

# FISCAL AWARENESS SERVICE



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## A LETTER OF POLITICAL AND SOCIAL COMMENTARY

October 1, 1984

#18

MEMO TO: Clients and Interested Parties

SUBJECT: NOVEMBER 1984 ELECTIONS

FROM: Gerald A. Faverman and Cheryl Parish

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It appears to us that we are in the midst of a massive change in the political structure, attitudes, and philosophy of the western democracies. We are approaching the end of the age of industrial prosperity and unlimited consumption and beginning to enter an uncharted period of limitation and political instability. As this transition accelerates, the balance of power is also subtly shifting away from that which has ordered our relations for the past generation. This is causing the politics of the industrialized nations to become more polarized as evidenced by trends in Canada, Great Britain, Germany, and the United States. Even the Soviet Union and the Eastern bloc nations are becoming more conservative, although their politics are less familiar and less open to our scrutiny.

Technological change and revolutionized systems of communication have overcome the geographical distances between people and countries and increased the connections and interdependence of national states and economies. In the U.S., for instance, world trade accounts for 11% of the gross national product compared to less than 6% just 15 years ago.

This has reduced the preeminence of the superpowers in international economics and politics. Emerging third world nations have been able to replicate the technology of basic smokestack industries. Their low wage rates have held down their total manufacturing costs, enabling these nations to undercut the prices charged by the industrialized nations and to seize an ever growing share of the world market. As market shares are redistributed among industrialized and third world nations, the jobs of blue collar workers in the western industrialized nations have become endangered and domestic pressures have increased for protectionist measures such as import quotas and trade sanctions.

The redistribution of market shares and jobs also has altered the historical status of labor unions. Many industrial blue collar jobs in the U.S. are unionized. Unions are widely credited with improving wages and benefits for workers. However, these comparatively generous wages and benefits are blamed for the inability of some U.S. firms to survive foreign competition.

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The recent GM-UAW contract negotiations focused largely on the issues of international competitiveness and job security. A recent survey by the Field Institute showed that 44% of those surveyed thought labor unions did more harm than good, up significantly from the 27% who thought so in 1977.

Job security has become a central issue for unions, and disagreement between leadership and the rank and file as to how best to achieve it has created a growing alienation within the unions and has eroded labor solidarity. As we noted in our January letter, the deterioration of organized labor as an economic force has reduced labor's political strength and weakened the traditional political alliance among labor, the young, the elderly, and the socially disadvantaged. The growing divergence of these groups' interests has been reflected in social conflict about gender, sexual preference, family role, the status of men and women, abortion, crime, the death penalty, automation in the work place, unemployment, and the degree of personal freedom for the individual in dealing with the government, corporations, and religion. This shift in attitudes and opinions is playing a critical role in the 1984 presidential election. In January, we predicted the destabilization of these demographic blocs. This process is occurring more rapidly than anticipated; 1984 may herald change in the political loyalty and identification of most Americans.

The Democratic party is having difficulty retaining its historical political constituency. Its emphasis on social programming has been perceived as a promise to increase the tax burden of the middle class, running against the current trend of declining support for social justice and government intervention. The Jewish vote has been alienated by Jesse Jackson's bid for the Democratic presidential nomination and by the party's apparent willingness to embrace Jackson without censure for the anti-Semitic comments and actions of some of his campaign supporters. Another historical constituency of the Democratic coalition, white ethnic voters, is also demonstrating distrust of the Democratic ticket. Polls indicate that women are divided and concerned by the nomination of Geraldine Ferraro as the vice-presidential candidate. This demographic bloc is increasingly polarized, with highly educated, economically advantaged women being far more supportive of the ticket because of the nomination than less well-educated and less economically advantaged women, who seem curiously far more threatened by Ferraro than their spouses are.

Many blacks were gratified by the style and reception of Jesse Jackson's candidacy. This reflected blacks' hunger for a larger and more visible role in national politics after long years of unsung labor in the nation's political vineyards. Certainly they must be dismayed with society's growing tendencies toward rejection and isolation and the continuation of racism as a divisive factor in our society. Despite this split, blacks have remained unwaiveringly supportive of the Democratic party, although numerically they lack the political power to propel Mondale into the White House.

Not since the 1920s have the issues of the role, status, and influence of organized religion loomed so large in the minds of the voters. Separation of church and state; controversy about the obligation of Catholic men and women of conscience to act in political support of the Church's teachings; school prayer; abortion; and the recruitment of political adherents by fundamentalist

groups have polarized attitudes about the Republican and Democratic parties. According to Peter Hart, Mondale's poll-taker, "[Religious issues are] causing voters to take a second look at Reagan. People who were 90% for him are 110% for him now. People who were 60% for him are 45% now." Many are disquieted by the injection of religion into politics; they fear that it may jeopardize constitutionally guaranteed freedoms and liberties. This nation was divided throughout the nineteenth and early twentieth centuries by religious bigotry and intolerance. Advocacy and polemic that threaten our carefully crafted religious balance would be a tragic addition to the political calculus.

While the media continues to follow the peregrinations of Reagan and Mondale across our vast land, the public is far more interested in baseball, football, television, and getting on with its own business. With five weeks remaining, the presidential election, in our opinion, is already over. Conventional wisdom has argued, since the beginning of the year, that the presidential race would go down to the wire and that the opinion polls would narrow as the campaign progressed. Privately, we have been saying that if Mondale did not significantly narrow Reagan's margin in the polls by September 30, the margin would widen rather than narrow as the election approached. The margin of opinion has not narrowed and we see the potential of a Reagan landslide.

Reagan still could lose the election. He could self-destruct during the debates with Mondale, but it is not likely for a seasoned performer to stumble on camera. There could be another major foreign policy misadventure that would reflect poorly on Reagan's administration, but typically these disasters lead to a surge of patriotism which bolsters support for the incumbent. Furthermore, the economy is growing and stable; looming difficulties are not yet apparent to the voting public. This minimizes political risks for the Reagan/Bush ticket.

We believe Reagan will defeat Mondale in November in a landslide similar to the Johnson-Goldwater election in 1964 in which Johnson garnered 61.3% of the popular vote to Goldwater's 38.7%. A margin of victory of this magnitude would have ramifications for partisan candidates for all other offices. This includes 33 U.S. Senate seats, all 435 seats in the U.S. House of Representatives, 13 governorships, and literally thousands of state and local offices.

Republicans are most vulnerable in the U.S. Senate where they are fighting to retain 19 seats, 5 more than the Democrats. However, we project that the balance of power in the U.S. Senate will remain virtually unchanged -- the Republicans could gain 1 or 2 seats instead of experiencing a 6 to 8 seat loss projected by political observers earlier this year. Senate seats at risk include Jesse Helms (R-North Carolina), Charles Percy (R-Illinois) and Roger Jepsen (R-Iowa).

In the House, Democrats could lose 40-45 seats to the Republicans, close to the 52 seats needed to gain Republican control of that chamber. Democrats currently dominate the U.S. House of Representatives by a margin of 266-167 with two vacancies. During the 1982 mid-term election. Republicans lost 26

seats. A Reagan landslide could reverse this. House seats at risk include James Jones (D-Oklahoma), Lindy Boggs (D-Louisiana), and Webb Franklin (R-Mississippi).

In Michigan, we project that Reagan will collect 58.7% of the vote to Mondale's 41.3%, but caution that the Reagan tide could run as high 62%. In that eventuality, U.S. Democratic Senator Carl Levin could be in serious jeopardy. He has already taken steps to distance himself from Mondale and has been aggressive in attacking Jack Lousma, the Republican candidate. While people seem to like Levin personally, surprisingly few know about his voting positions and his liberal record. Levin has good name recognition, and his energy and resources may help him salvage this campaign. Michigan is renowned for its ticket-splitting propensity. In 1964 while Barry Goldwater was thrashed by Lyndon Johnson in Michigan, George Romney was reelected governor. However, 1984 is an atypical year and one senses strange things afoot. Lousma may find that luck, rather than tradition or campaign skill, could be his greatest advantage.

At the federal level, four Michigan Congressmembers appear to be at risk -- David Bonior (D-Mt. Clemens), Donald Albosta (D-St. Charles), Bob Carr (D-East Lansing), and Howard Wolpe (D-Lansing). Senator Levin and these four of his colleagues are hostage to the intensity of the Reagan tide. We suspect that in Michigan, with a plurality ranging between 700,000 and 1 million for Reagan, that all could be swept away.

At the state level, the Michigan Senate is not up for reelection in presidential election years, however the entire state House is up for election this November. The Michigan House of Representatives stands a fair chance of shifting to Republican control. We believe Republicans will gain at least 6 seats and that their margin could rise as high as 12. The split is currently 62-46 Democratic with two vacancies. Regardless of which party holds numerical power, the House will be politically more conservative, making the progress of liberal legislation more constrained.

In our opinion, the following Michigan House Democratic seats are at risk: Pat Gagliardi, Tom Hickner, Tom Scott, Bob Emerson, Lynn Jondahl, John Maynard, Mary Brown, Bus Spaniola, Tom Mathieu, David Evans, Ken DeBeaussaert, Jerry Bartnick, Justine Barns, Jim Docherty, Nick Ciaramitaro, Maxine Berman, and Mary Ellen Parrott. Also, in the race to fill the seat of retiring Democratic Floor Leader Joe Forbes, David Gubow may be defeated by John Cassise, his Republican opponent. Tom Elegeert, running to fill the seat of retiring Associate Speaker Pro Tempore Jack Gingrass, faces stiff competition from his Republican rival, Jim Connors. Only two Republican seats are at risk, those of Don Gilmer and Bill Runco. However, unlike some of their Democratic colleagues, both Gilmer and Runco may survive their November political challenges.

Politics is a dangerously speculative game. The closer one gets to the election the greater the degree of comfort one can have with projections and estimates. The campaign will not peak for all the races until the weekend prior to the election. Millions of dollars will be spent on campaigns, but the best-laid plans and strategies can be upset by unforeseen events. Readers should understand that there can be no guarantees; change and surprise are

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part of the allure of politics. One should be prepared for both in this November's election. We hope subscribers and clients have found the Michigan Political Atlas, mailed to them earlier this month, to be an instructive and useful tool in understanding the kaleidoscope of Michigan politics.

We have appended a list of the Republican and Democratic candidates for all state and federal legislative races. We hope it will be of reference to you, and trust that our insights will be of value. An update will be forthcoming in roughly one month.

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