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Reagan and El
Salvador

The Need for a
National "Nest-
egg"

The First Six
Months of the
Reagan
Presidency

The
Meaning of
Historic
Republicanism

The Emergence
of Young
Progressives

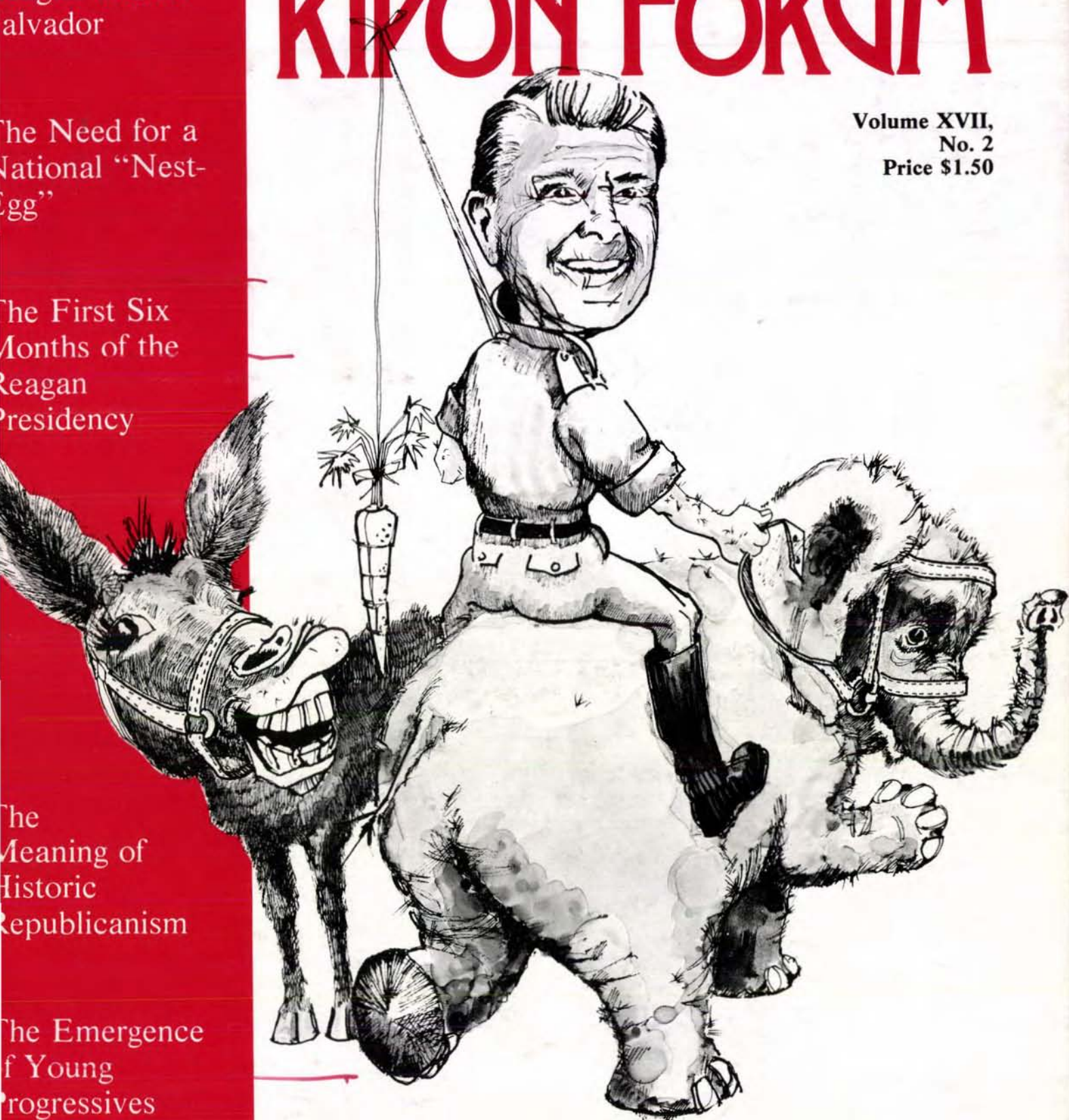


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RIPON FORUM

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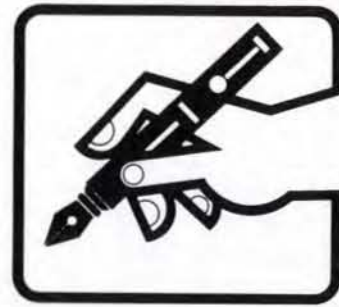
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Dear Readers:

To those of you who glanced questioningly at the last issue of the RIPON FORUM and wondered to whom the unfamiliar name atop the masthead belonged to, I would like to satisfy your curiosity with a brief introduction. As you may have guessed by reading our most recent issue, the RIPON FORUM has a new editor.

Yours truly has inherited this position from John C. Topping, Jr., who will remain as Editorial Chairman for the FORUM. As a native Texan, who has been attracted by the philosophy of progressive Republicanism, I approach the opportunity of providing this magazine with both its character and mission with a sense of excitement. Having been drawn to the progressive Republican mold, and all that it offers, I am personally enthused about the potential of this publication. For in espousing a centrist public philosophy, which represents the thinking of most Americans, the RIPON FORUM has the unique opportunity of standing in the mainstream of American political life.

Yet in approaching this task one must also come equipped with a healthy sense of caution. This sense of caution must provide the openness and candor necessary to avoid the snares of ideological pitfalls. We must remain continually open to ideas that are refreshing and invigorating while forging the philosophy that has characterized the Ripon Society.

Therefore, it is with equal measures of enthusiasm and caution that I approach this unique opportunity. And to you the readers, I look forward to hearing your thoughts, comments, and criticisms. These will be indispensable in developing an open and lively political journal. So with these thoughts in mind, I hope that you will be both challenged and encouraged by the reading of the RIPON FORUM, and that we will be able to maintain an open dialogue in the months ahead.

— Bill McKenzie

EL SALVADOR:

Can Reagan Save Himself from "Reaganism?"

by Congressman Jim Leach (R - Iowa)

Congressman Leach represents the 1st Congressional District of Iowa and has served in Congress since 1976.

No army, no weapon and no military leader has succeeded in bringing lasting peace to any corner of the globe in modern times. Increasingly explosive international conflicts require regional if not global military balances, but, with few exceptions, solutions to fundamental social problems have little to do with modern soldiers and weapon systems.

Military means are not only the most destructive method of problem-solving; they are in many instances irrelevant. The nuclear arsenals of the great powers are of vital strategic consequence to the United States and Soviet Union, but they are of little value in most Third World settings where internal divisions are rooted in poverty, illiteracy, and social injustice.

A classic example is El Salvador. Violence in this unfortunate civil war has such a tendency to beget more violence that the perpetrators on both sides have lost much of the moral imprimatur that may have justified their original causes. The same applies to the intervention of outside powers. U.S. intentions are honorable, but our involvement is itself counter-productive.

The sending of U.S. military advisers has stamped an increasingly ideological revolutionary movement with anti-colonial legitimacy and helped transform an internecine conflict into a romantic national liberation struggle. The clear effect of treating Third World

citizens as pawns in an East-West conflict is to embolden the opposition.

It is true that in the face of recent Soviet adventurism the new Administration should make clear to the world that the introspective days of vacillation and self-doubt that followed our involvement in Vietnam are over. But even our closest allies are concerned that the Administration is overreacting to the military as opposed to the economic dimension of Central American politics. A serious social problem, they have warned us, should not be escalated into a military crisis.

El Salvador may be, as President Reagan observed, an "inherited" rather than a "created" problem, but it can only be described as a "contrived" crisis. Its import comes from the top down, not vice-versa. The American people did not cry out for action; rather a few in the Administration decreed a crisis and mapped out a response. A power play appears to have been attempted by those in our government advocating greater military involvement in Latin America in the power vacuum that occurred at the exact time of the transfer of authority from a Democratic to a Republican President. As former Ambassador to El Salvador Robert White has remarked:

"I think that there is a driving need, which I do not pretend to understand, by the American military to involve themselves on the ground in Central America."

Worthy of public scrutiny is the content as well as the timing of the request of the U.S. military mission in El Salvador to increase substantially our military presence there. Coming at the behest of the Pentagon, this request was submitted to Ambassador White on January 19 and subsequently sent with the Ambassador's disparaging assessment the next day, when Washington was more concerned with the pomp and circumstance of the inaugural than the risks implied with a foreign policy change of this magnitude.

Worthy also of public understanding is the difficulty new foreign policy advisers have in cautioning restraint in the immediate aftermath of an election in which the incumbent President was defeated in part because he was perceived to "blink" when tough decisions were demanded.

Much has been made inside and outside the U.S. of the analogy between Vietnam and El Salvador. Administration spokesmen have been quick to point out the different dimensions of the two conflicts and the contrast between Central American and Southeast Asian culture and politics. But one lesson from the Vietnam experience appears directly relevant. A preoccupation with the domino theory of government toppling led in the 1960s to the emergence of a domino theory of decision-making. In our concern for stopping Communist expansion in Southeast Asia, America's political leaders lost perspective and the ability to control the decision-making process. Attempts to influence policy in a minor way in a distant country led to a steadily greater involvement. Failed policies did not lead to a reassessment of judgment; rather they sparked appeals to patriotism which precluded rational criticism. The pride of politicians caused successive Administrations of both parties to declare that American policies were not wrong; only their manner of implementation was faulty. What couldn't be accomplished by one level of force, three Presidents asserted, could at a higher level.

Foreign policy in the American system is largely a function of the Executive. Since crucial decision-making is a reflection of Presidential personality, it is important to assess the individual ultimately responsible for establishing government policy in situations like El Salvador.

While clearly not averse to the use of force, Mr. Reagan appears to be at peace with himself, lacking the towering self-esteem with which Mr. Johnson and Mr. Nixon were so visibly afflicted. A unique political personality, the President may be the one individual

in the new Administration with sufficient self-assurance to acknowledge mistakes when made, to have the confidence to embrace restraint as a proper foreign policy option. Only Reagan can save himself from "Reaganism."

In this regard, it is important to stress that the commitment of 54 military advisers, while a mistake, may not be irretrievable. The ruling out of further escalation as well as the hints of concern coming from within the White House that the El Salvador issue is taking too much attention away from the economy could represent "light at the end of the tunnel"—not for victory, but for modesty. A mistake appears to be recognized, and hopefully this recognition will serve as a lesson for this young Administration as it addresses other policy concerns.

There are lessons to be learned as well from recent actions of our principal adversary in the world — the Soviet Union.

When Soviet tanks rumbled into Prague twelve years ago to quell a popular revolt, the Kremlin invoked what has come to be called the "Brezhnev Doctrine" to justify its aggression.

In essence, the Brezhnev Doctrine proclaims the Soviet Union's right to intervene to protect socialism in those neighboring states where it had been imposed but was threatened by "counter-revolutionaries" aided by "outside forces." Since rationalizing the crushing of the Czechs, the Brezhnev Doctrine has been invoked to legitimize Russia's ruthless invasion of Afghanistan in 1979 and the menacing of Poland today.

In formulating the Brezhnev Doctrine, the Russians may have believed they were following a precedent set in 1823 by the U.S. when President Monroe promulgated the Doctrine that bears his name. If this is the case, their reasoning is profoundly flawed. The Monroe Doctrine was prohibitory rather than interventionist in intent. Designed to close the Western hemisphere to further colonization, the Monroe Doctrine challenged the right of "any European Power" to further conquests in the New World.

Unlike the Brezhnev Doctrine, which sanctions Soviet colonialism, the Monroe Doctrine upheld the principle of self-determination for our southern neighbors. Rather than providing a philosophical rationale for our intervention in the affairs of Latin America, it was intended to warn others against such intervention.

In policy terms, military intervention is the doctrine of the Soviet Union, not the United States; of Brezhnev, not Monroe. A substantial U.S. military presence in El Salvador would therefore leave us open to the charge of being guilty of the same hypocrisy of which the Kremlin stands convicted. In the eyes of many it would deprive the West of any moral standing to oppose a Soviet invasion of Poland and ironically increase the likelihood of such an invasion.

Colonial interventionism is an idea whose time on the historical clock has passed. It is also an idea that has demonstrably been proven futile. The history of the past half century is the history of peoples demanding their independence from outside influence. Country after country in Africa, Latin America, and Asia have thrown off colonial mantles, and in the last year alone we have seen two of the most extraordinary resistance movements ever recorded, develop and flourish.

In Afghanistan, largely uneducated semi-tribal people are showing total disdain for the tanks and chemical weapons of the Soviet Union. In Poland, a single man who claims never to have read a book, who says his only political philosophy is that the Queen of Poland is the Virgin Mary, is holding 57 Soviet divisions at bay. Military forces may capture capitals and control for a time the machinery of government, but the human spirit cannot be conquered by guns.

That is why we have so little to fear of Soviet hegemony over our neighbors to the south and why American policy is better served by the Peace Corps than the Green Berets in Latin America. ■

We Need A National "Nest Egg"

by Congressman Bill Green (R-NY)

Congressman Green represents the 18th Congressional District of New York and has served in Congress since 1978.

Saving money is often seen as a purely personal matter — one's own little 'nest egg' for education, travel or retirement. Yet Americans should be learning — at least we hope they are — that the dollars saved by individuals and groups are the linchpin of the future for business, labor, government, individuals and the national as a whole. Unless we again learn to save and invest, our economy and thus a major part of our society will wither; yet as America enters the 1980s, it brings with it a very low rate of personal savings. In fact, the U.S. has the lowest personal savings rate of any major industrial nation - 4.7 percent as of the third quarter of 1980. The current U.S. rate has dropped by one-half over the past ten years to a level that is one-fourth the Japanese rate and one-third the German rate.

This lack of saving has significant consequences. Saving is the source of funds for financing government deficits, for investment, and for personal borrowing for consumption. When saving is inadequate, something has to give. In the United States, in recent years, that give has consisted of: first, the inflationary practice of printing money to cover government deficits; second, inadequate investment which results in declining productivity in our economy (in fact, U.S. productivity growth has been generally slowing down since 1974 and in 1979 productivity actually fell 0.8 percent; this negative trend continued into 1980); and third, personal borrowing, which became so inflationary in early 1980 that credit controls were instituted to restrict further expansion.

Recently, some limited steps have been taken to stimulate saving. The Depository Institutions Deregulation and Monetary Control Act of 1980 will gradually decontrol interest rates, allowing regular savings accounts belonging to individual savers to earn interest at market rates. A rider to the windfall profit tax bill expanded the existing dividend exclusion - a maximum of \$100 for a single individual or \$200 for a couple filing a joint return - to include an exclusion of \$200 of earned interest and dividends or \$400 for a couple filing a joint return. And the Keogh plan and individual retirement accounts (IRA's) have allowed certain saving programs to operate tax free.

Only the first of these approaches, the deregulation of passbook savings account interest rates, means much to low and moderate income households in terms of the net return they may receive on their savings. The interest exclusion and the tax deferral on income invested in retirement plans are of small value to those income groups and will not encourage a significant increase in saving behavior among low and moderate income households.

But before analyzing the incentives to save we must look at the current economic assumptions of the Reagan economic effort. Very few have failed to applaud President Reagan's effort to cut the Gordian Knot of high government spending and taxation, declining productivity, low personal savings, and high inflation and unemployment

through his program of economic renewal. His budget plan gained bipartisan support as it swept to victory in the halls of Congress. In order to restore economic health to a beleaguered domestic order, President Reagan has had to impose drastic limits on the growth of the federal budget.

More than 75 percent of the Reagan tax relief benefits will flow to households and less than 25 percent will flow to businesses, according to some estimates. Since personal tax cuts are the largest element of his program, the personal savings response to these reductions is very critical. However, the savings result appears uncertain. Treasury Secretary Donald Regan has projected results close to the 17 percent marginal savings rate associated with the 1964 Kennedy-Johnson tax cut. Others, in addition, have indicated that the Kennedy-Johnson tax cut is the primary model for the present tax plan.

A recent analysis by the Congressional Research Service of the impact of the 1964 tax cut upon the personal savings rate raised a few interesting issues. First, assessing the effect of economic events on savings rates is a very difficult statistical process. Merely observing that the savings rate increased after the cut in taxes does not demonstrate that the cut actually *caused* the savings rate increase. In fact, the CRS analysis indicates that there are relatively few economic studies which have attempted to measure the effects of past tax cuts on rates of consumption and saving. Although a perfect consensus has not emerged from these studies, there does appear an *implication* that a tax cut will have an immediate effect of increasing the savings rate. This occurs because the increase in after-tax income is not immediately spent. Over a period of approximately two years the amount of savings realized from the tax cut will gradually decrease to an equilibrium level of approximately 15-20 percent. This is higher than the average savings level in the economy. The studies did not find significant differences in the level of savings from the 1964 reduction and other permanent tax changes over the last two decades.

Although some administration officials have indicated that a 30 percent, across-the-board tax cut could produce an increase of 50 to 66 percent in the marginal savings rate, the 17 percent figure may not be wholly implausible. However, there remains one more significant difference - other factors in the economy are not the same as in 1964. The annual rate of increase for the consumer price index was 13.4 percent in 1980 compared to 1.3 percent in 1964. The interest rates on three month Treasury bills are presently hovering near 15 percent, while in 1964 the average was 3.5 percent. The current unemployment rate is close to 7.3 percent, compared to the rate of 5.2 percent in 1964.

Given this economic data, it is far from clear whether households will save as much from a tax cut as they did in the early 1960s. Adding to the dilemma are rising social security taxes and the "bracket-creep" of inflation, both of which may reduce the impact of the tax rate cut.

For these reasons, I believe that the administration should add a specific savings incentive to its economic proposal. Since it is elementary economics that well-to-do families already tend to save a larger proportion of their income than do lower income families, this incentive should be geared toward the lower and middle income individual where the average propensity to save is the lowest. As this was written, the Administration announced a "bipartisan" tax plan including some savings incentives. However these proposals are not targeted towards lower income households.

A number of countries do have incentive programs designed to encourage lower income households to save. One of the most successful was instituted by the West Germans in 1959. Until recently, the West Germans have been able to receive interest bonuses on certain contractual amounts deposited in banks and life

insurance companies or invested in employers' firms if the saver's income did not exceed certain limits. In addition to the regular return the investment received, the German government paid a bonus of 14 percent at the end of 6 or 7 years for a limited amount of investment. Indeed, that program was so successful that it was recently suspended. The program induced 15,000,000 households to save and has apparently changed the West Germans' attitudes toward saving. Most households continue to save even after receiving the bonus.

The ingredients of my program for this country include the following:

Participants would have to commit to save or invest for 7 years.

The savings could be held at banks or invested in mutual funds or other vehicles similar to those allowed under Keogh and IRA programs.

The United States would commit to pay a substantial interest bonus of 14 percent of the value of the initial investment depending on household status at the end of the investment period of 7 years.

The program would have an income limit of \$15,000 adjusted gross income for an individual or \$30,000 for a married couple.

The program would have an investment limit per year of \$500 per individual and \$1,000 for a married couple.

The benefits of the significant transfer of funds from consumption to saving that this program would promote are twofold:

First. Inflationary consumption expenditure would be reduced.

Second. Funds would be available to modernize our productive capacity and to cover government deficits.

Instituting a saving incentive program that is targeted to modest income savers would be even more urgent if a Kemp-Roth style tax cut is enacted. The reason for this is the comparative timing of the impact of the two programs. In the case of the Kemp-Roth program, few but the most ardent believers in the Laffer curve think that the stimulative effects of an across-the-board tax cut will be instantaneous. That is particularly true because a 10-percent cut in tax rates in 1981 — the first stage of Kemp-Roth — will be more than offset by higher social security taxes and the fact that inflation will push wages up thus pushing individuals into higher tax brackets. The lag between the enactment of Kemp-Roth and its actual economic stimulus will thus, in the short run, increase the budget deficit. Absent an increase in personal saving, the government will either print more money to cover the deficit, thus increasing inflation or, if the money supply is not increased, private investment will be crowded out, thus eliminating the stimulation Kemp-Roth was supposed to induce.

The timing of my savings program works in just the opposite way. If one assumes a program where savers must save 7 years before the government pays the bonus they have earned, we get 7 years of saving before the government outlays starts. That gives us 7 years worth of savings to cover government deficits-including the startup of Kemp-Roth - and 7 years of investment in private sector productivity improvement. Basically, the savings program buys 7 years time to get a handle on inflation.

A second benefit of a saving subsidy program is political and ethical. A Kemp-Roth tax cut benefits primarily upper income households (whose taxes rose the fastest as tax rates were increased over the past 40 years). A low and moderate income saving program rounds out Kemp-Roth by offering something to those further down the economic ladder.

In short, I believe a saving subsidy program for low and moderate income families is a key part of our fight on inflation and should rank high on our economic agenda for 1981. Accordingly, I have introduced legislation (HR 1397) which would establish the program I have outlined here. Its enactment could help to reverse our declining rates of saving and to provide the investment needed if we are to maintain our competitive position in the world economy. ■

The First Six Months

by John C. Topping, Jr.

John C. Topping, Jr. is Editorial Chairman of the *Ripon Forum* and is a practicing attorney in Washington, D.C.

No American President since Franklin Roosevelt has gotten off to as strong a start as Ronald Reagan. His genial and open personality, strong sense of purpose, and ability to communicate to the public in down to earth terms have all helped to generate renewed optimism about our nation's future. The President has also succeeded in infusing this same sense of purposefulness and political cohesion into the Republican Party while the Democrats seem shell shocked by the realization of their current political impotence.

Yet exhilaration over the strength of Ronald Reagan's personality and his relaxed style of government cannot obscure some genuine concerns developing among moderate Republicans about the substantive course of this Administration. To date Republican moderates have tended to keep a discreet silence about these doubts while loyally providing the votes to forge Administration victories on budget issues in Congress.

Probably no group is more adamant than moderate Republicans in support of the Reagan Administration's goals of bringing runaway government expenditures under control, reducing the intrusion of government in our lives, and increasing incentives for productivity and creativity in our economy. Yet in many instances the specifics of the Reagan program have fallen far short of the noble objectives enunciated by the President. Some of this has been a result of the political horse trading necessary to secure enactment of any Presidential program, but much has also been due to reluctance to take steps that might anger powerful corporate lobbies. This has resulted in a growing and not entirely inaccurate public perception that the Reagan economic package is inequitably balanced toward the rich and the powerful.

This perception of inequity has not taken a strong toll yet on President Reagan's popularity but it may already be placing a dampener on Republican hopes of attaining a solid majority status. Despite an enormous resource differential in favor of GOP Congressional candidates, the Republican Party has suffered a net loss of one and almost two Congressional seats in the four special elections held this year.

In its first version the Reagan budget showed a fair degree of equity with sacrifices spread over a broad spectrum including not only transfer payment and social service recipients, but also private pilots and yacht owners. The President and OMB Director David Stockman seemed to be sending a clear message that inflation is an enemy to hopes of economic prosperity by all sectors of our society and that it can be reined in only by a broadly shared reduction in interest group claims for federal financial support.

Even at the outset the budget proposals were flawed by the absence of any credible indication that tougher procurement and cost effectiveness standards would be introduced into a defense budget about to undergo the largest peacetime increase in American history. Ronald Reagan was elected on a mandate to increase defense spending and there is little doubt that substantial increases are in order after mounting evidence of depleted inventories, loss of technically skilled personnel to more lucrative private sector jobs, and massive Soviet strategic and conventional force buildups. Yet the decline in U.S. defense readiness is not merely a function of the declining share of GNP in recent years committed to defense. It is

also due to slowness in adapting military doctrine and force configurations to U.S. foreign policy requirements, failures in rationalizing procurement practices between the services and ensuring that there is a fit between weapon systems, and reluctance to enforce stringent cost control standards on defense contractors. This has resulted in such absurdities as tanks that are too heavy to be airlifted by all but a handful of transports and planes that are so complex that they are likely to break down in battlefield conditions.

If the Reagan defense program is to have any hope of providing new muscle to back up U.S. foreign policy needs, Republicans cannot merely pursue a conservative version of the liberal Democratic fallacy, that problems can be solved by throwing dollars at them. Failure to apply as tough standards to scrutiny of defense programs as to domestic programs will have at least three detrimental consequences for the Reagan Administration, a weaker defense posture than otherwise would have been attained, greater federal expenditures and corresponding pressures on credit markets impeding the President's economic recovery program, and a reinforcement of the public perception that the Reagan program is imbalanced against the needy, the elderly and the very young. To many, and not merely to liberal hemophiliacs, indulgence largesse while practicing fiscal austerity on other fronts is an indication of misordered priorities.

Injecting a new tough mindedness into defense planning and weapons acquisition practices cannot come overnight, yet there is a political imperative for President Reagan to send an early signal of his intentions. He could certainly make evident his refusal to coddle the Beltway Bandits and Pentagon bureaucracy by an appointment of A. Ernest Fitzgerald as Deputy Comptroller General or to a high post in the Department of Defense.

Throughout the past few months as the Reagan Administration has fought to garner the votes to enact its economic program and has proposed a succession of additional budget cuts, the original impression of equity has been dissipated. Well heeled special interests such as private aircraft owners, yacht owners, and major corporate exporters have all managed to sidetrack Reagan proposals that would have negatively affected them. Moreover, in pressing for passage of the Gramm-Latta budget reconciliation package the Reagan Administration threw in a potentially costly sweetener to Congressional Boll Weevils, a commitment not to oppose legislation to benefit U.S. sugar producers. Both in budget and tax policies there has been a decided drift from the market oriented entrepreneurialism characteristic of candidate Ronald Reagan to a corporate conservatism more in keeping with that of Reagan's presidential rival, John Connally.

The intellectual core of the Reagan economic program is the supply side economics advocated by such individuals as Congressman Jack Kemp, David Stockman and former *Ripon Forum* Editor George Gilder whose seminal work, *Wealth and Poverty*, provides a devastating critique of the prevailing economic wisdom and social philosophy of the past generation.

The thrust of the supply side case is that government policies, particularly high marginal tax rates, have tended to depress economic productivity by discouraging savings, investment and entrepreneurial risk taking and encouraging instead consumption, movement to the underground economy and investment in relatively unproductive tax shelters. The effect of high marginal tax rates, supply side advocates argue quite convincingly, has been constriction of economic growth with an ultimately devastating impact upon

those seeking to enter the work force or move up the job ladder.

The principal prescription of the supply side movement has been across the board reduction in tax rates. Such slashes in tax rates, suggests Gilder, should ultimately lead to a far more robust economy, greater investment and more entrepreneurial innovation and perhaps even higher government revenues than would have resulted at higher tax rates. The most immediately beneficial effect would come from shifting of some investments from relatively unproductive and tax sheltered status to more productive and tax revenue yielding forms.

In a misguided attempt to present an appearance of equity the initial Reagan economic package omitted the most obvious application of supply side theory, reduction of the maximum rate on investment income from seventy to fifty percent. Thanks to a bipartisan Congressional consensus that the current distinction in tax treatment between earned (salary, wage, etc.) income and unearned (investment) income is irrational and counterproductive, the subsequent Reagan tax package reflected the courage of the President's convictions.

The current Reagan tax proposals are a constructive effort to shift the balance of risks and rewards toward greater productivity and innovation. They have generally avoided the siren song of targeted investment incentives which, as Gilder indicates, tend to be a prop for dying and declining industries.

In many respects, however, the Reagan tax package is only a half hearted application of supply side theory. Even if the Kemp-Roth tax rate cuts are enacted as proposed, the effective rate of taxation may not decline at all due to the combined effort of inflation-caused "bracket creep" and already scheduled Social Security tax hikes. The tendency to indulge in "High Noon" rhetoric in discussing the battle over the tax bill obscures the fact that there is not a huge practical difference between the Administration proposal and that of Daniel Rostenkowski, Chairman of the House Ways and Means Committee. The liberalized depreciation for business which both sides offer is likely to be more beneficial to major corporations than to the generally less capitalized small firms that generate about three fourths of all new jobs.

A true test of supply side economics would require far more radical cuts in tax rates than those under serious consideration by the Administration or Congress. These could be accomplished without inflation if further expenditure cuts are made and accompanied by wholesale elimination of some tax shelters. Until this time, however, the success of Reaganomics is likely to depend less on rate cuts than on the effects of its deregulatory policies and the perception of business and the public concerning the prospects for inflation and investment.

Already one Reagan deregulatory initiative, the immediate decontrol of domestic oil prices, has yielded tangible benefits to the American consumer. Increased availability of U.S. oil has contributed to the international oil glut which has served to slow the steep spiral of international oil prices. Reagan's reliance on the market place is not only the best insurance against the recurrence of long gas lines and economically irrational allocations but it is also likely to provide our strongest weapon against OPEC.

Yet the Reagan Administration's euphoria over the instant success of some of its deregulatory policies should not blind it to the deep public conviction that strong environmental protections be retained. Ronald Reagan swept the West partly by exploiting regional concerns about ham-handed federal environmental and public land policies. Interior Secretary James Watt has moved zealously to reverse these policies. In the process an interesting phenomenon has developed, a precipitous decline in Republican Party fortunes all concentrated in a single region, the West. A recent Harris Poll showed Democrats outpolling Republicans in Congressional preference among Westerners by a 55 to 36 percent margin.

Persistence of this Western trend would obliterate any Republican hopes of capturing control of the House of Representatives.

In his first few months in the Cabinet, Watt has been transformed into a convenient Democratic rallying cry, much like the role played in the Farm Belt by Eisenhower's Secretary of Agriculture, Ezra Taft Benson. What Watt has failed to recognize is that while Westerners may not want land and environmental policies fashioned by the Sierra Club, they are even more averse to policies carved by developers or oil companies. Even strongly anti-federal Westerners prize their clean air and are apprehensive about oil spills on their beaches. Perhaps Watt can shift gears, otherwise the President would be well advised to reassign him long before the 1982 Congressional elections.

Another political necessity for this Administration if Republicans are to have a fighting chance in the 1982 elections is more effective outreach to a number of political constituencies that still view the Administration as a stronghold of male WASPs.

The nomination of Judge Sandra Day O'Connor should help significantly to shore up Reagan's shaky standing with women while also serving to differentiate his Administration from its supporters on the far right. Together with U.N. Ambassador Jeane Kirkpatrick and EPA Administrator Anne M. Gorsuch, Judge O'Connor is one of only three top level female appointees. Yet all three of these women have powers of articulation, political sophistication, and an ability to grasp substance in excess of most counterpart level male appointees. This may suggest that the Administration could be strengthened by more fully drawing on the pool of available female talent.

Since our suggestions in the March *Forum* the Reagan Administration has made measurable progress in Hispanic appointments, placing members of this Republican trending minority into key posts at SBA, EPA, FCC, the Peace Corps, the Inter-American Development Bank, the U.N. and the White House. This has not yet, however, been matched by effective missionary work by the President into the Hispanic community to sell his program.

The group that is by far the most alienated from the Reagan program is the black community which sees many job and social service programs sacrificed for the budget knife in return for a promise of a share of a greater economic pie. The fruits of the Reagan economic turnaround, even if realized, will be delayed in delivery. Meanwhile, the Administration might send a signal of good faith by unequivocally endorsing extension of the Voting Rights Act. Moreover, rather than trying to sell supply side theory, which has not convinced Wall Street, let alone 125th Street in Harlem, the Reagan Administration and Congressional Republicans might consider pushing a concept of empowerment of minorities which could include tax incentives for equity investments in minority firms, implementation of the enterprise zone concept, tax credits for contributions to neighborhood improvement groups, and some form of tuition tax credit or vouchers. These concepts should also have very strong appeal in the Hispanic community.

One of President Reagan's great political strengths is his rapid ability to recover from political setbacks. He has a ready grasp of the public pulse and an ability to project his proposals to have meaning to the man on the street. This mastery of the bully pulpit of the Presidency is an ability unmatched by twentieth century Presidents other than Theodore and Franklin Roosevelt. This will be sorely tested in coming months as the President conveys to the public the unpleasant truth about the fiscal despair of the Social Security system and the bitter medicine necessary to cure it. Ronald Reagan's ability to exercise fully the moral leverage of the Presidency to redress national weaknesses depends on his being perceived as President of all the people. In his nomination of Judge O'Connor the President took a giant step to that end. ■

What is Historic Republicanism?

by William P. McKenzie

William P. McKenzie is the new Editor of the Ripon Forum.

Much has been penned and spoken about the Republican landslide in the 1980 fall elections. Sweeping to power in the White House while capturing a majority of seats within the Senate, Republicans found themselves a majority party for the first time in 26 years. Although not obtaining bicameral control of the Congress, the Party has nonetheless resurfaced as a source of power. No longer can it merely criticize the Democratic Party, it must provide both the leadership and ideas to govern America. In addition, it must exercise the legislative skills necessary to secure passage of the Reagan administration's programs.

Although the public's verdict on the administration's program of spending cuts will be out for quite some time, one must at least credit Mr. Stockman and his regimen of budget-cutters for challenging contemporary economic thinking. Whether one agrees with the "supplisiders" or not, at least they have tried to project a set of new and innovative ideas into economic policy making. And it is precisely this that Republicans must do if they plan to govern creatively and imaginatively. They must be able to lead and govern

with a set of ideas that form a public philosophy for the Party and the nation.

Therefore, it is important at this early date that we examine what the Republican Party has stood for since its inception. A look at history shows us that the Party was originally founded upon a set of precepts which included the following: fiscal prudence, the extension of freedom and basic human rights, decentralized government, and social reform. It is perhaps fiscal prudence that most characterizes the Republicans in modern day politics — and well it should. For too long, our public philosophy has been characterized by the attitude that just throwing money at problems would create an automatic solution. Although there is an evident need for federal responsibility in particular matters, one must only look at the double-digit inflation of recent years to understand that fiscal responsibility is a critical necessity.

Consequently, we must examine under the light of the doctrine of fiscal prudence the various proposals being talked about in 1981. What is legislated in the next few years will have a lasting impact upon the American economy. It is obvious that our economy is in need of a major shot of adrenalin. Our productivity rate has declined quite noticeably during the last decade. In the 1950's and early 1960's, productivity increased at an annual rate of 2.7 percent. From 1973-1977, productivity increased by only 1.1 percent annually. In 1978 it rose by only .8 percent, and in 1979 and early 1980 it actually registered a decline of 0.8 percent. Our rate of savings has been equally abysmal. Since 1960, the U.S. has had the lowest level of capital investment among the industrialized nations. Savings are the source of funds for government financing, business investment, and personal consumption. Therefore, it is imperative that we begin the process of providing adequate and necessary incentives to individuals and enterprises for accumulating capital. But in order to accelerate capital formation, we must first exercise fiscal restraint and balance the federal budget. And it is this kind of restraint that Mr. Stockman and his crew have sought to impose upon the federal budget. It is also this kind of incentive that Congressman Bill Green is presenting in this month's *Forum* — an incentive that will encourage personal savings and investment. All of this merely indicates that the doctrine of fiscal responsibility is one that the Republicans should preach, and preach loudly. A look at history shows us that at the turn of the century, when the Republicans were ascending to power under the likes of William McKinley, Theodore Roosevelt, and William Howard Taft, they were the ones opposing the various theories of cheap money espoused by William Jennings Bryan and his followers. The Republicans were the party advocating a balanced budget and a sound dollar. And in 1981, as we seek to develop a sound and stable economy, we must remember the Republican principle of fiscal restraint and responsibility within government.

But the Republican Party must not stop here. It must continue with its historic and active support for the extension of freedom and basic human rights. To remind ourselves of this commitment, we must only go back to the words of Abraham Lincoln, whose actions so poignantly characterize the historic roots of the Republican Party. Upon addressing the issue of slavery, Lincoln once stated:

This declared indifference to the spread of slavery I cannot but hate. I hate it because of the monstrous injustice of slavery itself. I hate it because it deprives our republican example of its just influence in the world; enables the enemies of free institutions with plausibility to taint us as hypocrites; causes the real friends of freedom to doubt our sincerity; and especially because it forces so many good men among ourselves into an open war against the very fundamental principles of civil liberties . . .

So, as the Republican Party begins to formulate its goals for 1981 and beyond, it must remember its historic commitment to basic civil rights. As it goes about the task of balancing the federal budget and establishing a sound domestic order, it must not lose sight of the government's role in protecting civil liberties. When faced with the complex economic, legal, and even moral factors involved in trimming the federal budget, Republicans should remain committed to a concern for the poor, to those discriminated against in the application of basic rights, and to those voices that are not heard in the dialogue of public debate. And this involves the very specifics of legislation such as support for the ratification of the Equal Rights Amendment; committed support for the Voting Rights Act, as well as active efforts to secure its extension; improvement upon the enforcement of existing legislation concerning affirmative action and fair housing laws; and support for programs designed to encourage minority businesses. The Republican Party must not forsake the need to provide job training for the unskilled worker. It must actively encourage the private sector to institute these types of programs as well as revise existing public sector programs. Another problem the Republican Party should be on the forefront of remedying is adult illiteracy. A growing problem for many Americans, this will serve as a blight upon our nation unless we seek to confront its causes. These are just a few of the measures that the Republican Party should take the lead in as it develops a source of leadership and seeks to draw upon its historic roots. To fail to do so will lend further credence to the argument that the Republican Party is solely the party of the boardroom, and not the party that can represent and protect the diversity of the American people.

The Republican Party has also stood for another very distinct principle over the last 100 years — the decentralization of political power. In the late 1960's, the Republican Party initiated the policy of revenue-sharing as a means of diffusing economic and political power. Revenue-sharing, along with block grants, was designed to provide cities and towns with much-needed financial assistance, yet with very few strings attached. Revenue-sharing sought to reverse the flow of money and power from local governments to Washington. As opposed to categorical grants, block grants sought to maximize local participation and involvement in deciding where funds should be spent. Decentralization has been implemented in different patterns over the years. Some programs of decentralization have been characterized by complete local autonomy with only local funds, resources and personnel. Another form of decentralization has been characterized by local autonomy combined with federal support. This includes an increase in federal funds, but a decrease in federal requirements for the use of funds. The burden is shifted to the local community in providing the initiative to use and administer the funds. Since the needs of New York and San Diego, Boston and Atlanta, Chicago and Houston are different, it is obvious that decentralization may involve using different paths, but the goal should be the same: to increase the participation and initiative of the local community.

Republicans have been involved in two very interesting proposals in the recent past to accomplish this goal. In October 1973, Senator Mark Hatfield (R-Oregon) introduced the Neighborhood Government Act. Seeking to establish a foundation for participatory democracy, the Act challenged the powers of big government, big labor, and big business. Under this Act, Hatfield went beyond traditional institutional layers of government to provide several means for financing neighborhood governments. After neighborhoods incorporated and gained a seal of approval from the Secretary of the Treasury, individuals could earmark from ten to eighty percent of their federal income taxes as tax credits to their neighborhood government. As well, individuals and financial institutions outside of the neighborhood could contribute to the functioning of the corporation and in some

cases direct grants could be given to neighborhoods by the federal government. Neighborhoods could then turn around and invest in meeting their own needs — whether they be social, economic or political.

Another novel proposal, known as urban enterprise zones, has been cosponsored by Reps. Jack Kemp (R-NY) and Robert Garcia (D-NY). This bill allows a depressed urban area, after meeting qualifications as an enterprise zone, to suspend particular taxes that hinder investment in the area. The aim of the bill is to stimulate the economic development of depressed urban areas, and in so doing, stimulate small businesses and entrepreneurs. Investors would be given a reduction in capital gains taxes, an exclusion of one-half of all income earned by zone enterprises, and a five percent refundable income tax credit for zone wage earners, up to \$1500. In return for the lowered taxes, businesses would be required to hire at least 40 percent of their workforce from inner city, CETA-eligible employees. It is obvious that there are limits to even these novel approaches, and that the federal government must still bear part of the burden in protecting the welfare of the people. However, these are excellent examples of the creative thinking that the Republican Party must do if it plans to govern effectively.

The final principle that characterizes historic Republicanism is the principle of social reform. In the 19th century — and the early 20th century — the Republican Party produced some of the most progressive legislation that still rests on our books today. The GOP was responsible for such important pieces of social legislation as the Sherman Anti-Trust Act, the Homestead Act, federal conservation statutes, the creation of the Food and Drug Administration and the Department of Labor, child labor laws, and the Norris-La Guardia Act, which limited federal injunctions against unions. It was progressive in that the Party sought to balance the countervailing forces of developing industrialists and to harness the engine of capitalism. But it was also progressive in that it sought to empower individuals to master their own destiny. Instead of a paternalistic approach often associated with the Democratic programs of years past, these pieces of legislation were aimed at empowering individuals to exercise their personal freedom and to make their own decisions. This concept of empowerment has been uniquely Republican and characterizes the foresight used in previous years. In fact, Walter Lippman once noted that Theodore Roosevelt was responsible for "turning the American mind in the direction it had to go in the Twentieth Century." During the Roosevelt Administration, Congress passed railroad legislation to check the abuses of that industry and meat inspection legislation that arose out of the publishing of Upton Sinclair's novel, *The Jungle*. So as the current Republican administration confronts the critical task of reforming the regulatory process, it should remember that the GOP was instrumental in putting some of this necessary social legislation on the books.

The Republican Party has before it a chance to shape the course of American history as has not been equaled since the Democratic Party under Franklin Roosevelt came to power. It is an historic opportunity that will effect our social and economic health well into the next century. In searching for precedents, this Administration should remember the creativity and diversity that emanated from the historic roots of the Republican Party. It should remember that the greats of arts and letters in the 1800's were Republicans: Emerson, Longfellow, Melville, Whittier, Lowell, and Whitman. The Republican Party must look to these roots in order to provide the cutting edge so needed in our public policy. In bringing common sense, prudence and compassion to government, the Party has been well served by the principles of fiscal responsibility, basic rights, decentralization, and social reform. And armed with this understanding, the Republican Party can take the bold and innovative steps necessary to lead us into the next century. ■

419 New Jersey Avenue



The Ripon Society has enjoyed the support of young progressives such as (top to bottom) Congressmen Jim Leach, Bill Green, and Cap Hollenbeck.

As you may be aware by now, much has been happening with the Ripon Society. In an effort that began last March, the Ripon Society has been actively rejuvenating and reorganizing its ranks. Already these efforts have proved successful and have placed the Society back on the road to revitalization.

These efforts got underway when the Ripon Society staged a successful reception in Washington on March 18 to honor Ambassador William Brock, Senator John Heinz, and Representative Guy VanderJagt. These three individuals were awarded the Ripon Republican of the Year award for their role in securing the Republican victories in 1980. Brock served during that time as Chairman of the Party, while Heinz served as Republican Senatorial Campaign Chairman, and Vander Jagt chaired the Republican Congressional Campaign Committee, a position he still holds. The gathering was attended by members of Congress, the Washington press corps, representatives of major corporations, and members of the Ripon Society. Senator John Chafee, a long-time Ripon supporter, spoke at the dinner following the reception and delivered an interesting preliminary analysis of the Reagan budget . . .

The second step in this series of developments occurred when Ripon hosted its annual Issues Conference May 1, 2, and 3 in Cambridge, Massachusetts. In keeping with the tradition of past conferences, panels were held to discuss selected issues of contemporary concern. This year's panels focused on the following areas: "The Future of Detente," "Supply-Side Economics," "The Future of Thrift Institutions," and "Alternatives Available for Financing State and Local Governments." Joining a group of distinguished panelists were George Gilder, author of *Wealth and Poverty*; John Steinbruner, director of foreign policy studies for the Brookings Institution; Nancy Sinnott, executive director of the Republican Congressional Campaign Committee; Dr. James Christian, chief economist of the U.S. League of Savings Association; and James Sullivan, city manager of Cambridge. Helping out in this conference was Carolyn Stewart, a capable and effective political organizer . . .

The Issues Conference also produced a new slate of officers for the Ripon Society. Elected for 1981-1982 were D. Barton Doyle, President; Sandra Thompson and William Glew, Vice-Presidents; Michael Astrue, Secretary; and William Lithgow, Treasurer. Frederic Kellogg and Richard Salvatierra were also elected as Chairman of the Ripon Society and Chairman for Congressional Relations, respectively . . .

Providing the needed energy for these development efforts is the new and talented staff that the Ripon Society has assembled. Now serving as Executive Director is Richard S. Kessler. Active in the Reagan Inaugural Committee and the presidential campaign of John B. Anderson, Kessler will be instrumental in coordinating the development efforts of the Society. He will have a particular interest in fundraising. Gregory V. Knopp is the new Administrative Director, having joined the Ripon staff in December 1980. Knopp will be in charge of Ripon's financial development, as well as assuming a special role in developing chapters around the nation. As mentioned, William McKenzie is now Editor of the FORUM, and



Representative Guy Vander Jagt receives his Republican of the Year award, complete with jelly beans.



Senator John Chafee addresses Ripon dinner gathering following Republican of the Year awards.



Rep. Vander Jagt visits with Agriculture Secretary John Block.



Senator Larry Pressler, Representative Guy Vander Jagt, and the new Ripon staff, Bill McKenzie, Greg Knopp, and Richard Kessler enjoy a moment of levity at the March Capitol Hill reception.



Bill McKenzie and Senator Charles McC. Mathias chat before awards ceremony.

he will also serve as Research Director for the Society . . . Ripon has enjoyed the services of four very valuable summer interns, Michael Marinelli of Brown University; Caryn Clayman of Vermont Law School; Michael Lewyn of Wesleyan University; and James Brady of St. Lawrence University. Each has been active in organizational and research efforts and has played a very important role in the activities of the Ripon Society . . .

And as you may have guessed by the title of this new column, the Ripon Society has recently moved into new offices on Capitol Hill. Located just a block down from the Capitol, the new offices are conveniently located in a restored townhouse. The staff and interns labored long and hard to renovate the English basement offices they now occupy, and they look forward to the added space and ideal location of 419 New Jersey Avenue. For those interested in contacting the Ripon office, the new address and telephone number is:

The Ripon Society
419 New Jersey Avenue, S.E.
Washington, D.C. 20003
202/546-1292

Chapters around the country have also been inquiring about Ripon developments, and already the Boston and New York City

Chapters have been quite active. Michael Astrue, Laura Astrue and Robert Ackerman have been instrumental in restructuring the Boston chapter with a series of recent meetings and the election of chapter officers. The New York chapter just released a study on housing needs in New York City entitled, "Mitchell-Lama Housing: Conversion to Conventional Cooperatives." This study proposed that the tenants of state-sponsored Mitchell-Lama cooperative housing should be allowed to sell their apartments to whomever they choose, rather than be required to sell their shares back to their cooperative corporations at pre-established prices. Prepared by Marc Uncapher of the New York City Ripon Chapter, this study received attention from a variety of sources in New York . . .

For those interested in joining the redevelopment efforts of the Ripon Society by helping to start a chapter, join one, or just learn more about Ripon, please write or call Michael Marinelli at the new Ripon national office . . .

Speaking of papers, the Ripon Society also recently released a study on nuclear non-proliferation which was entitled "Avoiding Armageddon: Reintroducing Stability in the Nuclear Arena." Following on the heels of the recent Israeli attack on the Iraqi reactor, this paper was reported and analyzed by a wide variety of news sources. This included "CBS Evening News," *The New York Times*, *The Washington Star*, *St. Louis Post-Dispatch*, *The*

Boston Globe, Miami Herald, Chicago Sun Times, and Trenton Times. For an outline of this paper see the excerpt following "Political Notes and Quotes." To receive a full copy just send \$1.50 to the Ripon national office . . .

Other Ripon policy papers are already on the drawing board, and these include an analysis of thrift institutions and money-market funds, as well as a thorough examination of alternatives for funding state and local governments. Ripon task forces have begun to analyze these areas and the results will be released this summer. For those interested in reviewing, drafting, or receiving Ripon studies please contact the national office. These ideas are welcomed and will indeed be appreciated . . .



In Boston, Representative Claudine Schneider is presented with a plaque as Ripon honors Schneider and the New England Republican Congressional delegation.

The Ripon Society has also been increasingly encouraged by the emergence of progressive Republicans on Capitol Hill. In the House, the freshman class of Claudine Schneider, Larry DeNardis, and Marge Roukema have all voiced their approval of Ripon's revitalization. In addition, stalwarts like Jim Leach, Millicent Fenwick, Bill Green, Tim Petri, Silvio Conte, Margaret Heckler, Joel Pritchard, Bill Frenzel, Pete McCloskey, Olympia Snowe, David Emery, Jim Jeffords, Harold Hollenbeck, Stewart McKinney, Tom Railsback, and Carl Pursell have all regrouped around the Ripon Society.

In the Senate, the support of the Ripon Society by such leaders as Howard Baker, Ted Stevens, John Chafee, John Heinz, Mark Hatfield, and Mark Andrews has come as a needed boost for the Society. As well, there is some encouraging news in the freshman Senate class with the election of Slade Gorton and Arlen Specter . . .

Overall, Ripon's renewed presence on the Hill has been welcomed with open arms. Even traditionally conservative leaders have indicated a willingness to bring a more progressive view to congressional legislation. Senator Barry Goldwater, stalwart conservative and elder statesman of the Republican Party, has already criticized the intolerance of the New Right and their single-issue approach. He is not alone amidst the changing political scene in Washington, where the voice of moderation is still being heard. So all of this indicates that the future of the Ripon Society indeed looks exciting! ■

Political

With the advent of a new Republican Administration, much has been happening in Republican circles since last January. Budget cutting, selection of new personnel, and Presidential style have captured the headlines of newspapers over the last seven months, but other things have been happening as well. To begin with, the *Ripon Forum* would like to congratulate one of its own — Bruce K. Chapman — who was just named to head the U.S. Bureau of the Census. Chapman was one of the original founders of the Ripon Society and was formerly the Secretary of State for the State of Washington. In announcing his appointment, Lyn Nofziger, President Reagan's chief political operative, said he had never recommended a member of the Ripon Society for anything, but believes there has to be a first time for everything . . .

A host of activity has been occurring in the states, including the nomination of Tom Kean as Republican gubernatorial candidate for the 1981 New Jersey state election, and the nomination of Marshall Coleman of Virginia as the Republican gubernatorial candidate in that state's 1981 election . . .

Phil Ruppe, former Congressman from Michigan, has already announced the formation of a Ruppe for Senate Committee in Michigan. It also remains to be seen what the governor of that state, Bill Milliken, will be doing after his term expires in 1982 . . .

Representative David Emery (R-Maine) has announced his bid for the Senate seat now held by George Mitchell, a Democrat. The Maine election will not be held until November 1982, but activity has already started to brew . . .

Another New England race looks like it will be quite interesting too. This one will be for the governorship of Massachusetts. Already entered are John Lakien, John Sears, and Andy Card for the Republican bid, while Josiah Spaulding looks like he too will run as a Republican. Edward King, a somewhat unpopular Democratic governor, has already made plans to seek re-election and will be joined in the Demo tussle by former Massachusetts governor Michael Dukakis and Thomas P. O'Neill III, the state's lieutenant governor and son of House Speaker Tip O'Neill. Should be a very interesting year for Massachusetts' pols . . .

In the state of New York, the Manhattan GOP has tapped State Senator Roy Goodman, a progressive Republican, to be Manhattan Party Chairman. Congratulations are in order for Roy, long a supporter of the Ripon Society, as we agree with the prognosis that he possesses the ability to unite the various factions within the New York County Republican Party . . .

And in coming down the East Coast election slate there have been some interesting rumors that the "Lady of the House," as she is known, is considering a Senate bid in New Jersey for 1982. A very articulate and tenacious member of the Republican Party, Millicent Fenwick has been responsible for attracting young, intelligent, and capable individuals to the Party. What a dynamite Senator she would make . . .

Out West, long-time Ripon supporter Pete McCloskey has thrown his hat into the ring for the Republican Senate nomination in

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California. He will be opposing incumbent Senator S.I. Hayakawa, Representative Barry Goldwater, Jr., and Loyola Law School Dean Ted Burinsma in the primary. Polls already show that McClosky may be the only one able to defeat Jerry Brown, who has declared his candidacy for the Democratic nomination . . .

Our Colorado correspondent, Padraic Sweeney, reports that James Watt's recent remarks about moving the Office of Surface Mining to Casper, Wyoming have sent shivers down the spines of many in the Rocky Mountain region. Moving this office to Casper, instead of to Denver, would physically separate it from the "Energy Capital of the West," and therefore would make it more difficult to supervise strip mining . . .

And perhaps most notable about moderate Republican activity in the last few months has been the emergence of nearly 20 or more Republican members of Congress who modified the Reagan budget proposals on Medicaid, low-income energy assistance, student loans, and mass transportation. This group, while basically supporting the fiscal austerity measures of the Reagan Administration, presented their input to the budget reconciliation bill through a letter to House Minority Leader Robert Michel (R-Ill.). Mainly a consortium of Northeastern and Midwestern Republicans who have been growing in size very quickly, the Gypsy Moths as they are known, have identified some very legitimate concerns. Their proposals consisted of restoring \$167 million in federal funds for Medicaid; \$425 million for low-income energy assistance; nearly \$2 billion for student loans, educational programs, and youth employment training; and full support for operation subsidies for mass transportation systems . . .

The bipartisan coalition of House Members from the Northeast and Midwest, known as the Northeast and Midwest Congressional Coalition, recently held an Energy Conference in Washington. Attempting to zero in on their regional needs for the 1980's, they have commenced work on a legislative agenda which will be released later this summer. Representative Frank Horton (R-NY) addressed this gathering and stated that the "development of alternative energy sources, greater utilization of domestic, reasonably priced coal and natural gas, combined with realistic conservation measures represent the surest means of dealing with our present and future energy needs."

Down South, our Tennessee correspondent, Foy McDavid has reported that Bob Clement, director of the Tennessee Valley Authority, is now considering a run in 1982 for either a congressional seat or the governorship. It is also reported that State Senator Victor Ashe (R-Knoxville) is considering a race for higher office in 1982. Although not a front-runner for Jim Sasser's Senate seat, Ashe would become a real possibility if Representative Robin Beard (R-Tenn.) decides not to contest Sasser. Ashe also is considering a congressional race, possibly for Representative John Duncan's Knoxville seat should he retire or if new district lines are drawn . . .

In national Republican Party circles, the Republican National Committee has a new chairman. It is Richard Richards from Utah, and already he has cut a wide swath. In June he announced the

formation of a political election reform committee. Ernie Angelo of Midland, Texas has been named to chair this committee which will consist of national committeemen and committeewomen from around the country. The purpose of the committee is to examine election financing, the nominating process, and election procedures. This study will include an examination of expenditures by independent groups and the proliferation of political action committees. The results of this study will be compiled in 12 to 18 months . . .

Nancy Sinnott, executive director of the Republican Congressional Campaign Committee, stated in an address before a gathering of Republican state chairpersons last month that the RNC has already started training staff and providing research and technical help for 1982 congressional candidates. Predicting that the Democrats will be better organized and financed than they were in 1980, Sinnott said that the RNC is already getting the jump on the 1982 election by initiating traveling workshops in August. One recent NRCC poll should give them heart, as 51 percent of the electorate claimed they would vote Republican if the 1982 Congressional elections were held today, while only 49 percent said they would vote Democratic. The survey was conducted by Market Opinion Research, a Detroit based firm . . .

Vincent Breglio is the new director of the Republican Senate Campaign Committee. This committee is also planning for 1982 with full-time and consulting staffs at work on providing survey research, opposition research, and PAC info . . .

The Republican Governor's Association is looking at the 1981 gubernatorial elections in New Jersey and Virginia as good starting blocks for capturing control of the governorships in 1982. There are 36 governorships coming up in 1982, 16 of which are Republican . . .

In other action, RNC Chairman Richards announced that Dr. Tirso del Junco has been named chairman of the newly created RNC Hispanic Advisory Council. Tirso is currently chairman of the California Republican Party and will bring invaluable experience to efforts designed to attract Hispanics into the GOP . . .

General info: Decision Making Information conducted a recent poll for the GOP which showed that 39% of the American voters now identify themselves as Republicans, compared to 30% of a year ago. Democrats still lead with 40% identification, but that is down from 50% of a year ago. Independents registered a 21% identification mark compared with the figure of 20% a year ago.

And finally, the Women's Campaign Fund is sponsoring a candidate forum on October 19 and 20 in Washington, D.C. Being held at the Mayflower Hotel, the forum is designed to help potential candidates for federal office assess their potential and to assist them with the very critical beginning stages of their campaigns. Workshops will focus on fund-raising, budgeting, media, polling, research, and campaign strategy. Participants will also have the chance to meet and exchange information with representatives from labor and corporate PAC's, trade associations, women's organizations, and the Federal Election Committee. Registration is \$75, and for more information write or call the Women's Campaign Fund, 1725 I Street, N.W., #515, Washington, D.C. 20006, 202-296-5346. ■

Avoiding Armageddon: Reintroducing Stability in the Nuclear Arena

As mentioned in "419 New Jersey Avenue," the Ripon Society study, "Reintroducing Stability in the Nuclear Arena," received considerable attention from the national press. The paper, which was written during the aftermath of the Israeli raid on Iraq, called for several steps to curb the proliferation of nuclear weapons. It also sought to raise the level of public awareness and understanding about the dangers of nuclear proliferation as well as the need for renewed SALT negotiations. The following is an excerpt from this study:

The Israeli bombing of the Iraqi nuclear reactor highlighted a growing peril to human survival—the enormous political instability which the development of nuclear weapons by mini-powers, or even the fear of such development, injects into already tense international environments. The incentive to preempt by force the development of a nuclear potential by an adversary may become overwhelming, injecting higher and higher levels of distrust into presently volatile confrontations. The psychology of preemption becomes even more perilous once a large number of countries possess nuclear weapons. Fear of the aggressive intentions of adversaries may become both the spur to and the justification for nuclear attacks on opposing countries. Once the nuclear threshold has been breached there is a grave risk that such a conflict will spill over to involve the super powers and ultimately to produce a universal conflagration.

The nth country problem is no longer merely a term of art of strategic weapons theorists, its resolution is crucial to the continued survival of every man, woman and child on this planet. Putting the nuclear genie back in the bottle is a herculean effort and one which can be achieved only through a concerted effort by the superpowers, and particularly by the United States. In the last several years the unseemly haste of several of our allies—France, Italy and Brazil—to peddle weapons' grade fissionable materials or weapons' capable nuclear facilities to the highest bidder has appeared to validate the most grotesque Marxist stereotypes about capitalist nations' willingness to place profit ahead of self-survival. This trafficking in nuclear weapons technology is a far greater threat to world peace than the penny ante support of international terrorism dabbled in by some petrodollar bloated Third World countries.

The Israeli raid has underscored the necessity for the United States to move aggressively to enforce a policy of absolute nuclear non-proliferation. Failure to act or insistence on a laissez-faire approach will permit ascending levels of violence each couched in a doctrine of preemption. The United States, the nation which first developed nuclear weapons technology, has both the duty and the leverage to contain the nuclear genie. To underscore this the Reagan Administration can begin immediately to declare that trafficking in weapons' grade nuclear materials or facilities will be regarded as an act of international terrorism with detrimental impact upon the United States. The Administration can also make clear that any such future actions can lead to the most drastic sanctions including

the institution of a partial or total trade embargo against the offending country and a suspension of U.S. aid.

Few, if any, nations with advanced nuclear technology will, however, admit the possibility that they may be exporting nuclear weapons technology. In fact, in few instances is there likely to be a willful intent to enlarge the nuclear club. Instead, commercial considerations may cause exporters of nuclear materials and facilities to ignore the stringent standards necessary to ensure against weapons development. Moreover, a sophisticated purchaser may be able to evade safeguards by purchasing technology and facilities from one country and enriched uranium or weapons adaptable fuel from a second country. An effective policy to prevent further enlargement of the nuclear club would seem to require more stringent safeguards against the piecemeal acquisition of nuclear weapons capability.

In the wake of the bombing of the Iraqi reactor, the new French government of President Mitterrand is showing a far more enlightened view than that of the Giscard government toward the non-proliferation issue. While the Israeli attack may have had a salutary effect in awakening the world to the precariousness of peace in an era of widely disseminated nuclear technology, the Begin government's righteous protestations of self-defense would be far more credible if accompanied by a willingness to sign the non-proliferation treaty and to permit International Atomic Energy Agency inspection of Israeli nuclear facilities. Articulation of a doctrine which amounts to an assertion of a unilateral right to construct a nuclear delivery system while policing the Middle East to eradicate incipient countervailing systems is shortsighted and ultimately doomed to failure. This can only increase the determination of rejectionist Arabs to press for their own nuclear capability. Due to its dense population concentration Israel is especially vulnerable to nuclear attack. Its only reasonable assurance against nuclear attack is a rigidly policed nuclear-free Middle East.

The creation of such a nuclear-free zone will require an enhancement of the inspection authority of the International Atomic Energy Agency and perhaps inspections by scientists of rival countries on each other's nuclear power facilities. The notion of Israeli scientists visiting Iraqi power plants and vice versa may at first glance seem wildly impractical, but continuance of business as usual can only lead to ascending levels of violence between Israel and its Arab rivals, with some form of nuclear exchange a likelihood before the end of this. The relatively toothless inspection procedures of the IAEA are highly susceptible to evasion as Roger Richter, a former inspector at that agency, recently testified before the Senate Foreign Relations Committee. A drastic tightening of inspection procedures is required if non-proliferation is to have substance.

More important perhaps than even the superpower arms negotiations is the containment of the spread of nuclear weapons among the mini-powers. As happened in 1914 at Sarajevo, violence among the mini-powers may rapidly spill over to cause a wide scale conflagration,

particularly if the great powers are wrapped up in a psychology of preemption.

Both the United States and the Soviet Union have a virtually identical interest in containing the spread of nuclear weaponry and possess the political leverage and military might, particularly if acting in concert, to prevent such nuclear proliferation. The United States and the Soviet Union are the principal conventional arms suppliers of those Middle Eastern adversaries that seem most interested in developing a nuclear weapons capability. Through the considerable leverage they may exert as arms suppliers and sources of economic aid the two superpowers have the ability to ensure virtually universal adherence to the Nuclear Non-Proliferation Treaty in the world's most volatile region.

A particularly thorny problem, exists with respect to countries which may have an as yet unacknowledged nuclear weapons capability. The existence of a regional nuclear monopoly by a single regional power in the Middle East, Southern Africa or the Indian subcontinent is almost inherently destabilizing, impelling regional adversaries to develop their own nuclear capability. Thus wherever possible American policy should seek not only to contain but to shrink the nuclear club. U.S. nuclear guarantees might be substituted for an ongoing nuclear capability dismantled by an incipient nuclear power.

A strong U.S. push for a nuclear-free Middle East might put new life into the Middle East peace process. Rather than focusing the discussion on the seemingly intractable issues of competing claims of religious sovereignty or territorial rights this would emphasize a commonly-shared interest in regional survival.

While not an absolute prerequisite to a U.S. thrust to create a nuclear-free zone, Soviet cooperation would seem extremely

beneficial, particularly as the Soviets have considerable influence over Libya and Iraq, the countries which Israel appears to view as posing the most serious potential nuclear challenges to Israeli security.

Such U.S.-Soviet cooperation in reducing the risks to the superpowers of a Middle Eastern nuclear war could also create a climate more conducive to realistic arms negotiations between the U.S. and the Soviet Union. The Reagan Administration has correctly recognized that arms negotiations are not an end in themselves but are merely a mechanism to create a safer world environment.

The study also suggested that the U.S. should use the success of building superpower cooperation in curbing nuclear proliferation to create some momentum for U.S.-Soviet talks which are designed to establish strategic nuclear stability among the superpowers. Specifically, the paper suggested that we should place an emphasis during the next round of strategic arms negotiations on curbing the prospect of accidental nuclear war, triggered by a false alarm and a split-second decision by a superpower head of state. The study also called for an emphasis in arms negotiations on the reduction of strategic systems vulnerable to a first strike and which require use of a "launch on warning" policy. ■

*"Avoiding Armageddon: Reintroducing Stability in the Nuclear Arena" was authored by John C. Topping, Jr. and Frederic R. Kellogg. Both are Washington attorneys who have been quite active Ripon participants.

CRL LINCOLN CONFERENCE II STANFORD UNIVERSITY GRADUATE SCHOOL OF BUSINESS AUGUST 28-30, 1981

Join us as the California Republican League holds its Second Biannual Lincoln Conference at Stanford University's modern Business School Building on-campus, near Palo Alto, California, August 28-30, 1981.

Chaired by **Representative Pete McCloskey**, and **Claudine Schneider**, the Conference will present up-to-date political skills seminars for 1982 GOP election victories, seminars and panels on Energy and the Environment, Domestic Policy and Women's Issues, Economic Policy.

Pre-registration only \$78 (same as 1979 Lincoln Conference!), includes registration fee, two nights at on-campus resi-

dence facilities, use of Stanford recreation facilities (golf, tennis, swimming), Welcoming Reception at Faculty Club with guests of honor, breakfasts, lunch, Saturday Buffet Banquet Dinner with guests of honor. \$48 for commuter rate (no room or recreational facilities). **Mail by August 12 to: CRL Lincoln Conference Committee, 420 Madera Ave., #8, Sunnyvale, CA 94086.** After then, late registration fee.

Dear Friends,

As you well know, the Ripon Society has compiled a long record of exemplary service to the Republican Party — in terms of time, talent, resources, and thought.


Much of our party's current success is attributable to these contributions by yourselves and your fellow Society members. We are writing to encourage a continuation of that support.

We have shown in the last few months that the Republican Party has the sufficient broad base and grounding to accommodate and indeed welcome a divergence of personalities and thought. Further, we have demonstrated that those personalities and philosophies can and have been coalesced into the most dynamic and effective political force this nation has witnessed in decades.

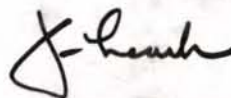
Much remains to be done to solidify and enlarge our coalition. A vigorous Ripon Society is vital toward that end. We are hopeful you will agree and will continue your support.

Thank you and best wishes.

Sincerely,



Howard H. Baker, Jr.
Majority Leader, U.S. Senate



James A. S. Leach
Member of Congress
1st Congressional District, Iowa

"The New Beginning" President Reagan speaks of, refers to a total rejuvenation of both our country and the Republican Party — the whole party. As a voice of moderate Republicanism, the Ripon Society can play a positive role in shaping our Party's and our Nation's destiny.

The Ripon Society has been a rallying point for common sense Republicans and their concerns for two decades. Now with the Republican resurgence, Ripon is poised as never before to provide a new generation of moderates with thoughtful, progressive policy initiatives. But, unlike so many organizations, Ripon does more than just complain about the political climate, it works to improve it. Again and again, the Society has demonstrated that involvement by concerned individuals can make a difference. Your individual involvement and support will make a difference, too. By contributing to Ripon, you are helping to shape that "New Beginning."

Richard S. Kessler
Executive Director
The Ripon Society

I join Senator Baker and Congressman Leach in their support of the Ripon Society!

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