



## ***The Free Congress Commentary***

### ***The Next Conservatism #35: Good New Taxes***

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The next conservatism, like today's conservatism, will generally be opposed to new taxes. But there should be some exceptions. There is an old saying that, "if you want less of something, tax it." That is the rationale for "sin taxes," high taxes on substances such as cigarettes and alcohol. It is also the reason conservatives oppose higher marginal tax rates on incomes and profits. Income and profits represent economic growth, and the more we tax growth, the less growth we will have.

Something the next conservatism should want less of is outsourcing American jobs overseas. Both the Republican and Democratic Parties now support free trade, which has some important benefits. But it also effectively averages America's economy with the Third World economies of places such as China and India, which have low wages and low standards of living. Not surprisingly, one result is that the standard of living of middle and lower-middle class Americans is dropping. It will continue to drop so long as we keep outsourcing jobs overseas.

Let me note that in this instance, the Democrats are betraying their own base more than the Republicans. I have mentioned other issues where the Republicans are selling conservatives out, with immigration at the top of the list. But American workers, especially those in manufacturing, have tended to vote Democratic. When Democrats support free trade and unlimited outsourcing of American jobs overseas, they are giving American workers a kick in the pants. So why do so many Democratic Senators and Congressmen now back free trade? The answer, as usual in Washington, is "follow the money."

As I have argued in previous columns, the next conservatism should seek to include American workers. Most of them are cultural conservatives. So with the Democrats' abandoning workers' most important economic interest, their jobs, I think the next conservatism should step in to defend those jobs. Patriotism also argues for such a position. If America continues to lose its manufacturing base and the good jobs it provides we will become a Third World country ourselves.

So if we want to stop or at least reduce outsourcing of jobs to foreign countries, we should tax outsourcing. In my view, that would be a good new tax. I am not an economist but one way to do that might be to levy export duties on outsourcing. When we think of tariffs, we usually think of tariffs on imports. But for many centuries countries also had export duties on some products. What if we put an export duty of, say, 500% on every job companies here send overseas? The company would have to pay a tax of five times the wage of the new employee it hired overseas. Businesses might find it made better economic sense to keep that job in America.

There might be better ways to tax outsourcing jobs than with export duties. I am not set on any specific way to do it. We might also want to dedicate the revenues from such a tax to things businesses here need, like improvements in infrastructure such as increasing the capacity of American railroads.

But the next conservatism should be for keeping good jobs in America. If we are really to be pro-family, we need to make sure heads of middle-class households can still obtain jobs that pay enough to raise a family. A major reason why so many mothers are in the workplace instead of home with their children is that their family requires two incomes to stay afloat.

The next conservatism should work to change that and restore the situation we had in the 1950s, where a male head of household could readily obtain a job providing a family wage. Averaging our economy with those of Third World countries works against a family wage in this country, and if a new tax can help us stop doing that, then in my book that is a good new tax. The next conservatism should be about serving Main Street, not Wall Street.

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