is geared to the 1986 state gubernatorial and legislative contests. This fall, attention is even more narrowly focused on the Detroit mayoral race and on selected local elections around the state. Although these elections are critically important in setting this state's policy and political agenda for the balance of the decade, we should not lose sight of the significance of elections to the U.S. Congress 13 months away. This commentary looks at the issues, political implications, and personalities of the U.S. Senate and House elections of 1986. Of greatest interest is whether or not the Republicans can hold their 53-47 majority in the Senate.

### The 1986 National Political Environment

On the horizon looms considerable risk for the national Republican party and its leader, President Reagan. The cabinet and executive staff reshuffling earlier this year has damaged the White House in both domestic and foreign policy arenas. As chief of staff, the conciliatory and pragmatic James Baker was a skillful negotiator for the White House in winning congressional enactment of Reagan's agenda. His replacement, Donald Regan, has insulated the White House and shown little of Baker's skill in mobilizing the nation and Congress behind the president's policy agenda. We believe that the tax reform stalemate and continuing inattention to the federal deficit are the result of Regan's lack of finesse in dealing with Congress and his miscues with Senate Republicans.

Chief of Staff Regan's inexperience in foreign policy and his confrontations with national security advisor Robert McFarlane have eroded confidence in the White House's foreign policy. The coming year shows a potential for considerable international turmoil, with continuing struggles in Latin America, the possibility of a change of leadership in China, the strength and vigor of the young Soviet leader Gorbachev, a deteriorating political system in the Philippines, and great political stress in the Western European democracies of West Germany, Great Britain, and France.

Since his inauguration, President Reagan has enjoyed good luck and has evidenced great political finesse. However, there are signs of both domestic and external destabilization: an economy that at best may be slow-growing in 1986, the congressional impasse on tax reform, and stresses in international

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relations. Economic and foreign setbacks could spell danger for Republicans in the 1986 midterm elections, the next opportunity for the public to fill out its report card.

#### The House of Representatives

You will not find a political sage in either party suggesting that the GOP has any real chance of dislodging the Democrats--who enjoy a 253-182 majority--from control of the House of Representatives in 1986. Given that the GOP gained only 15 seats from Democrats in the Reagan landslide last year and that the party controlling the White House historically loses congressional seats in midterm elections (an average of 27 seats since 1950), the Democratic majority in the House is as secure as anything in politics can be. In fact, in the last four midterm elections during the second term of a presidency (1938, 1958, 1966, and 1974), the party holding the presidency lost an average of 51 seats in the House. (At work in those elections, however, were unique problems for each president: recessions in 1938 and 1958, Vietnam in 1966, and Watergate in 1974.) The Republicans may escape this historical fate should the economy hold stable or improve, but without the popular Reagan on the ballot, a loss of close to the 26 seats lost by the GOP in Reagan's first midterm election in 1982 would seem to be the easiest outcome to prophesy. An economic downturn or crisis in the White House could trigger far larger losses.

Although control of the House is not in serious question, the selection of who will succeed Speaker Tip O'Neill is less certain. As of this writing, nearly all of Washington expects House Democratic Majority Leader Jim Wright of Texas to be the next Speaker. The Fort Worth native is a centrist, has done little to irritate either the left or right wings of the party, and has paid his dues as majority leader and Speaker--apparent since 1976. But, Wright is not as clear an heir-presumptive as were his predecessors, O'Neill, Albert, McCormack, Martin, and Rayburn. (It's interesting to note that every Speaker since 1940, with the sole exception of Carl Albert, has been from Massachusetts or Texas.) Wright was elected majority leader in 1976 by a narrow 148-147 vote; should the Democrats either gain an incredibly high number of new seats (thereby adding 50 or more freshmen with few loyalties to Wright) or make a dismal showing in 1986 (thereby embarrassing the House leadership), Wright could receive serious competition.

#### The Senate

This is the political battleground for 1986. Thirty-four senators are up for election, and the GOP now controls twenty-two of those seats. A loss of three seats would leave the Republicans in control as Vice President Bush could break a tie in the GOP's favor. A loss of four seats would throw the Senate into Democratic hands. Such a loss would cost the Reagan administration dearly; the GOP-controlled Senate has prevented Democrats from articulating and implementing their own national agenda and has protected Reagan from the embarrassment of having to veto liberal legislation. Control of the Senate is equally important in the anticipated changes in the makeup of the steadily aging Supreme Court. A Democratic-controlled Senate could reject or delay beyond his term Reagan appointees to the high court.

Looking only at the relative vulnerabilities of Republican and Democratic Senate seats, Democrats seem likely to regain control by gaining four to seven



seats. Not only are there more GOP than Democratic seats at stake, but also several of the Republican seats won by freshmen in 1980 were won by nerve-rackingly tight margins. The class of 1980 includes eight Republicans who won in 1980 with less than 51 percent of the vote, and another seven who won with between 51 and 54 percent. In comparison, only two Democrats won in 1980 with less than 51 percent, and one other won with 52 percent.

Of the twenty-two Republican senators whose terms end in 1986, at least four (Paul Laxalt of Nevada, John East of North Carolina, Barry Goldwater of Arizona, and Charles Mathias of Maryland) are retiring. All these races will be hotly contested without incumbents. Republican seats in North Dakota, South Dakota, Florida, Oregon, Oklahoma, Wisconsin, New York, Pennsylvania, Alabama, Georgia, and Idaho will be vigorously contested by Democrats. In a strong Democratic year, all these seats could fall, just as the Republicans unseated nine incumbent Democrats in the 1980 Senate elections.

Republican hopes are buoyed, however, by their prospects in Louisiana and Missouri where popular Democrats Russell Long and Thomas Eagleton are retiring. The GOP also feels it can strongly challenge Alan Cranston in California and Gary Hart in Colorado, if he runs. At this time few, if any, other Democratic incumbents appear to be in grave jeopardy, but campaign blunders, local issues, and strong competition are always threats.

Should the Republicans manage to hold onto control, Robert Dole, from his post of Senate majority leader, should have an excellent forum from which to make his expected run for the 1988 GOP presidential nomination. If relegated to minority leadership, Dole's position would be considerably reduced in importance; and former majority leader, Howard Baker, would likely feel he made the right decision in retiring early from the Senate for his anticipated bid for the 1988 presidential nomination. While the present Democratic minority leader, Robert Byrd, has evidenced little imagination in gathering national media attention, he likewise has done little to irritate his fellow Democrats: that being a sufficient quality to renew his lease as Democratic leader, whether in the majority or minority.

#### Partisan Alignment

While too much is often made of congressional elections as indicators of the prevailing mood of the people (only rarely do more than 10-15 percent of incumbents, regardless of party, lose reelection), political scientists will be watching the 1986 midterm elections for any evidence of political realignment. Surely a strong showing by the Republicans (a loss of fewer than three Senate seats and twenty House seats) would seem to indicate that the Reagan Republican realignment is a reality--that the nation has moved from a predominately Democratic body politic to one that is about evenly divided. A strong Democratic showing (a gain of more than five Senate seats and forty House seats) would seem to weaken the case that the country is moving toward an evenly divided or slightly Republican electorate.

One important issue to take into account is that Reagan's impressive popularity with the voters doesn't necessarily translate into support for his position on any particular issue. The lesson of the 1980s in politics is that



independence is more highly prized by the voter than adherence to any ideological line. An example of this was the August special election in Texas's first congressional district in which the Republican based his campaign on his support of Reaganomics. Although this district voted 62-38 percent for Reagan in 1984, in August, a conservative Democrat ended up besting the Republican, albeit by a narrow margin.

The midterm elections in 1986 probably mean less than will the 1988 presidential contest in determining the extent of the Republican resurgence. Short of a miracle, it seems unlikely that the Republicans will regain control of the House in this decade, but should a Republican follow Reagan into the White House, it could be significant evidence of a more conservative national political ethic.

Most assuredly, the gap between voters who express preferences for either the Democratic or Republican party has narrowed. Democrats have enjoyed leads in partisan identification of 15-20 percent since Franklin Roosevelt. National surveys in the past year show the two parties nearly at parity. The New York Times/CBS News poll taken in mid-July found 47 percent of the public leaning Democratic and 45 percent leaning Republican. Younger voters, who base their political identification on comparisons of the only presidents they know--Jimmy Carter and Ronald Reagan--tend to be far more Republican than older voters. Several New York Times/CBS News polls over the past year found that voters under age 28 favor Republicans 48-41 percent. While Republicans can take heart from their appeal to younger voters who will influence elections during the next 20 to 30 years, an economic downturn under Reagan combined with inspired Democratic leadership could easily tip the scales back toward the Democrats. The partisan alignment of voters is fragile and likely to remain so for several more elections.

#### Conclusion

While the Democrats may well control both the Senate and House in the last two years of Reagan's term, the Democrats may find that a mixed blessing. The accrued federal deficit virtually guarantees restrained congressional spending and a check on new programs for years to come. The deficit looms as a very effective means of preserving the conservative ethic in national politics for the foreseeable future, regardless of which party controls the White House and Congress. Also, a Democrat-controlled Congress in 1987 and 1988 may serve as a valuable "whipping boy" for Reagan and the 1988 GOP presidential nominee; Baker, Bush, Dole, or Kemp may need a Democratic Congress as a campaign issue should Reagan and his politics lose some of their magic and appeal in 1988.

This commentary is a publication of the FISCAL AWARENESS SERVICE. We hope you have found it interesting.