

A LESSON IN
HOPE FROM DHARAVI
by Arthur C. Brooks



The Ripon Forum

September 2015
Volume 49, No. 3

A large, dramatic photograph of Vladimir Putin. He is wearing a dark, fur-trimmed winter coat and is shouting into a black microphone. His right fist is raised in a gesture of power or protest. The background is dark and out of focus.

Putin's **PUSH FOR POWER**

Ron Johnson on the growing threat to global security

William Pomeranz on the challenges facing the Putin regime at home

Nenad Pejic on the effort to separate fact from fiction amid Russian propaganda

Plus: The War on ISIS, one year later - by Paul Salem

And: Why the stakes are so high in the South China Sea - by Patrick Cronin



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Volume 49, Number 3

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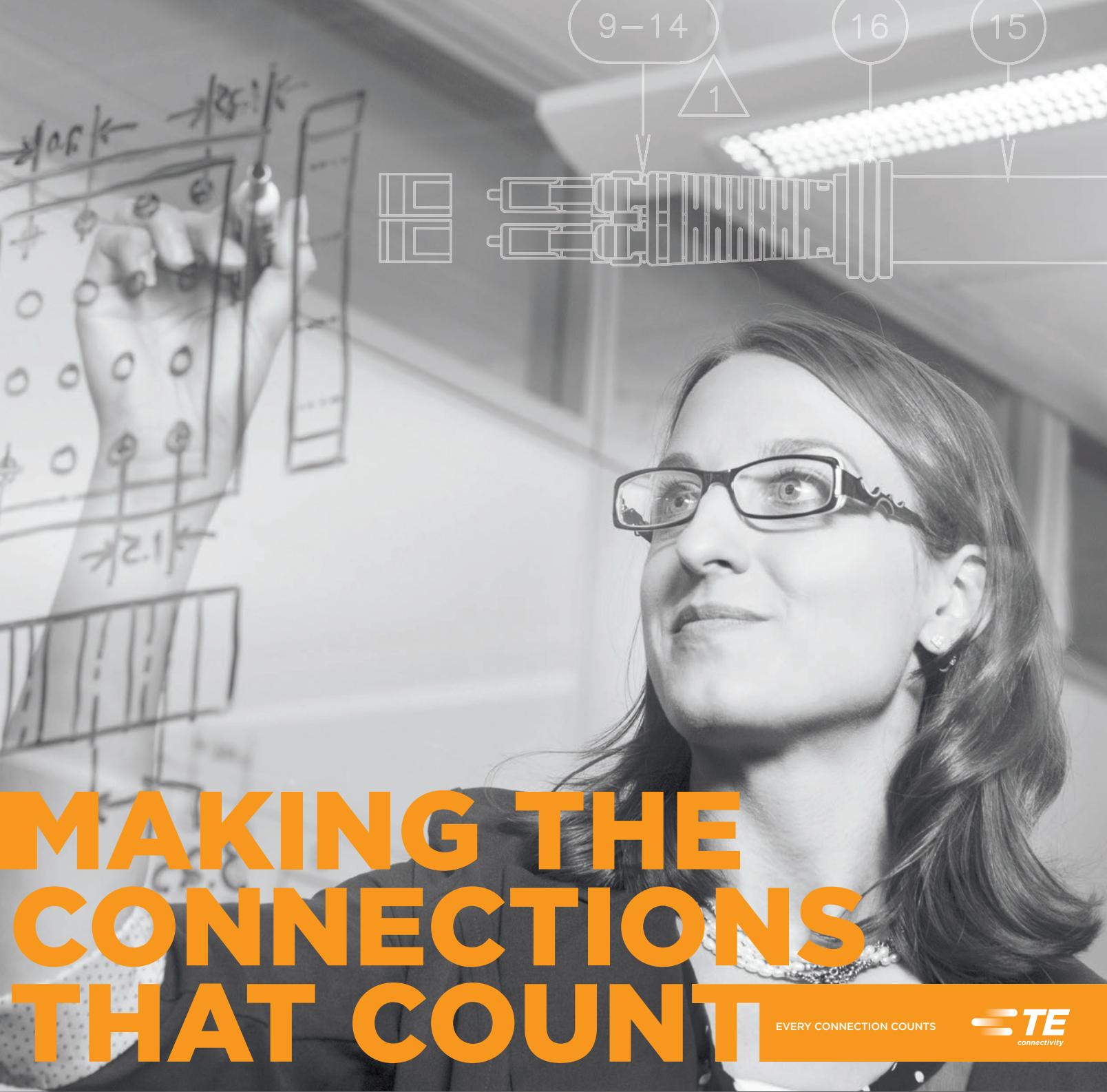
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In this Edition

As we mark another anniversary of 9/11, one can't help but compare the world we live in today with the world we left behind 14 years ago. The terrorist attacks shattered the sense of invincibility that had built up in America following the end of the Cold War. In the years since the attacks, that sense has been further punctured by our seeming inability to shape world events. The rise of ISIS. The expansion of China. The very real danger that Russia poses to the West. With the possible exception of China, these threats were unimaginable on September 10, 2001. And yet today, they represent perhaps the three greatest challenges we face around the world.

We take a look at these challenges and these threats in this latest edition of THE RIPON FORUM. Leading our coverage is an essay by Senator Ron Johnson, the Chairman of the Senate Foreign Relations Subcommittee on European and Regional Security Cooperation. In his essay, he writes about President Obama's failed attempt to "reset" U.S. relations with Russia after he took office, and Vladimir Putin's push for power in the ensuing years. He also offers up this warning about the direction the Russian President is taking his country. "As Putin advances," the Senator writes, "the Obama administration continues to talk about offering Putin 'off ramps.' To prevent even greater destabilization in Europe, the West must realize that Putin isn't looking for 'off ramps.' He's only biding his time and looking for the next 'on ramp.'"

Johnson's warning is echoed by William Pomeranz, the Deputy Director of the Kennan Institute at the Wilson Center. Pomeranz writes that Russia "has been put on a wartime footing," and adds that, "Putin can't back down from any of these policies without losing face." But Pomeranz also argues that Putin's time may be running out due to his country's deepening economic concerns. "What ails the Russian economy? Take your pick. Up until now, Putin has always made sure that pensions keep pace with inflation and are paid in full. Now, because of the collapse in the price of oil and deep recession, that type of money is simply not available."

Russia's economy may be collapsing, but, according to Nenad Pejic, its PR machine is in full gear. Pejic serves as Editor-in-Chief of Radio Free Europe/Radio Liberty. In this role, he not only leads the effort to counter Russian propaganda, but understands the difficulty – and importance of – making sure the truth is known. "As Russia attacks the post-World War II security structure," Pejic writes, "RFE/RL's task has less to do with outsmarting censors – although new Russian laws are constantly expanding authorities' power to police content – than cutting through a haze of lies and absurdities designed to blur fact and fiction and overwhelm reason."

In addition to examining the threat posed by Russia, the latest edition of the FORUM also looks at the President's strategy to destroy ISIS, which, writes Paul Salem of the Middle East Institute, is stuck in stalemate. Patrick Cronin of the Center for a New American Security writes about the challenge facing America in the South China Sea, a region which lies at the "nexus" of the global economy, and one, Cronin argues, where the U.S. must stand up to China's increasingly aggressive territorial claims. And in a pair of essays, Gordon Gray and Rachel Hoff discuss the U.S. defense budget, while Patrick Jephson reflects on how the United States is viewed abroad.

In other essays: Arthur Brooks of the American Enterprise Institute writes about "A Lesson in Hope from Dharavi" and looks at how free market principles have transformed India over the past 20 years; Senator John Thune and Congressman Mike Bishop write about "Tackling the Troublesome Tax Code" and legislation they have authored to do just that; Trey Grayson writes about how one community in Kentucky is addressing "The New Epidemic" of heroin abuse; and, William McKenzie reflects on his tenure as Editor of THE RIPON FORUM and the accomplishments of "Ripon in the Reagan Years." And in our latest Ripon Profile, Larry Hogan discusses his first year as Governor of Maryland and his courageous battle to defeat cancer.

As always, we hope you enjoy this edition of the FORUM, and encourage you to contact us with any thoughts or comments you may have.

Lou Zickar
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Putin's PUSH FOR POWER

by RON JOHNSON

In 2009, the Obama administration “reset” relations with Russia, an attempt at unilateral withdrawal and concession to curry favor and gain cooperation from Vladimir Putin’s regime. Unfortunately, the reset has proved to be a miserable failure because Putin respects only strength and is adroit at perceiving weakness and fully exploiting it.

Two years after that reset and within a few months of becoming a U.S. senator, I saw this first-hand. In April 2011, I traveled to Georgia, Ukraine, Lithuania, Latvia and Estonia with a congressional delegation led by Minority Whip Jon Kyl, a knowledgeable head of the Senate’s National Security Working Group.

Twenty years after the dissolution of the Soviet Union, the purpose of the trip was to gain insight into the challenges facing these nations that have been well described as a “belt of freedom and democracy” buffering the rest of Europe from Russia.

What we saw was summed up by what our delegation wrote: *“The process of developing democracy and building a free-market economic system after 50 years of communist subjugation is hard enough. But having to deal with a large and menacing neighbor bent on sabotaging their efforts makes it all the more difficult.”*

Following the breakup of the Soviet Union, the West reached out to include Russia in the promise of a Europe

whole, free and at peace. Billions of dollars from the West were invested in Russia, multinational organizations were expanded to include Russia, and military cooperation and disarmament treaties were agreed to — all in an effort to help make the world a safer place.

But instead of accepting the West's outstretched hand of friendship for the benefit of the Russian people, Putin took advantage of our good intentions to consolidate his hold on power. Instead of looking to that “belt of freedom and democracy” with an attitude of cooperation to achieve mutual prosperity, Putin viewed success in those nations as a threat to his control. He correctly calculated that if the breakaway republics succeeded with freedom and democracy, the long-suffering Russian people would begin demanding the same, and his grip on power would be loosened.

His undermining of these fledgling democracies has been longstanding, persistent and highly effective. The legacy of corruption within public institutions is difficult to overcome in the best of situations. Putin does everything he can to maintain and exacerbate that corruption. His use of propaganda is pervasive, and the West has done little to respond. His propaganda’s lies are outrageous, but without effective rebuttal, they have become the accepted reality.

Two years after that trip in 2011, I joined the Senate Foreign Relations Committee, serving as ranking member and, now, chairman of its European Subcommittee. I have taken multiple trips to Ukraine and other Eastern European countries. I have seen how the pressure that Putin has been applying in Eastern Europe has increased significantly, as evidenced by his most recent military aggressions.

Putin invaded Georgia in late 2008 as the West was distracted by the financial system meltdown and a U.S. presidential election. In 2011, I stood at the new “border” of South Ossetia, just 33 miles north of Georgia’s capital, Tbilisi, looking through binoculars at the Russian guard post. It was a bizarre and sobering experience to witness concrete evidence of a post-Cold War Russian invasion.

Quick and resolute reaction by the Bush administration

and our European allies during the Georgia invasion halted Putin’s advance, but he has not withdrawn. Similar to the “frozen conflict” in the Russian backed Transnistria region of Moldova, Putin consolidated his gains and then patiently waited for his next opportunity to seize for Russia what the Soviet Union once controlled.

Unfolding events in Ukraine and the Middle East combined to present that opportunity. The brave protesters of the Maidan succeeded in overthrowing Putin’s puppet in Ukraine, a result Putin was loath to accept — and one that

he didn’t. With the new Ukrainian government struggling to overcome decades of corruption and failed communist policies, with its military purposely hollowed out by Putin’s puppet, and with the West distracted by the deteriorating conditions in the Middle East, especially in Syria, Putin made his move on Crimea.

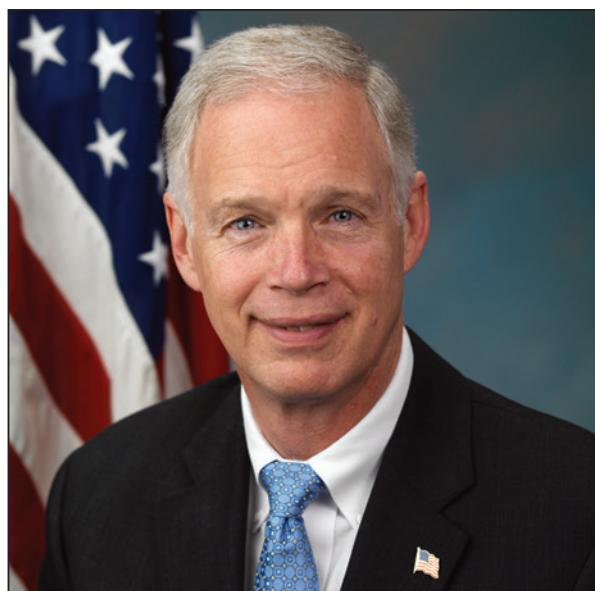
With an overwhelming military presence already located at Russian naval bases, the takeover of Crimea was met with virtually no resistance, prompting Putin to set his sights on a larger target, Eastern Ukraine. In testimony before our committee, experts described Putin’s actions as an invasion consisting of 15,000 Russian troops on

Ukrainian territory. President Obama should utilize the authority passed unanimously by Congress to supply lethal defensive weaponry to the courageous Ukrainians fighting for their territorial integrity and freedom.

As Putin advances, the Obama administration continues to talk about offering Putin “off ramps.” To prevent even greater destabilization in Europe, the West must realize that Putin isn’t looking for “off ramps.” He’s only biding his time and looking for the next “on ramp.”

RF

Ron Johnson represents the State of Wisconsin in the United States Senate. He serves as Chairman of the Foreign Affairs Subcommittee on European and Regional Security Cooperation. He is also Chairman of the Committee on Homeland Security and Government Affairs.



Instead of accepting the West’s outstretched hand of friendship for the benefit of the Russian people, Putin took advantage of our good intentions to consolidate his hold on power.

Is Time Working for or Against Putin?

WILLIAM POMERANZ

The renewed clashes in eastern Ukraine in mid-August confirm once again that the Russia-Ukraine crisis is anything but frozen. Indeed, while the level of violence stabilized in the aftermath of the February 2015 Minsk II agreement, the shooting and dying on all sides never stopped.

The new round of fighting raises the immediate question whether the region is witnessing an escalation of the crisis, or if sufficient flexibility and restraint exists amongst the parties to return to the Minsk II process, unsatisfactory as it is. Yet while the clock is ticking on multiple fronts, it is Russian president Vladimir Putin who potentially faces the most significant time pressures.

Putin has relished being unpredictable throughout the conflict, but even he, by now, realizes that the Ukraine crisis has not gone according to his timetable. There has been no decisive military victory, as occurred in Georgia in 2008. Moreover, unlike the 2009 economic crisis, the price of oil has not dramatically recovered, nor does Russia possess the same deep financial reserves to prop up the ruble and prevent a dramatic drop in living standards. Finally, no U.S. politician generously has offered Putin a reset; instead, he has to deal with U.S. and EU sanctions.

So this current crisis differs significantly from the most recent ones. At the June St. Petersburg Economic Forum, Putin glossed over Russia's financial problems, but his economic advisors – past and present – openly expressed their concerns about Russia's future direction. And even though Putin faces no political opposition, he

is presiding over a troubled economy that would keep any politician up at night.

What ails the Russian economy? Take your pick. Up until now, Putin has always made sure that pensions keep pace with inflation and are paid in full. Now, because of the collapse in the price of oil and deep recession, that type of money is simply not available. Putin risks alienating Russian pensioners – perhaps his most loyal group of supporters – by no longer providing pensions that are linked to the rate of inflation.

The regions are broke. Indeed, it has been reported that as many as 20 regions technically are in default. Regional governments are responsible for numerous public and social services, and now the federal government will have to pick up the tab at a time of shrinking resources.

Utility rates are going up, naturally hitting poor Russians the hardest. Since Putin is always looking over his shoulder for colored revolutions and potential social unrest, he obviously knows that the recent protests in Armenia were sparked by a rise in utility rates.

The list of problems goes on. The car market was down 30 percent in June, while mortgage lending was down 40 percent during the first five months of 2015. Both reflect a dramatic

decline in domestic investment, manufacturing, and consumer demand. Most analysts anticipate at least a 3 percent decrease in GDP in 2015, and the final number may be worse. In June the EU extended its sanctions for another six months, thereby denying Russia access to western financial markets. And Belarus, Russia's



William Pomeranz

Putin has relished being unpredictable throughout the conflict, but even he, by now, realizes that the Ukraine crisis has not gone according to his timetable.

erstwhile trade partner and ally, recently asked for another \$3 billion loan to tide it over during difficult times.

Indeed, one has to look hard to find bright spots in the Russian economy. At the St. Petersburg Economic Forum, Putin touted the rise in domestic cheese, butter, and other dairy production, but this increase only occurred because of the food counter-sanctions imposed by Putin in 2014 against western agricultural products. Indeed, Putin has introduced a program of import substitution that sacrifices the principle of comparative advantage – the bulwark of the post-WWII system of international trade – and instead relies on Soviet-style notions of self-sufficiency.

Individually, the above economic problems are not necessarily fatal to the regime, especially since Putin faces no serious political challengers. Nevertheless, a toxic mixture of factors – inflation, declining pensions, a weakening currency, failing regional governments – is currently brewing that could boil over at any time. Putin would have to address any negative public reaction with dwindling economic resources. Moreover, his alternative financial backer – China – is in the midst of its own stock market crash and economic slowdown that may severely limit its ability to come to Russia's rescue.

Yet despite all these worries, Putin continues to display a high level of confidence. Is this hubris, or does he truly believe that time is on his side? He still is sitting on approximately \$350 billion in hard currency reserves to throw at these problems. Those reserves, however, are down significantly from the start of the crisis and will be tapped again to cover the anticipated 2015 budget deficit. He also is a firm believer that what goes down must go up. So there is always the possibility that the price of oil will recover, thereby creating a significantly sunnier economic outlook.

The Ukraine crisis presents other opportunities for Putin as well. The extension of EU sanctions requires unanimity, and he will no doubt continue to sow divisions within Europe to possibly overturn the present sanctions

regime when it is next considered in January 2016. Putin would love nothing more than to break the united front between the EU and the United States, and this remains a real possibility the longer the crisis drags on.

Yet to achieve this goal, Russia essentially has been put on a wartime footing. The anti-U.S. rhetoric in the Russian media is pervasive and unrelenting. Military spending remains one of the few areas not subject to budget cuts. The new law on “undesirable” foreign organizations makes it significantly easier to go after the domestic opposition (what little is left of it). Even the import substitution policy is driven by national security concerns and the need for Russia to be free of any dependency on foreign technology and products.

Putin can't back down from any of these policies without losing face and considerable political leverage, so in the short-term, Putin appears unlikely to change course. Putin admittedly can probably live with the poor implementation of the Minsk II agreement – the low-level military confrontation has created sufficient uncertainty to prevent major foreign investment and Ukraine's



Putin risks alienating Russian pensioners – perhaps his most loyal group of supporters – by no longer providing pensions that are linked to the rate of inflation.

economic revival. Putin also could raise the ante and increase the level of violence in eastern Ukraine, as recently occurred. Such actions, however, run the risk of re-starting the clock on sanctions, something Putin wants to avoid.

So Putin is keeping his options open, probing and provoking to see what comes next. The problem is that as Putin plays for time, time is also working against him, especially on the economic front. And therein lies his dilemma.

RF

William Pomeranz serves as Deputy Director of the Kennan Institute at the Wilson Center. Any opinions expressed here are the author's own.

Separating Fact from Fiction

Why the mission of Radio Free Europe/Radio Liberty remains so important in today's uncertain world

NENAD PEJIC

The first Radio Free Europe broadcast, to then-Czechoslovakia, took place on July 4, 1950. Over the past 65 years, one set of authoritarian regimes has passed into the “dustbin of history,” many say with the help of what is now known as Radio Free Europe/Radio Liberty (RFE/RL). Many of them have thrown off decades of repression, actively seeking to build prosperous, law-based societies, and have entered the European Union and NATO.

At the same time, new, more modern authoritarians have appeared in places like Azerbaijan, Belarus, Iran, Russia, and Central Asia, all doing their best to control what their people know about their own societies and the world, and keep an iron grip on their continued access to wealth and power.

As the challenges facing RFE/RL’s 20 language services have evolved, so has this quintessentially American “surrogate” journalistic institution. RFE/RL seeks to open minds and engage with audiences in support of bedrock values such as democracy, free markets, and the right of all people to “seek, receive and impart information and ideas through any media and regardless of frontiers,” as the Universal Declaration of Human Rights states.

Today, this mission is as urgent, and arguably more complex, than it was during the Cold War.

As Russia attacks the post-World War II security structure, RFE/RL’s task has less to do with outsmarting censors – although new Russian laws are constantly expanding authorities’ power to police content – than cutting through a haze of lies and absurdities designed to blur fact and fiction and overwhelm reason. The Russian media’s treatment of the downing of flight MH17 last year is a case study in the use of numerous, competing scenarios – none factual and few

plausible but all reportedly possible – to debase the truth. From there, it is only a short step to discrediting the very premise of fact-based journalism.

Added to this no-holds-barred content is Russia’s use of the free-for-all of the Internet to promote its objectives. An information revolution of massive proportions has taken place since the Berlin Wall came down. The openness of the information space we are contesting is a radical change from the days when our job was fundamentally about access – getting information past the Iron Curtain.

RFE/RL’s response, and that of our sister U.S. international media networks Voice of America (VOA), Radio/TV Marti, Radio Free Asia, and Radio Sawa/Alhurra Television, combines a commitment to professional, verifiable journalism with technologies that afford us maximal reach and audience engagement. RFE/RL’s Russian and Ukrainian language services provide 24/7 programming on the web, social networks, mobile phones, radio, and TV to report the news, investigate local problems, and engage audiences directly on the issues that matter to them.

To extend our reach further, in October 2014 we launched *Current Time*, a Russian-language, political affairs TV program co-produced with VOA that provides audiences in countries bordering Russia, including the Baltic states, with a balanced alternative to Russian state media. It’s a reality check, and its impact already is such that we will debut a version of *Current Time* for countries in Central Asia

this fall. We are also setting up a Russian-language digital response team to grow our footprint on social networks, and increasing TV programming to be more present on the region’s leading medium for news.



Nenad Pejic

As Russia attacks the post-World War II security structure, RFE/RL’s task has less to do with outsmarting censors than cutting through a haze of lies and absurdities designed to blur fact and fiction and overwhelm reason.

These efforts have borne fruit. RFE/RL's audience grew by five million over the last year, now totaling more than 23 million users globally. In 2014, RFE/RL videos were shown by 800 TV stations in 60 countries. Our YouTube channels are among the most watched in several of our broadcast languages. And we are leading U.S. International Media on digital platforms. Our programs are relevant and credible, and they are read, heard, and watched.

As for our response to the militant group Islamic State, or ISIS, and extremist propaganda, RFE/RL's mission of critically engaged, surrogate journalism is our guide. We report the facts about ISIS and the personal stories of its recruits, exposing the truth about the organization and helping to blunt the power of its propaganda. We are drawing on our experience with extremism in the Balkans, Russia, Central Asia, Afghanistan, Pakistan, and Iraq to create programs countering militancy among youth. In Afghanistan, a would-be suicide bomber once called our Afghan Service and said he abandoned his mission after listening to its programs. We can learn from this.

Congress has given RFE/RL a mandate to practice

journalism in the service of democracy, international security, and human rights in some of the most difficult environments in the world. It is not uncontested terrain; indeed, we face competitors with aggressive foreign policy agendas and robust media operations to advance their interests.

For example, it is estimated that Russia spends in excess of half a billion dollars annually on RT, its state-run English language mouthpiece, and other media targeting audiences abroad, including in the periphery. Similarly, China Central TV began a huge expansion into foreign markets in 2008, with

estimated costs in the billions.

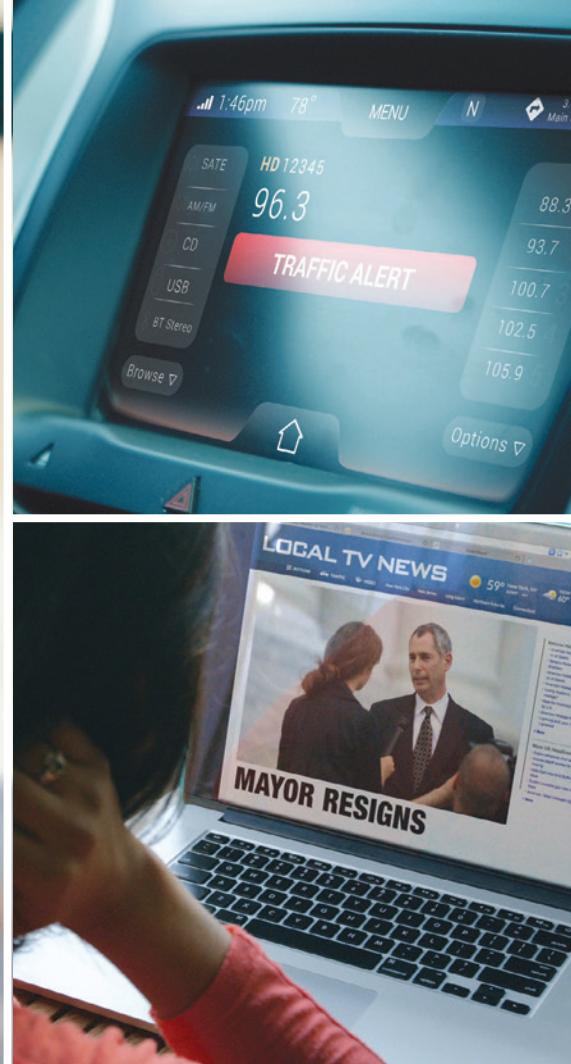
By comparison, VOA's budget for 47 languages this fiscal year is \$212 million, while RFE/RL's budget – spread among 20 languages – is \$104 million. My RFE/RL colleagues and I have the expertise and the determination to carry out our mission. With Congress's help, we can achieve the outcomes we seek. **RF**

Nenad Pejic is Editor-in-Chief of Radio Free Europe/Radio Liberty.



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The War on ISIS: Getting Beyond Stalemate

PAUL SALEM

It will be one year this September since the U.S. president declared the formation of an international coalition to ‘degrade and destroy’ ISIS. After 6,000 air strikes, 9,000 targets struck, 10,000 fighters killed, and various battles undertaken in Iraq and Syria, the war is at a strategic stalemate.

ISIS’s spread has indeed been slowed and it is on the defensive in some areas, but it has made advances elsewhere and its control of its main cities remains strong. It is under no imminent threat of defeat. In addition, it has won declarations of allegiance from militant groups in Libya, Egypt, Tunisia, Algeria, Nigeria, Yemen, and Russia, and it has eclipsed Al Qaeda as the global radical brand of choice. It poses a grave danger to the already faltering state order in the Middle East and a direct national security terrorist threat to the US and other societies around the world.

The current U.S.-led strategy might succeed in ‘containing’ ISIS within its core holdings in Syria and Iraq, but not in destroying it. However, the threat that ISIS poses is not conventional, and the power of its example and terrorist appeal will only be reinforced as its ‘Caliphate’ survives and thrives in the heart of the Levant. Unless current strategies are dramatically revised, the ISIS terrorist state will become a fixed feature of the fractured Middle East, and a major

factor in regional and international security for many years to come.

It is difficult in such a short essay to fill out a detailed vision, but any strategy to “degrade and ultimately destroy ISIS” must be revised and strengthened in the following areas:

The Primacy of Politics.

War is the continuation of politics by other means. Although there is a core of zealots at the heart of ISIS, the conditions that enabled ISIS to grow and conquer in both Syria and Iraq have to do with the political conditions in those two countries. And the conditions for drying up support for them, and encouraging Arab Sunni groups to take them on, have to do with the transformation of those political conditions.

In Iraq, President Obama was right to insist that the divisive prime minister Nouri al Maliki had to leave and a more inclusive government be put in place. But reconciliation and power sharing in Baghdad has stalled. Unless Iraqi Arab Sunnis feel that they have a real and permanent share of power in the Baghdad government, ISIS -- or other radical Sunni groups --will continue to exploit their grievances.

In Syria, the problem is more acute. President Assad has refused any political compromise and, through immense brutality, has driven his Sunni-majority population toward open jihad. ISIS owes



Paul Salem

Unless current strategies are dramatically revised, the ISIS terrorist state will become a fixed feature of the fractured Middle East, and a major factor in regional and international security for many years to come.

much of its rise -- and long term survival -- to Assad. Unless he leaves power and a new transitional power sharing government -- with elements of the regime and the non-radical opposition -- is put in place in Damascus, it will be impossible to turn the Sunni tide in Syria.

Indeed, the departure of Assad is a linchpin for winning over Sunni support, and a key turning point in the war against ISIS. For even if ISIS is pushed out of most of Iraq, unless it is defeated in Syria its threat will not be significantly diminished.

The U.S. needs to realize that the departure of Assad -- preferably through a negotiated solution -- is a strategic priority in the fight against ISIS. With Assad gone and an inclusive transitional government in power in Damascus, rebel groups currently fighting Assad could turn all their energies against ISIS, and the Syrian armed forces -- currently being used by Assad against his own people -- could also be fully directed against ISIS. The

successful nuclear diplomacy with Iran opens the door for reviving serious international and regional diplomacy over political transition in Syria.

Stronger Military Action. The strategy and tactics used so far have served to contain ISIS in Iraq and Syria. But they have arrived at a standoff, not a path to victory. In Iraq, what is required is redoubled efforts to stand up more units of the Iraqi national army, and rapid progress toward standing up an indigenous and capable National Guard and police force in the vulnerable Sunni majority provinces of Iraq.

In Syria, it means working with allies to enable more training and support for the non-ISIS and non-Jubhat al Nusra opposition that has already been making progress in southern and northern Syria. If

Assad leaves power and an inclusive government is put in place in Damascus, then the U.S. can also work with the new authorities to bring the Syrian armed forces fully into the coordinated fight against ISIS.

The war against ISIS will also require that the U.S., as the leader of the anti-ISIS coalition, increase its military presence on the ground in both Iraq and Syria. The increase will not be for combat roles, but for important reconnaissance, information gathering, coordination, training and support roles. The efforts will also require more on-the-ground commitment from regional allies, possibly in parts of Syria.

Rebuilding the Regional State Order. ISIS was not around four years ago. The conditions that enabled it were brought about by the eruption of demands for political and economic inclusion that were expressed in the Arab uprisings. These uprisings caused the collapse of several sclerotic Arab states. The conditions that ISIS exploited also relate to the proxy conflict between Shiites

Iran and the Sunni states of the Gulf and Turkey.

There are currently four open and proxy civil wars in the Arab world. The U.S. and other key players in the international and regional community should focus on bringing these civil wars to a negotiated end, de-escalating Iranian-Arab tensions, and helping post-conflict states rebuild national institutions and authority. This is as difficult and complicated to achieve, as it is necessary. But unless some semblance of regional and state order is restored in the Middle East, the war against ISIS today, or another variation of it tomorrow, will see no end.

RF

Paul Salem is the Vice President for Policy and Research at the Middle East Institute in Washington DC.

Why the Stakes are so High in the South China Sea

PATRICK M. CRONIN

Navigating the stormy South China Sea requires realistic U.S. foreign policy anchored by comprehensive power, deep engagement, and enduring principles. The area is the center of intensifying maritime competition. China is incessantly asserting a claim on that vast body of water, which is more than twice the size of Alaska. Back in 2010 when Chinese heavy-handedness was resonating throughout the region, Beijing indicated this marginal sea represented a *core interest*. However, six nations in the Southeast Asian region have genuine concerns over security of this maritime domain.

The South China Sea lies at the nexus of a global economy on which the prosperity of all major trading nations depend. About 90 percent of commerce trade is seaborne and more than a third of all cargo transits its waters. The South China Sea has become the epicenter of the Chinese buildup. The same area falls within the so-called “first island chain” where the American capability to project forces is being questioned.

Chinese faith in their perilous style of authoritarianism is a major source of instability. As Orville Schell has noted, the new confidence of Beijing “in its wealth and power has been matched by an increasingly unyielding and aggressive posture... in its maritime disputes in the South and East China Seas.” China is employing military and non-military pressure including economic, information, and psychological warfare. In two years it added 3,000 acres of land in the South China Sea. Although the other South China Sea claimants (the Philippines, Vietnam, Taiwan, Malaysia and Brunei) have sought to buttress their sovereignty claims over the decades, their efforts

are dwarfed by the scale and pace of China’s activity. As Andrew S. Erickson and Kevin Bond note, “China has managed to create more than 17 times more land in 20 months than all of the other claimants combined over the past 40 years, accounting for 95 percent of all artificial land in the Spratlys.”

In a hasty excavation process, huge Chinese dredges have visited considerable damage on the fragile marine ecosystem. Unfortunately, the construction is being used to substantiate a flimsy legal claim to impose the

nine-dash line, which embraces most of the South China Sea. Beijing undoubtedly wants to establish its position before next year when an international tribunal will rule on a case brought by the Philippines regarding the legal standing of this suspect claim by China to this vast region.

Through piecemeal, salami tactics China is demarcating its sphere of maritime influence, which unsettles neighboring states and plants seeds of doubt about the will and ability of the United States to serve as an effective counterweight.

A 3,000-meter runway on Fiery Cross Reef, for instance, will enable Chinese military aircraft to operate 740 miles from the mainland. China has mounted large-scale naval exercises within the South China Sea as well as the East China Sea and Yellow Sea. This show of force is meant to intimidate its neighbors that deploy less capable deep-water and coastal forces.

Primarily because of Chinese aggressiveness at sea, American regional allies and partners fear the possibility of abandonment more than entrapment. Moreover, far from containing China, the actions by



The South China Sea lies at the nexus of a global economy on which the prosperity of all major trading nations depend.

Beijing are driving the region closer to Washington and toward one another. Unlike the East China Sea where Japanese resolve and the reassertion of alliance obligations by Washington check Beijing, the South China Sea presents opportunities for adventurism. The Association of Southeast Asian Nations (ASEAN) is the only regional organization that can muster political support and economic cooperation, but the fragility of this institution is tested whenever security challenges arise.

China's recent moves to devalue its currency in the hope of boosting exports, along with volatility in its stock markets and corruption problems that produce public safety tragedies such as the explosion at Tinjian, have undermined domestic and international confidence in Beijing's economic stewardship and governance. Yet rising nationalism and the Communist Party priority of preserving power and stability may well embolden rather than dampen China's appetite to demonstrate strength in its neighborhood, particularly when it comes to maritime Asia.

Though the Obama administration rebalance to Asia makes geostrategic sense, it is half-hearted and lacks tangible results. Its signature economic initiative, the Trans-Pacific Partnership to create high trading standards for a dozen economies, remains unfinished. Similar diplomatic efforts such as the demand to halt activities in the South China Sea or calling on ASEAN and China to forge a binding code of conduct seem feckless since they have little chance of gaining purchase.

Some people attempt to trivialize the issue by proclaiming that we should not go to war over a bunch of rocks. But the stakes in the South China Sea are less about rocks, reefs, and resources than regional stability and maritime access. Practical ways exist to defend law and order, on one hand, and cooperate from a position of strength, on the other. Our efforts seek to preserve the post-World War II order and work with those states that are willing to adapt an inclusive, rules-based system in the future.

The United States can offset naval reductions through presence and active engagement in the South China Sea. In the long term, we should work with allies and partners to counter anti-access and area-denial capabilities and leverage technology to develop new concepts of operation. Such initiatives should be integrated within a bigger political and economic context. Because the Chinese are not impressed by words, American strategy must rest on strength. What is more, information sharing on the maritime domain as well as greater transparency are crucial to deterring adventurism and coercion.

American timidity sometimes has failed to impose costs on states that unilaterally change the status quo through force or coercion. This was demonstrated in the case of China displacing the Philippines from Scarborough Reef. Similarly, when the Chinese intensified reclamation activities earlier this year, U.S. Naval maritime patrol aircraft flew farther than 12 nautical miles from the artificial islands, although under international law planes are only required to observe the 500-meter safety zone.

Exercising freedom of navigation and conducting surveillance overflights are not aimed at demonizing China but instead underscore regional norms and international law that can also benefit the Chinese. What is more, Washington should cooperate with

Beijing when our interests converge to promote stability, rule of law, access, and commerce. But when challenged in the maritime and cyber domains, the United States must stand with its allies and partners across the region. Unless we back our principles from a position of strength, we should not be surprised if China decides to fill the vacuum.

RF



Patrick M. Cronin

Because the Chinese are not as impressed by words, American strategy must rest on strength.

Patrick M. Cronin is a Senior Advisor and Senior Director of the Asia-Pacific Security Program at the Center for a New American Security. Previously, he was the Senior Director of the Institute for National Strategic Studies at the National Defense University, where he also oversaw the Center for the Study of Chinese Military Affairs.



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The Price of Our Security

GORDON GRAY & RACHEL HOFF

With victories in the 2014 midterm elections, Republicans took control of both houses of Congress promising to pass the first budget in six years. And they did—but it wasn’t easy. Republican leaders in the House and Senate faced tough negotiations with the party’s so-called defense hawks, whose top priority is national security, and deficit hawks, whose top priority is fiscal discipline. Reaching a compromise to keep this tenuous coalition in tact was difficult, but it was only the first step in a lengthy budget process. Republicans in Congress still have the appropriations process ahead of them, and passing any spending bills, especially ones they hope the president will sign, takes another layer of negotiation and compromise—with Democrats.

A congressional budget is an important document: it is a statement of priorities. This is an important distinction in understanding what it is not: law. The budget resolution is a compromise between a majority of Representatives and Senators, and it provides a framework that is supposed to establish limits on spending, tax, and debt related matters. The budget resolution passed by the House and Senate reaches balance by 2024. This dramatic alteration in the nation’s fiscal trajectory is achieved through reduced spending. The FY16 congressional budget largely adheres to reduced levels of defense spending called for under the Budget Control Act (BCA) of 2011. The congressional budget passed this year takes non-defense discretionary spending lower still. But the real savings come from reforming entitlement spending.

Reaching balance by 2024 was an important aspect of gaining the support of Republican deficit hawks.

Republican defense hawks, however, argued that the reduced military budget under the BCA caps had already significantly damaged national security and that increasing military spending was the only way to keep the country safe. To meet this need, the budget resolution includes an increased level of Overseas Contingency Operations

(OCO) funding, essentially the place holder in the budget for military operations in Iraq and Afghanistan, to make up the gap between the current spending caps and the president’s funding request. Both sides agreed that this is an imperfect solution, but the OCO plus-up threads the needle for Congressional Republicans who need to balance fiscal discipline and funding defense. Congress has proceeded with this approach for appropriations



Gordon Gray



Rachel Hoff

Lawmakers must bridge this partisan divide to guarantee the nation’s security—and both parties will need to pay a price.

bills; the House has passed six of the 12 funding bills—including defense.

The difficulty of negotiations and compromises to gain majority support among Republicans is only a precursor to the efforts to reach bipartisan agreement with Democrats in Congress and the White House. The Senate functionally requires 60 votes to pass anything, so the 54 Republicans need at least some Democratic support for any appropriations bills. All of the House-passed appropriations bills have met veto threats from the White House. Lawmakers must bridge this partisan divide to guarantee the nation’s security—and both parties will need to pay a price.

Cynics should actually take heart at the likelihood of a bipartisan solution. Congress has reached a compromise to alter the spending caps before, and policymakers don't have to be all that original. After the pain of the across-the-board sequestration cuts in 2013, the chairs of the House and Senate Budget Committees, Paul Ryan (R-WI) and Patty Murray (D-WA), negotiated a compromise that

provided two years of sequester relief while still reducing the deficit overall. Both parties got what they wanted, but neither got everything. Republicans in the House had to acquiesce to greater domestic discretionary spending, while Senate Democrats had to agree to mandatory spending cuts in lieu of long-sought tax increases. This is the architecture of compromise for the next two years: relief for both defense and domestic discretionary spending paid for with mandatory savings.

Republicans need to know that trying to increase defense spending without also increasing domestic spending is a non-starter with Democrats. And besides, the president would have to sign off on any new OCO funds, which just isn't going to happen in this context. Democrats must recognize that the

chances of extracting a tax increase from a Republican House and Senate are exactly zero. However, the Ryan-Murray agreement and other bipartisan measures demonstrate that there are politically palatable savings to be found in mandatory entitlement spending. And this should be the source of cuts in the first place, as mandatory spending comprises over 60 percent of the federal budget. Simply

extending the mandatory sequester currently in place, as was done once before in Ryan-Murray, for another two years could provide over \$30 billion in savings.

The highest priority of the federal government should be providing for the common defense. The price of the nation's security is compromise. Among political parties and between branches of government, leaders must trade their lesser preferences for this higher imperative. **RF**

Gordon Gray (@GordonGrayDC) and Rachel Hoff (@rachelhoff814) both work at the American Action Forum (@AAF) as Director of Fiscal Policy and Director of Defense Analysis, respectively.

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The Indispensable Nation

PATRICK JEPHSON

The Naturalization civics test was going well but now there was a definite edge in the examiner's voice as she lined up her final question:

"What was the significance of the American Declaration of Independence?"

That was easy. "It signified America's Declaration of Independence," I replied smugly. But the immigration official was way ahead of me.

She fixed me with a cold eye.

"Independence from whom?"

It was a timely lesson: the Federal government always has the last laugh, something you would have thought smartarse Brits had learned in 1776. The British take a perverse pride in their cynicism and I admit I've been as susceptible as any.

But I'm fortunate in also being Irish, and thus quite likely to alternate my cynicism with flights of misty idealism, especially when it suits my argument to assume the perspective of a small, proud and feisty republic. So it was no great wrench, in the Citizenship Oath, to "abjure all allegiance and fidelity to any foreign prince," even if eight years as Princess Diana's Chief of Staff hadn't already done the trick.

Instead, I now gladly swear allegiance "to the Constitution and laws of the United States." In my new homeland, patriotism is an unqualified virtue – sometimes the cheesier, the better. In England, it's been said that patriotism is the last refuge of the scoundrel. But in America, scoundrels and even politicians can make it their first resort too without a flicker of embarrassment.

This can have unintended consequences. As a teenager, I was backpacking through Greece and, upon reaching Epidaurus, joined assorted international visitors

in hushed awe at the splendor of the ancient amphitheater and its whisper-sensitive acoustics. Presently, the stillness was shattered by a coach-load of American tourists, one of whom took center stage and belted out an impassioned rendition of *America the Beautiful*. Guess what: there were no calls for an encore.

A few years later, I was digging among the ruins of Petra with some Jordanian archaeologists when into the desert stillness came a deep bass voice. Soon, the singer hove into sight -- a large, bearded American astride a very small, unhappy donkey. His blaring song proclaimed his all-merciful Savior would soon rule the world and we should rejoice accordingly. My Muslim companions just smiled and imperceptibly shook their heads. But on behalf of all Christendom, I cringed.

I knew better than to judge America by these two incidents. But such uninhibited attitudes to patriotism and religion and such disregard for other nationalities' feelings -- however unintentional -- make it easier to understand how their Exceptionalism and Indispensability are accepted by many Americans as self-evident truths. Nor does it behoove snippy Europeans to forget that their freedom to sniff was bought with American blood. But where the audience at Epidaurus stifled their irritation, others question American exceptionalism in

ways that have brought us, via decades of violence, to the current fraught state of the Middle East. The reality is that for much of the world, America the Indispensable is often seen as America the Indefensible.

What should we Americans do about it? We hear calls to build a wall around our shining city on a hill and demand



Patrick Jephson

**As 9/11 and other
atrocities have made
horribly obvious, retreating
to our own blessed
homeland and pulling
up the drawbridge is futile.**

other, less-shiny cities pay for their own protection instead of sheltering behind ours. Faced with foreign ingratitude, we could devote our energies to the creation of a more perfect nation right here on our own continent. There is a seductive argument for leaving the Middle East and other trouble spots to their own unlovely devices. After all, we have the satellites and drones and Special Forces to keep our enemies impotent or at least at a safe distance.

Yet, as 9/11 and other atrocities have made horribly obvious, retreating to our own blessed homeland and pulling up the drawbridge is futile. Whether it's Chinese cyberattacks or a jihadist with a dirty bomb, new ways to breach our defenses will eventually be found.

Instead, we face a generational struggle to win an unprecedented battle of ideas. And forget traditional tactics: we can't win by invading Normandy or dropping smart bombs or even by getting our allies to do the bomb-

dropping while we hold their coats. Nor will we achieve lasting victory by forgetting that other nations' sense of Exceptionalism may be held just as fiercely as our own.

Luckily, we have the necessary weapons to hand – and it's no coincidence that they are the product of the same untidy and fretful democracy that our enemies through history have mistaken for weakness. Along with our still-untapped natural resources and limitless human potential, we have the intellectual strength to learn from our mistakes and adapt to crush threats still unimagined.

Most of all we have the God-given humility to talk softly even as we keep our big stick close. We have to remember -- as our enemies surely will -- that one is useless without the other. Just ask Teddy Roosevelt. RF

Patrick Jephson served as Equerry and the first and only Private Secretary to Princess Diana for eight years.



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A Lesson in Hope from Dharavi

ARTHUR C. BROOKS

“Ladies and gentlemen, we will be making an emergency landing.”

These are never ideal words to hear from a pilot. They were especially unwelcome on the flight I was taking to Calcutta, India. I was nineteen years old, a college dropout and a professional musician on a concert tour around the world.

We touched down safely in the southern Indian city of Chennai. The only problem was that we were stuck a thousand miles from our destination and had no place to stay. Eventually we landed in a run-down hotel for two days until we could arrange a way out. And unlike my older colleagues, who had the good sense to stay put, I set out to explore.

What I found in the streets of Chennai shocked me. I saw poverty I had never encountered before: lepers, malnourished children, and a constant stream of beggars. Degradation and desperation seemed to be everywhere.

Thirty-one years later, I returned to India—not as a musician, but as the president of the American Enterprise Institute. I wanted to see what Americans could learn from the dramatic economic revolution that had transformed India and the world. I knew what the data said: the percentage of people in the world living on a dollar a day or less had plummeted by 80 percent since 1970, adjusted for inflation. But I went to India to get beyond the data and speak to actual people whose lives had been transformed by the spread of free enterprise.

My destination was Dharavi, a slum in Mumbai. Dharavi is home to more than 700,000 people, all of whom live and work in an area about two-thirds the size of Central Park. Every inch of Dharavi is in use. The ramshackle houses are all improvised, one piled

on top of the other, built without permission over many years. Even in daytime, the walkways are dark as night. You have to watch your head and your feet at the same time.

For Americans, the phrase “inner-city poverty” conjures images of a dearth of industry and work. But I saw none of these things in Dharavi. There certainly is a lot of poverty. But what captivates your attention is that the whole place is absolutely abuzz.

I visited a makeshift factory where workers sorted pieces of plastic, intensely washed them and dried them in the blazing sun. And that was just one factory. There are at least 15,000 factories there, and fully 85 percent of Dharavi’s residents work inside the slum itself.

Some Westerners might look at Dharavi and feel sorry for all these people stuck in “dead-end jobs.” Personally, I was expecting to see misery like I encountered 31 years before in Chennai.

But the truth is I did not. India is simply not the same country as it was in 1983. Back then, Indira Gandhi’s socialism—motivated by a

deeply misguided admiration for Soviet communism—was in the process of starving millions. But in the past 20 years, free enterprise has transformed India. Between 1965 and 1975, per capita income in India rose by just 0.3 percent annually. But from 2005 to 2013, that figure has more than doubled, from \$740 to \$1,570. If India continues growing at these rates, it will cease to be a poor country in the next few decades.

As a result, Dharavians are anything but hopeless. They do not see their work as fruitless. Despite the overcrowding and terrible sanitation, Dharavi is a magnet community. Migrants from all over India



Arthur C. Brooks

In the past 20 years, free enterprise has transformed India.

flee desperately poor villages, pouring into the slum to seize the chance to work. Everyone I talked to—everyone—told me that Dharavi was on its way up. It is a relentlessly optimistic place.

Make no mistake: Living conditions in Dharavi are awful. In even the poorest communities in the United States, you will find better sanitation and housing than in Dharavi. While there are public and private schools, there is also child labor. Everyone knows the residents deserve better than their current lot.

But Dharavi today, compared to what I saw decades ago, is still nothing less than a miracle. It has gone from a seemingly hopeless place to a vibrant site of increasing prosperity and hope. And it is helping to drive a growing country's rapid economic

transformation.

In America, we're entering another political season in which many will take the transformative core of free enterprise for granted and focus only on its marginal imperfections. This remarkable case study bears remembering.

The answer to our own political and economic malaise is the very same force that has injected hope into Dharavi.

The solution is never to retreat from capitalism or regret material abundance. It is to build an even more robust and inclusive free enterprise society.

RF

Between 1965 and 1975, per capita income in India rose by just 0.3 percent annually. But from 2005 to 2013, that figure has more than doubled, from \$740 to \$1,570.

*Arthur C. Brooks is President of the American Enterprise Institute and the author of 11 books, including one just recently released, *The Conservative Heart*.*



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Tackling a Troublesome Tax Code

JOHN THUNE & MIKE BISHOP

As sovereign governments, states are generally free to set their own tax policies. However, it is important that they do so in a way that does not place a substantial burden on interstate commerce. As the American workforce becomes increasingly mobile, Congress has a constitutional duty to ensure that state income tax policies do not interfere with interstate economic activity.

Currently, more than 40 states impose a personal income tax on income earned within their borders, regardless of the earner's state of residency. In each of those states, not only is a non-resident employee required to pay tax after carrying out work for a certain period of time or earning wages in the state, but his or her employer must also withhold that state's income tax on behalf of the employee and remit it to the state at the end of the tax year. The question then is whether compliance with various state income tax and withholding laws places a substantial burden on employees who cross state lines to do their jobs? A witness recently testified at a House Judiciary

Committee hearing about an egregious example of an employee at his company having to file 50 W-2s in one year. After hearing his story and others like it, we believe the answer is clearly yes.

Take, for example, an employee who lives and works in Michigan but travels to and from New York for 15[i] days in a year. The employer should withhold payroll taxes from both Michigan and New York proportional to the number of days worked in each state. The employee would then file two separate W-2s—one in Michigan for his or her resident income tax return, and another in New York for his or her non-resident

income tax return. The State of Michigan would then give the employee a tax credit for any income tax paid to New York. Although the total dollar amount in taxes paid may be the same for the employee, there are potential penalties for failing to file or not withholding in a timely manner, not to mention the administrative expenses imposed on both the employee and the employer. This scenario is even worse for an employee who lives in a state without an income tax, such as South Dakota. Such an employee would be required to pay income tax in New York without any opportunity to have

this new tax liability offset by virtue of an income tax credit in his or her home state.

In order to vastly simplify the income tax obligations for families and businesses, we have introduced legislation that will reduce the costs for America's mobile workforce without hindering interstate commerce. The House and Senate bills—H.R. 2315 and S. 386—comprise the bipartisan Mobile Workforce State Income Tax Simplification Act of 2015. If enacted, this legislation



Currently, more than 40 states impose a personal income tax on income earned within their borders, regardless of the earner's state of residency.

would provide a bright-line test for when state and local governments can subject non-residents to state and local income taxes. Specifically, the bill provides that wages paid to an employee working in multiple states would be subject both to the laws of the employee's state of residence and the states in which the employee conducts business for more than 30 calendar days of the year.

Members of Congress and America's workforce have seen firsthand the myriad conflicting income tax laws facing traveling workers, or our "mobile workforce." These laws burden small businesses that often do not have the

resources to adhere to dozens of state income tax regimes. Simply put, American workers should not be punished with burdensome paperwork simply because jobs in the modern economy may take them to multiple states.

Rather than expanding their payrolls or reducing the prices of goods for consumers, businesses are being forced to re-allocate resources to comply with convoluted state income tax laws.

The Constitution grants Congress the authority to enact laws that protect the free-flow of commerce between the states. While we support federalism and the ability of states to set their own policies, the problems created by allowing states to determine when they can impose income tax on residents of other states deserve a serious solution.

We live in a time when more and more Americans are finding themselves traveling for their jobs, and the tax complexities created in this new economy demand a common-sense solution. With significant bipartisan support

in both the House and Senate, we remain optimistic about our legislation becoming law in the near future. Reducing an obvious administrative burden will allow employers and employees alike to focus their resources on what really matters, such as increasing payrolls and raising wages. This Congress is focused on building an economy that will empower all Americans to seek new opportunities and achieve a better life. Enacting the Mobile Workforce State Income Tax Simplification Act of 2015 is another way we can achieve that goal. **RF**

U.S. Sen. John Thune (SD) is Chairman of the Senate Republican Conference. Rep. Mike Bishop represents Michigan's 8th Congressional District.

^[1] Note that NY imposes withholding obligation on the employer if the employee works in NY for more than 14 days in the year.

A witness recently testified at a House Judiciary Committee hearing about an egregious example of an employee at his company having to file 50 W-2s in one year.



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The New Epidemic

How one community is leading the fight against heroin

TREY GRAYSON

After three and half years in the Boston area, I returned home in 2014 to take the helm of the Northern Kentucky Chamber of Commerce. Northern Kentucky refers to the region of Kentucky across the river from Cincinnati, Ohio, with over 400,000 residents as well as Cincinnati's airport. (Yes, when you fly to Cincinnati, you actually land in Kentucky.)

I spent the first several months on the job becoming reacquainted with my hometown. During those early conversations, one topic kept coming up over and over – our region's heroin epidemic. The best way to tell how widespread this has become is to list a few statistics:

- Heroin overdose admissions to emergency rooms in Northern Kentucky tripled between 2011 and 2014.
- Kenton County Jailer Terry Carl estimated that 80% of those in his jail are locked up for heroin-related offenses.
- A recent survey found that 26% of respondents in our region said they knew someone who has experienced problems with heroin.

• In 2011, St. Elizabeth Hospital treated 28 babies born with neonatal opioid withdrawal. This year, that number is projected to be at least 134, four times as high.

• Northern Kentucky's Hepatitis C acute infection rate is 24 times the national rate.

Heroin is incredibly addictive and currently very cheap and plentiful, thus posing a problem for any town in America. Our region is particularly vulnerable given our population size; proximity to Chicago and Detroit, which serve as import hubs for the drug; and the lowest per capita allocation of federal and state funds for treatment of substance use and

mental health disorders among Kentucky regions.

We estimated that Kentucky's price tag for heroin, alcohol and other drug abuse totaled more than \$6 billion annually when considering crime, medical care, workplace accidents, and lost wages. This staggering figure doesn't include lower productivity from employees worried about their addicted family members.

This staggering toll – both financial and human – convinced the Chamber to become involved early on. Passing a comprehensive heroin plan became one of the Chamber's top legislative priorities in 2014, and our top priority in 2015. We were very proud when Michael Botticelli, the director of the White House Office of National Drug Control Policy, told the Chamber in April 2015 that no other chamber in the nation had stepped forward as much as us. In fact, Director Botticelli announced last month that Kentucky will be among the select few states that will be sharing a \$2.5 million federal grant for the Heroin Response Strategy – a program



Trey Grayson

We estimated that Kentucky's price tag for heroin, alcohol and other drug abuse totaled more than \$6 billion annually when considering crime, medical care, workplace accidents, and lost wages.

that helps Federal, state, and local authorities to coordinate drug enforcement operations, support prevention efforts and improve public health and safety.

We worked to bring together all of the diverse parties -- representatives from government, law enforcement, treatment, advocacy and business communities -- in an umbrella organization, the Northern Kentucky Heroin Impact Response Team, which issued a plan of action in November 2013. That plan is centered on four major strategies that are enveloped within a larger context of reducing the supply of drugs on the street and advocating for legislative

enhancements that support the initiative: Treatment, Prevention, Support and Protection.

Partisan politics prevented passage of such a plan in the state legislature in 2014, but legislative leaders identified passage as a top priority and worked diligently to pass a comprehensive bill in 2015. The result was Senate Bill 192, which passed the Senate 34-4 and the House unanimously.

Among SB 192's highlights:

- A Good Samaritan law providing immunity for those who report an overdose to authorities
- Increased penalties for trafficking in large amounts or any amount across state lines
- Increased availability of the rescue drug Naloxone to reverse overdoses
- Authorized local option needle exchanges to stop the spread of Hepatitis C and to encourage those exchanging needles to enter treatment
- Increased availability of Vivitrol to wean addicts off heroin
- Funding (\$10 million in first year, \$24 million thereafter) to improve substance-abuse programs, speed up prosecutions and hire more social workers

It is expected that legislators will work to identify additional funds in the 2016 session to expand treatment programs, such as providing more adolescent treatment beds,

because no adolescent beds outside of the juvenile justice system were funded in SB 192. In addition, lawmakers will likely debate tweaking some of the reforms, including one of the more controversial provisions -- the needle exchange.

The state's first such exchange program, implemented in Jefferson County, does not require an actual exchange, which has concerned some lawmakers, many of whom were reluctant to embrace needle exchanges in the first place for fear of enabling addicts. As legislators learned about the increased numbers of Hepatitis C and HIV cases resulting from shared needles used by heroin addicts, and the cost of treating those diseases, however, almost all came around to support such exchanges.

Our community still has a tough battle in front of us. The disease of addiction, specifically heroin, is a tough opponent. The past few years have shown that when we come together, we can start to make a difference. But this battle is a long way from being over. In fact, in many ways, it has only just begun. We hope that other communities can benefit from our experience and get a jump start on this epidemic before it arrives, as it surely will. RF

Trey Grayson is the President and CEO of the Northern Kentucky Chamber of Commerce. You can follow him on Twitter @KYTrey.

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Ripon in the Reagan Years

(*Editor's note:* This is the third in a series of essays being published this year to commemorate the 50th anniversary of THE RIPON FORUM.)

WILLIAM MCKENZIE

Editing THE RIPON FORUM throughout the 1980s, and being part of a team that helped rebuild the scrappy Ripon Society during that decade, will always stand out as one of the most satisfying periods of my career. Maybe the most satisfying part.

At one moment we were on trains to New York looking for donors to fund the FORUM, our papers and our conferences. At another, we were trying to build a network of big-tent Republicans on Capitol Hill and around the country. At yet another, we were trying to frame issues, develop breakthrough ideas and present serious scholarship.

Not that we always succeeded. When you work out of an alley on Capitol Hill for most of a decade as we did, you are not necessarily dominating the political conversation. We would have killed for a broader donor base to get out of that alley, by the way.

And, in hindsight, I wish I had appreciated more of Ronald Reagan's core strengths: He had a vision and the determination and skill to present it. Those were special talents.

Still, we did keep the cause of a broad Republicanism alive. We were able to present a vision of a Republicanism that celebrated the rights of women, minorities and economically disadvantaged Americans while also championing open markets, global commerce and limited government.

Jim Leach, Bill Clinger, Bill Frenzel, Howard Baker, Bob Dole, Nancy Kassebaum, Mark Hatfield, John Danforth and Olympia Snowe were part of the network of 35-odd legislators that formed our Congressional Advisory Board. Ripon staffers and colleagues like Rick Kessler, Greg Knopp, Ken Ruberg, Jayne Hart, Dulce Zahniser, Steve Messinger and I drew support from them. Some of those same leaders contributed to the 25th anniversary edition of this magazine in 1988.

By the time George H.W. Bush became president, urging a kinder, gentler nation, Ripon was strong enough to help define such an America. Jim Pinkerton of the Bush White House joined us for a panel discussion at Howard University about ways to create an inclusive, thriving America. Speakers like Tom Kean, Shirley Temple Black and Jack Kemp took on the same issues at Ripon dinners. And the pages of THE RIPON FORUM engaged a diverse range of thinkers and leaders, including Presidents Bush and Ford, Newt Gingrich, George Will, T. Boone Pickens and Eric Sevareid.

Part of our mission was to sustain a dialogue across various parts of the GOP and beyond. We also used our platform to look at nuts-and-bolt issues that affect Americans' lives, like health care, roads and bridges, and local schools. One way we took on those topics was



William McKenzie

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through our 1988 book: *A Newer World*.

The 1980s also were when we held conferences with fellow center-right groups across Europe. Sessions in Oxford, Cambridge, Paris, Brussels and Berlin were naturally fun and stimulating. More important, they created longstanding relationships with conservative parties in Britain, France and Germany. And trips to Prague and Budapest shortly after the Iron Curtain fell quickened our understanding of the menacing nature of communism and the deep desire for freedom that resided behind that curtain.

I headed back to Texas to join the *Dallas Morning News'* editorial board in 1991. But I returned home with a trove of memories and an appreciation for the opportunities the last decade created. We no longer had to worry about having enough money to buy

enough wine and cheese for a small Philly fundraiser. (True story) Still, more work was left.

That is the way spirited organizations like Ripon should always be. You hand off to a new brigade the chance to apply your values to a different period. In Ripon's case, the values are those of a humane conservatism. I am grateful for them and for the part of Ripon's history that my colleagues and I were able to occupy. **RF**

Part of our mission was to sustain a dialogue across various parts of the GOP and beyond.

William McKenzie served as editor of THE RIPON FORUM from 1981-1991 and as executive director of the Ripon Society from 1987-1991. After 22 years at The Dallas Morning News, where he and two colleagues shared a Pulitzer Prize, he joined the George W. Bush Institute as editorial director in 2014.

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Ripon

Profile

Name: Larry Hogan

Occupation: Governor of Maryland

What does the fact that you're only the second Republican governor of Maryland in over four decades mean to you? It's pretty special, but I don't think of it in terms of Republicans and Democrats. It's much more important than that. This election was about change because Marylanders were fed up with politics as usual.

Did you anticipate your campaign to repeal the rain tax would resonate with Marylanders as well as it has? When I coined the term "rain tax," I wasn't surprised it resonated so well with Marylanders and I'm still not, because it's ridiculous. We were the only state in the nation that taxes the rain. I made it a priority when I came into office to stand up for the taxpayers who elected me and stand up to repeal the rain tax, and that's exactly what we did.

In June, you announced that you were battling stage III non-Hodgkin lymphoma. How has this affected your daily outlook on life? This new challenge has further reminded me how blessed I am to have an incredible family – a loving wife, three wonderful daughters, a strong extended family, and many devoted friends. I am constantly comforted by the outpouring of support not only from the people of our state, but people from every state sending thoughts and prayers my way. Since my diagnosis, I have realized just how short each day is, and every day that I am strong is another day I get to spend with the people I love and another day I can work to change Maryland. I hope that in being candid about my battle with cancer, I can help bring awareness to the disease and comfort others affected by it as well.

Your wife, Yumi, is a first-generation Korean immigrant who is an artist by trade. How has her diverse background influenced your political career?

Well, I'm not a career politician so my political career is really only seven months long. My wife is the first Asian First Lady in Maryland and the first Korean-American First Lady in the history of the United States. The first economic development mission trip of my administration was a 12-day trip to Asia. We met with government officials and business leaders in China, Japan, and South Korea. A lot of the officials now joke that I'm a "Hankook Sawi," or "son-in-law of South Korea." I hope that building strong relations with our overseas partners will be an economic driver for our state, and the First Lady will play a key role in that.

As the son of former Congressman Lawrence Hogan Sr., how has his political legacy influenced your desire to serve the people of Maryland? My dad is my biggest role model. During the Nixon administration, when he was a member of the House Judiciary Committee investigating the Watergate scandal, I watched in awe as he became the first Republican to vote for President Nixon's impeachment. I often say that I learned more about integrity from my dad during that single moment than most people learn in a lifetime.

That's when I learned that it's not about party politics and partisanship. He taught me firsthand the importance of reaching across the aisle and doing what is best for the people of this state.

And finally, who would you root for in an Orioles-Nationals World Series? Orioles! I'm gonna have to go with the Birds!



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