



The Party of Ideas

Applied conservatism, 101

By Fred Barnes

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Republicans have few built-in advantages in politics. But they do have one that's already a factor in the 2016 presidential campaign. That advantage is ideas, especially ones affecting middle-income Americans.

GOP presidential candidates were among the first to notice. Florida senator Marco Rubio, who announced for president last week, met several times with a group of conservative intellectuals last year. Now his agenda, notably on taxes, echoes their ideas. So does his new book, *American Dreams: Restoring Economic Opportunity for Everyone*.

When Jeb Bush, the former Florida governor, came to Washington in February, he made a point of huddling with five policy experts associated with the Conservative Reform Network. One of them, CRN policy director April Ponnuru, wound up being hired. She will soon join the Bush campaign as an adviser.

CRN, which brings together reform-minded Republicans and think tank scholars, is a leader in the conservative idea business. It has spurred a fresh flow of proposals, policies, talking points, and new ways of thinking, mostly based on a concept called "applied conservatism."

It's a new term and likely to catch on. It means the application of conservative principles to current problems in American society and the crafting of practical solutions that have a fair chance of being enacted.

This is easy in theory but difficult in politics. The most effective ideas respond to circumstances, rather than simply rebut liberal policies, according to Yuval Levin of the Ethics and Public Policy Center (EPPC) and a CRN leader. And while applied conservatism doesn't require reducing the size of government, the ideas it generates aim to minimize the role of government

and expand the power of individuals and the public. Limiting government, sad to say, rarely occurs in Washington.

Democrats have nothing to match this GOP idea machine. Their allegiance to identity politics and obeisance to liberal interest groups has led to a commitment to policies from the New Deal and Great Society. Their newest idea is increasing Social Security benefits, itself an old idea. Liberals are “intellectually defunct,” says John Murray, an adviser to former House majority leader Eric Cantor and now CRN chairman.

When the Conservative Reform Network (formerly the Young Guns Network) was created last year, it produced an online book of 10 essays titled *Room to Grow*. Its purpose, wrote EPPC’s Peter Wehner, was to explore, “in an empirical and disinterested way, the problems and worries of middle-class Americans.” The essays dealt with education, health care, taxes, family and marriage, and safety-net reform, among other subjects.

The book was a hit in the policy community, among Republican elected officials and Capitol Hill staffers, and with party apparatchiks and the media. The authors posed awkwardly in the *New York Times Magazine* for a picture accompanying a generally favorable article. *Room to Grow* was downloaded 75,000 times.

Its success prompted *Room to Grow II*, with twice as many essays. To review and edit drafts of the new essays, the authors, along with CRN leaders and a few observers—I was one—gathered last weekend at Salamander, a resort an hour outside Washington.

Among the think tanks represented were the Manhattan Institute, the American Enterprise Institute, the Heritage Foundation, EPPC, the Cato Institute, the Mercatus Center, the Galen Institute, and the Texas Public Policy Foundation.

The discussions were lively, even when the subject matter was not. At one point, the scrutiny of the essays was ahead of schedule. “This is exciting,” said Kate O’Beirne, the moderator and a CRN adviser. “It means we have an hour and a half to devote to monetary policy.” She was joking.

Ryan Ellis of Americans for Tax Reform—Grover Norquist’s outfit—wrote the chapter on tax reform. Ellis not only favors “high octane pro-growth” tax policies and said so, he also advocates cutting the tax rate on capital gains from 23.8 percent to zero. This triggered objections. “Toxic!” said Henry Olsen of EPPC. Rubio, by the way, has proposed dropping the capital gains rate to zero.

James Capretta, still another EPPC scholar, talked about his essay on “Sustainable U.S. Fiscal Policy in the Context of a Reform Agenda.” He was mercifully brief. But when the discussion turned to Social Security reform, he interjected one of the boldest ideas of the two-day conference. He argued for eliminating the payroll tax for those under 21 and over 65.

“That was just me talking out loud,” Capretta told me later. Perhaps, but he had thought the idea through. The payroll tax puts “a lot of pressure” on young workers, he said. Freeing those over 65 from the tax makes sense because “we want them to keep working” for fiscal reasons. And those between 18 and 65 could pay a reduced payroll tax so long as they were pumping money into 401(k) retirement accounts.

In broad terms, the goal of applied conservatism was explained as restraining the role of the federal government and leaving plenty of “space” for people to experiment in solving problems, to make their own choices, and to allow failed programs and policies to die. The alternative—the status quo—is the liberal welfare state.

Largely missing from the deliberations were big ideas. One think tank person scribbled a note that captured this. “Big problems, small solutions,” it said. A huge increase in the child tax credit was cited as big. But it was belittled for lacking political pizzazz.

No one said this explicitly, but small ideas can have big consequences. I’d never heard of “regulatory accumulation.” But it turns out there can be a straw-that-breaks-the-camel’s-back effect in the world of regulations. Add a single small regulation to a big pile of regs and it can trigger a significant slowdown in economic growth.

In 2014, the Room to Grow folks ignored the immigration issue. And they were zinged for doing so. They should have skipped it again. All they could agree on was “immigration reform in the public interest,” whatever that is.

Part two of Room to Grow will be released a few chapters at a time beginning in September. After reading the drafts, I can assure you it will be smart, interesting, and useful, particularly if you are a presidential candidate.