

# POLITICIANS, POLICY, AND PUBLIC OPINION

By James T. Bennett & Thomas J. DiLorenzo

## Introduction

The results of the U.S. elections held November 4, 1980, were heralded by many as a major victory for conservatives or, at the very least, a serious setback for liberals. From a longer term perspective, however, the success of conservatives must be judged on the basis of their ability to implement changes in public policy that will alleviate the nation's pressing economic and social problems. Their election to public office may be a necessary condition for the adoption of alternative policies, but it does not by any means guarantee the success of their programs. Although in the United States conservatives may have been reasonably successful in the election battle, they may well fail to gain victory in the war to implement policy changes unless they give far more emphasis to winning public support for their programs. As economist Ludwig von Mises once said, "A social system, however beneficial, cannot work if it is not supported by public opinion."<sup>(1)</sup>

As discussed below in Section II, powerful vested interests have major economic stakes in every U.S. federal government program. Thus, in order to make significant changes in federal spending, it is essential that the public understands the need for and the importance of the necessary changes so that public opinion supports rather than subverts conservative programs. American conservatives, however, as shown in Section III, have in the past been far less effective than liberals in presenting their case to the public; in essence conservatives have not successfully countered the arguments of liberals by influencing public opinion. Some explanations of this phenomenon as well as prescriptions for change are provided in Section IV. The last section contains a summary and the conclusions.

## II. Public Policy and Public Opinion

As every successful politician is aware, it is perilous to ignore the will of the majority of the voters. However, it is also true that the politician is by no means a purely passive participant in the political process, for the effective representative has the

opportunity to shape public opinion from a position of elected leadership. If public policy is enacted without broad popular commitment, or leads to results which the majority of voters view as perverse, eventually sufficient dissatisfaction will be generated to cause voters to demand a change in their political representation. A strong case can be made that voter discontent with liberal policies was the primary cause of the conservative victory in the 1980 national elections. (2)

During the Carter administration, increasing difficulties became apparent in both foreign and domestic affairs. Internationally, U.S. prestige deteriorated and the defense establishment had become seriously weakened as spending on national defense declined from 9.3 percent of GNP in 1960 to 5.1 percent in 1979. (3) Domestically, both inflation and interest rates escalated to double-digit levels at the same time that recession and unemployment posed serious problems. Productivity fell and American products became less competitive in world markets while a swelling tide of imports threatened the survival of such basic industries as automobiles and steel. Simultaneously, taxes at all levels of government soared along with budget deficits. Despite record breaking public expenditures, there was little evidence of real progress in curing the nation's ills. The voter was disenchanted with a declining standard of living and increasing economic sacrifices that failed to produce positive results. Thus, after more than three decades of liberal programs, the voter began to question the efficacy of and need for ever-expanding government spending and regulation and expressed a desire for a change in the course of the "ship of state."

Overall, conservatives offered a significant departure from the political programs of the past: Waste, inefficiency, and fraud were to be eliminated from government programs; tax rates were to be cut to stimulate output and provide incentives to produce; monetization of government deficits was to be eliminated to help in bringing inflation under control; onerous and costly regulations were to be reevaluated and ineffective regulations scrapped to ease the burden on business firms and consumers; the size and scope of federal government were to be reduced. Other innovative measures such as enterprise zones to stimulate urban economic development, tuition tax credits, and a subminimum wage differential for youth were also proposed.

Negative voter sentiment toward the ineffective policies of the past, however, cannot by any means be translated into widespread *positive* support for the alternatives advocated by conservatives, for there is a considerable difference between espousing changes in public policy in general terms and implementing specific changes. For example, even though most Americans would agree that there is an urgent need to reduce government expenditures and the federal deficit, but less accord is apparent when expenditure cuts are proposed for specific programs. The elderly strongly oppose cuts in social security benefits; the poor will resist any reductions in welfare payments; farmers will protest lowering or eliminating agricultural subsidies and programs. The list of pressure groups with porkbarrels that they view as sacrosanct is endless. The basic problem is that the benefits from federal expenditure programs are concentrated among recipient groups which have a strong economic incentive to avoid any reductions in funding whereas the costs of the programs are widely dispersed.(4) A given taxpayer or group of taxpayers has little incentive to lobby for reductions in expenditures for a particular program because the tax savings that might result would be very small. For these reasons, every reduction in government spending will be stringently resisted by program beneficiaries with little or no counter-opposition from the rest of the taxpaying public. In short, criticism of conservative policy changes will be vocal and intense, but praise will be muted and scarce.

For conservatives to produce changes that meet with public acceptance and approval, it is essential that the forthcoming criticism be diffused by communicating the positive aspects of the *overall* changes to the public. Basically, the American public must be educated about the negative aspects of current government policies and convinced of the efficacy of conservative alternatives. The only way that such a large-scale educational process can be accomplished is through the media – the only avenue which provides immediate access to large numbers of voters. Unfortunately, the record shows that conservatives, in the past, have had far less success than liberals in presenting their ideas to the public.

### III. Political Coverage by the Media

For two important reasons, television is the most important medium for communicating ideas to the public: first, according

to Roper Surveys, television is the prime source of news for two-thirds of the U.S. population and, second, television is ranked far higher in credibility than any other medium.<sup>(5)</sup> Thus, an important part of the battle of ideas between liberals and conservatives is the amount of exposure given to proponents of their conflicting ideas on television news broadcasts. Information on the content of the national news broadcasts of the three major networks (ABC, CBS, and NBC) is provided on a daily basis in the *Television News Index and Abstracts* published by the Vanderbilt University News Archive. This publication summarizes the news contents of each evening broadcast and reports the subject matter of news items, the person(s) who were the subjects(s) or the primary participant(s) in each item, and the total time exposure devoted to each news story. The *Abstracts* were analyzed for the year October 1, 1977 to September 30, 1978 — the period during which the Panama Canal Treaty was the subject of intense debate — in order to determine the relative effectiveness of liberals vis-a-vis conservatives in reaching audiences on national television news.

Table I contains a list of all 17 U.S. senators who received one hour or more of total exposure on national TV news broadcasts along with their ranking of political philosophy as gauged by the American Conservative Union (ACU). The ACU rates ultraliberals zero and ultraconservatives 100.

As is evident from Table I, only two senators with ACU ratings above 50 (Baker and Dole) obtained more than one hour of television news exposure during the year. These 17 senators in total were given far more exposure than all 83 others combined, so the conclusion that can be drawn from these data is straightforward: more liberal senators were far more effective in reaching the public through television newscasts than conservatives. Unfortunately, there is no way to assess how effectively the policy arguments are presented to the public; it is, after all, possible for a very persuasive case to be presented in a short broadcast segment that could effectively counteract a much longer presentation of an opposing viewpoint. Other things equal, however, it is reasonable to argue that the more exposure given to an idea by network news, the more convincing is the concept to the general public.

If the two extremes of the political spectrum are considered, a similar picture emerges. Table II contains data on television news exposure for the 15 most liberal and the 15 most con-

Table I  
 U.S. Senators With At Least One Hour of Total  
 Exposure on National News Broadcasts, Their Length of  
 Exposure, and ACU Rating, October 1, 1977 - September 30, 1978

Senator	ACU Rating	Total Exposure Hrs:Min:Sec	Senator	ACU Rating	Total Exposure Hrs:Min:Sec
Baker (R, TN)	72	3:51:30	McGovern (D, SD)	5	1:28:20
Byrd (D, WV)	21	3:46:50	Dole (R, KS)	88	1:26:20
Jackson (D, WA)	13	3:23:20	Brooke (R, MA)	10	1:23:30
Kennedy (D, MA)	4	3:04:50	Case (R, NJ)	0	1:16:40
Humphrey (D, MN)*	6	2:11:50	Metzenbaum (D, OH)	13	1:15:30
Church (D, ID)	10	2:00:40	Nunn (D, GA)	46	1:12:40
Deconcini (D, AZ)	33	1:45:00	Proxmire (D, WI)	29	1:04:30
Abourezk (D, SD)	25	1:44:40	Long (D, LA)	19	1:03:00
Javits (R, NY)	4	1:30:30	Average	23.2	1:58:13

\*Part-year; Humphrey died during the year.

Source: Compiled from Television News Index and Abstracts, various issues,  
 1977 - 1978.

Table II  
 Network News Exposure for the 15 Most Liberal  
 and the Most Conservative Senators for the  
 Period October 1, 1977 - September 30, 1978

15 Most Liberal Senators			15 Most Conservative Senators		
Senator	ACU Rating	Total Exposure Hrs:Min:Sec	Senator	ACU Rating	Total Exposure Hrs:Min:Sec
Case (R, NJ)	0	1:16:40	Garn (R, VT)	100	8:50
Anderson (D, MN)	0	6:20	Curtis (R, NE)	100	4:30
Inouye (D, HI)	0	0	Laxalt (R, NV)	100	51:30
Matsunaga (D, HI)	0	6:10	Helms (R, NC)	100	24:30
Stevenson (D, IL)	4	8:30	Hatch (R, VT)	96	11:40
Clark (D, IA)	4	25:10	McClure (R, ID)	96	29:30
Culver (D, IA)	4	3:00	Scott (R, VA)	92	23:50
Sarbanes (D, MD)	4	6:00	Hansen (R, WY)	92	15:20
Kennedy (D, MA)	4	3:04:50	Wallop (R, WY)	92	6:50
Williams (D, NJ)	4	9:20	Bartlett (R, OK)	92	3:10
Javits (R, NY)	4	1:30:30	Byrd (I, VA)	92	0
Bayh (D, IN)	5	24:50	Lugar (R, IN)	92	8:30
Mathias (R, MD)	5	3:40	Thurmond (R, SC)	91	14:30
Hatfield (D, MT)	5	24:40	Tower (R, TX)	91	25:10
McGovern (D, SD)	5	1:28:20	Goldwater (R, AZ)	89	26:20
Average	3.2	37:12	Average	94.3	17:05

Source: See note to Table I.

servative senators, as ranked by the ACU. Two points are immediately apparent from this table. First, ultraliberals received more than twice as much "airtime" as ultraconservatives over the course of the year and, second, the liberals apparently managed to develop key spokesmen for issues. Four of the liberals (Kennedy, Javits, McGovern, and Case) each received more than one hour of prime news time over the year, whereas none of the conservatives exceeded one hour of exposure — Sen. Laxalt received almost twice as much as any other ultraconservative senator, but, even then, his total was less than one hour. Taken together, Kennedy and McGovern received more attention from the national news networks than all 15 of the most conservative senators combined.

Though not definitive, the data in Tables I and II strongly suggest that liberals have been much more successful in airing their views to the public than conservatives.

#### IV. Conservatives and the Media

At best, it is very difficult to answer the question "Why do conservatives fail to obtain the media coverage given to liberals?" Thus far, no one has developed a comprehensive or even convincing "theory of the media" which can explain the behavior of reporters, pundits, and commentators. Several explanations of the "liberal media" may be offered and, although it is likely that all are incomplete and none is entirely satisfactory, there are elements of truth (or at least intuitive appeal) in each. For this reason, the discussion below must be considered suggestive rather than exhaustive and, if anything, the deficiencies in the analysis underscore the urgent need for research on the media, given the significance of the issues involved.

Among conservatives, conventional wisdom assumes that most members of the media are themselves liberal and, as a result of their personal biases, favor liberal points of view and discriminate against conservative positions. Witness the fact that George Wallace, Spiro Agnew, and others have attempted to create political capital by lambasting the "Eastern Establishment" and the media which publicized and gave credence to their views. The "liberal press" is a phrase often heard in conservative circles, always spoken in tones of considerable contempt and disdain. Few would disagree with the assertion that members of the media do, in fact, have liberal leanings,

and that editorial policy as indicated by lead articles also frequently appear to be liberal, but blind acceptance of this explanation of why liberals receive more generous public exposure on television is fraught with danger for the conservative's objective of influencing public opinion through the media. Carried to its extreme, this view of the media generates an "us-versus-them" mentality and the antagonism associated with such a stance can be self-defeating. Even where the media is "liberal," it is essential that the powers of persuasion that conservatives must bring to bear on the general public also need to be generously applied to reporters and to television commentators. The old adage about catching more flies with honey than with vinegar is as true as it is trite.

Unless these facts are realized, the outlook for conservative policy positions reaching the public through the media is grim. Liberal personnel work for newspapers, television networks, and TV stations apparently because their managers and owners hire and tolerate such individuals. Under the constitutional dictum of freedom of the press, little can be done to alter this state of affairs.

The problem of media bias is far more complex than present media theory indicates, for while in general members of the media do not *make* news but only *report* it, biases can and presumably do influence the *selection* of news items that are reported. However, in preparing their reports, media personnel are customarily constrained by a very important characteristic of the news: it must be new — or at best appear to be new. For the vast majority of print and broadcast journalists, the planning horizon is, at most, 24 hours or even less — the Woodward-Bernstein type of investigative reporting that extended over a period of months is the rare exception in the media world. Because of the inherent perishability of news, the reporter is highly dependent upon information sources who supply items of news. Thus, one may refer to a "supply-side" theory of the media.

In the realm of national affairs, much of the supply of news is dominated by the "public affairs" departments of various government bureaucracies. Literally billions of tax dollars are expended annually by the federal government to publicize and justify its actions. Rare indeed is a news release that openly criticizes any agency's officials. As an illustration, consider the reporting on inflation which is routinely described as being

caused by “rising prices” of milk, steel, cars etc. — anything but federal deficit spending financed by money creation by the Federal Reserve. CBS linked inflation with deficit spending in only 2.5 percent of its reports on inflation in a recent two-year period.(6) Further, CBS in recent years broadcast 200 stories on regulation, but only in 8 of these was it mentioned that regulation was costly to consumers. For decades, the bureaucracy has employed the media as a means of convincing the public that an expansion in the size and scope of government is desirable and, indeed, necessary, to deal with a host of social, economic, environmental, etc., issues. The media has little time or incentive to question the pronouncements of bureaucrats for to do so would undermine their primary source of information; even reporters are not disposed to bite the hand that feeds them.

Conservative senators also produce news releases and hold press conferences, but the evidence has shown that liberal members of Congress seem to be far more effective at airing their views on television. There are doubtless many interpretations of the fact that the supply side of the news tends to be dominated by liberals, but we believe that two factors in particular are very important. The first factor is related to the essential nature of television: The primary objective of television is to entertain, not to inform, the viewer. Public affairs programs such as Meet the Press, Issues and Answers, and Face the Nation have never drawn the substantial audiences accorded regularly to many prime time series of questionable quality. In the race for viewer ratings, the competing networks must also make the news broadcasts entertaining. Thus, at least to a degree, the content of the news is determined by its entertainment or commercial appeal and this favors the airing of liberal views. Stories of doom and gloom have always been the stock-in-trade of newspapers and television and radio news broadcasts. Because of the public’s fascination with cataclysmic events, news broadcasts are “crisis oriented.” Examples of such reporting are commonplace: the energy crisis, the health care crisis, the environmental crisis, and so on. Liberals have been more than willing to supply crisis grist to the media mill, for the existence (real or perceived) of a crisis generates the need for a government program to “do” something to avert pending disaster. Liberals employ crises as a means of expanding the size and scope of federal government activity and the media

cooperate in publicizing the liberal view because crises sell newspapers and guarantee high ratings for news broadcasts. In contrast, conservatives stress a limited role for the federal government and recognize that many government programs cause more problems than they cure — a perspective with little potential for attracting wide audiences and advertising revenues. The conservative is placed at a competitive disadvantage vis-a-vis liberals because the “content” of the conservative’s message is not as commercially attractive to the media. For this reason, the conservative needs to make even more determined efforts to attract media attention, but there is strong evidence that this is not the case; thus, a second reason that liberals dominate the supply side of the news is that they devote more resources to media activity.

Consider Table III where the salaries paid to media assistants by the fifteen senators who received the most television exposure and by the fifteen most conservative senators are compared. Liberals, according to the ACU ratings, dominate the list of those who received the greatest coverage; with the exceptions of Baker and Dole, all of these senators were given ACU ratings below 50. The average ACU rating of those who obtained the most coverage was 25.5, markedly liberal, and an average annual salary of \$24,843 was paid to staff members identified as press or media aides. By comparison, the fifteen most conservative senators paid their media assistant an average of \$19,328 — fully 22 percent less than liberals with the greatest television coverage. Three of the conservatives did not explicitly identify any assistant whose primary responsibility was to deal with the media. In a supply-side explanation of the news, the media aide performs essential services in dealing with reporters, commentators, and pundits. Media aides prepare press releases and arrange for their distribution, communicate with media representatives to answer questions and explain issues, and, in general take steps to focus as much favorable public attention as possible on the senator and the issues which the senator supports. As shown in an earlier study (7), conservatives spend less on staff than do liberals in order to “save the taxpayer money,” but such frugality is unwise and represents false economy, especially where media assistants, public opinion, and policy issues are ultimately at stake.

An additional point is worthy of brief mention. Much of the effort of media assistants is devoted to publicizing the activities

Table III

Salaries paid to Media Assistants by the  
Fifteen Senators with the Greatest TV Exposure<sup>a</sup>  
and by the Fifteen Most Conservative Senators

Greatest TV Exposure			Most Conservative		
	ACU Rating	Salary of Media Aide		ACU Rating	Salary of Media Aide
Baker (R, TN)	72	\$49,941	Garn (R, VT)	100	\$13,425
Byrd (D, WV)	21	40,214	Curtis (R, NE)	100	4,260
Jackson (D, WA)	13	28,998	Laxalt (R, NV)	100	26,671
Kennedy (D, MA)	4	26,850	Helms (R, NC)	100	0
Church (D, ID)	10	35,845	Hatch (R, VT)	96	0
Deconcini (D, AZ)	33	27,457	McClure (R, ID)	96	31,162
Abourezk (D, SD)	25	10,964	Scott (R, VA)	92	0
Javits (R, NY)	4	38,861	Hansen (R, WY)	92	9,039
McGovern (D, SD)	5	5,102	Wallop (R, WY)	92	21,012
Dole (R, KS)	88	11,742	Bartlett (R, OK)	92	29,335
Case (R, NJ)	0	0	Byrd (I, VA)	92	43,139
Metzenbaum (D, OH)	13	21,331	Lugar (R, IN)	92	19,451
Nunn (D, GA)	46	34,003	Thurmond (R, SC)	91	26,146
Proxmire (D, WI)	29	0	Tower (R, TX)	91	19,198
Long, (D, LA)	19	41,349	Goldwater (R, AZ)	89	47,077
Average	25.5	\$24,843	Average	94.3	\$19,328

<sup>a</sup>Excluding Humphrey who served only for a portion of the year and Brooke whose media exposure focused more on his personal problems than on his political philosophy.

and policy positions of the senator in the home state. Although it is unquestionably important to keep voters informed, this activity must be regarded to some extent as "preaching to the choir." Many voters support and share the senator's views, otherwise he would not have been elected. To advance political issues, it is necessary to concentrate much greater effort on a national, rather than a regional, audience where the number of potential converts is much greater.

## FOOTNOTES

\* The authors gratefully acknowledge financial support from the Earhart Foundation and the Sarah Scaife Foundation.

(1) George Koether, "The Wisdom of Ludwig von Mises," *The Freeman* (September 1981), p. 556.

(2) Professor Arthur Schlesinger has asserted that "what the voter repudiated in 1980 was not liberalism but the miserable result of the conservative economic policies of the last half dozen years." (*The Wall Street Journal*, November 20, 1980).

(3) U.S. Dept. of Commerce, Statistical Abstract of the U.S. (Washington, D.C.: Bureau of the Census, 1981), p. 258.

(4) The costs of government programs are both explicit and implicit. Explicit federal taxes are accompanied by the implicit tax of inflation when federal deficits are financed by expanding the money supply. In addition to the inflation tax, government borrowing and inflation tend to increase interest rates so that much private sector investment is "crowded out."

(5) Tom Bethel, *Television Evening News Covers Inflation: 1978-1979* (Washington, D.C.: The Median Institute, 1980).

(6) Bethel, *op. cit.*

(7) James T. Bennett and Manuel H. Johnson, "Why Conservatives Should Be Big Spenders," *Policy Review* 11 (Winter 1980), pp. 51-58.

# GOLD AND THE INTERNATIONAL MONETARY FUND

By Günter Wittich

Gold has been largely removed from the Fund's Articles of Agreement as a basis for transactions, and its role in the exchange system and as numeraire has been eliminated. This bare statement, however, fails to bring out the full implications of the changes in the role of gold brought about by the Second Amendment of the Fund's Articles. More important, it neglects the fact that gold remains an important asset among international reserves that must be taken into account in the Fund's mandated surveillance of international liquidity.

The breakdown of the par value system in the early 1970s led to a prolonged discussion of possible reforms of the system, including a gradual reduction in the role of gold. The main elements of the consensus on gold that eventually emerged in these discussions were:

- \* that there would no longer be an official price for gold;
- \* that the various obligations of member countries to use gold in transactions with the Fund would be abolished;
- \* that part of the Fund's gold holdings would be sold for the benefit of developing member countries; and
- \* that another part would be sold to all Fund members at the official price.

It was also agreed that there would be no action to peg the price of gold in the future and that the total stock of gold in the hands of the Fund and of the Group of Ten countries and Switzerland would not be increased. The latter agreement entered into effect in February 1976 for a period of two years; it was allowed to lapse in February 1978 in view of the then pending Second Amendment of the Articles.

## The Second Amendment

As gold formed such a pervasive element in the original Articles of the Fund, the changes introduced by the Second Amendment were numerous. The most important of them are the following. Gold was eliminated as the common denominator of the par value system and as the unit of value of the SDR (special drawing right). Although there are now no par values,