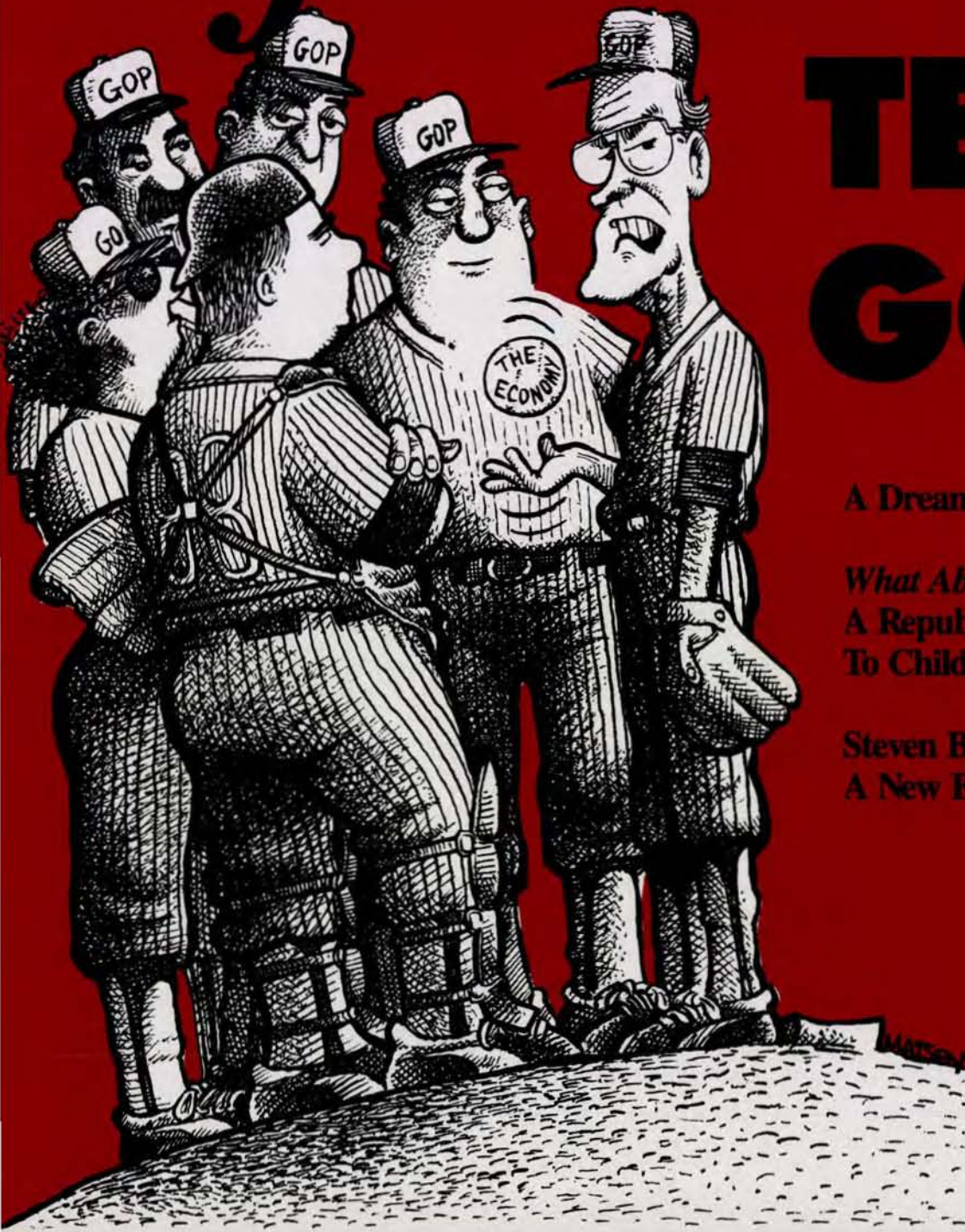


RIPON

forum

VOL. XXIV NO. 3

AUGUST 1988



TEAM GOP

A Dream Cabinet

*What About the Children:
A Republican Approach
To Child Care*

*Steven B. Klinsky With
A New Economic Agenda*

EDITOR'S COLUMN

Political columnist Mark Shields wrote recently that the current presidential election "is being held when the public mood is one of ambivalence. Voters seem to seek a change in the speed of government rather than a dramatic change in its direction. A liberal Republican—with traditional emphasis on individual rights and fiscal restraint—could be the ideal candidate for just such a time."

We, of course, couldn't agree more. And in this issue of the *Forum*, we provide suggestions for George Bush on how he could promote an agenda of rights and restraint. Editorial board member Steven Klinsky, in an article based on a memo he presented to the vice president's office in June, claims that George Bush should continue to stress the economy's improvement over the last eight years. But the vice president should also address the budget deficit by urging our western allies to assume greater responsibility for international defense and by adopting a plan for monetary stability.

Ripon president Mark Uncapher presents an outline of progressive Republican principles, and echoes what Shields says: support for civil rights are essential to progressive Republican values. Ripon Society chairman Jim Leach argues that the process of government is our most important product and that process is essential to protecting individual rights. As Justice Felix Frankfurter once wrote: "The history of liberty has largely been the protection of basic procedural safeguards." And Capitol Hill legislative assistant Kathryn Ceja discusses Republican approaches to child care, an issue that will be central in this election.

We also include the opinions of three congressional Republicans—Lynn Martin, Sherwood Boehlert and Arlen Specter—on the essentials of the November election. And this *Forum* suggests a Cabinet that, if George Bush wins in November, could ensure a government of rights and restraint. Not all members of this Cabinet are Ripon-friendly, but that is not our aim. Rather, it is to suggest the beginnings of a government that would respect diversity and mesh with George Bush's talents.

—Bill McKenzie

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Editor: William P. McKenzie
Associate Editor: Dale E. Curtis
Assistant Editor: Barry S. Edwards
Editorial Board:
 Terrence M. O'Sullivan
 Alfred W. Tate Steven B. Klinsky
 Gem E. Meyer Gail L. Slocum
Design Consultant: R. J. Matson
Art Director: Robey Graphics
Research Intern: David Hart

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Conversations with CONGRESSIONAL REPUBLICANS

In this edition of "Profiles and Perspectives" three different political leaders are queried about the fall election, the direction of the Republican Party and the importance of such issues as the environment and minority concerns. Congresswoman Lynn Martin of Illinois is the national co-chair of George Bush's presidential campaign; Representative Sherwood Boehlert is a leading member of the '92 Group, an organization of House Republicans whose aim is to produce a GOP majority by 1992; and Senator Arlen Specter of Pennsylvania is an important member of the Senate Judiciary Committee and an outspoken advocate of individual rights. That fact was underscored by his opposition last year to U.S. Supreme Court nominee Robert Bork.

These three congressional Republicans—interviewed by Ripon Forum editors Bill McKenzie and Barry Edwards—agree that the November presidential election will be close. But they also concur that the Bush campaign must emphasize its vision of the future. And that vision must center around the notion of peace and prosperity. As Congresswoman Martin says: "Will the next decade be better for you and your children under George Bush or Michael Dukakis?"



Rep. Lynn Martin

Ripon Forum: There seems to be no overriding issue in this year's presidential election, such as Vietnam was in 1968, Watergate was in 1976 and the economy was in 1980. In your estimation what is this election about?

Martin: Like every other election, this year's campaign will be about change. You mentioned Vietnam, Watergate and the economy. People wanted things better then and they want them better now. Today's situation is odd, however. We have peace and prosperity. So George Bush is going to have to talk about how we grow.

That's different than in 1980, when Republicans could say let's get rid of Jimmy Carter. Now, we have to concentrate on the future: What about children and the care they will need? What about training people for new jobs? And what should be America's role in the world during the beginning of the next century?

Ripon Forum: So far, George Bush doesn't seem to have talked a lot about the future. With the exception of his child care plan, his comments about environmental preservation and his desire to be the education president, he has spent much of his time criticizing Michael Dukakis.

Martin: Criticizing Dukakis is appropriate because the governor comes across as a centrist, which he is not. During the campaign, he could position himself against the extreme views of Jesse Jackson. What George Bush must do now is help define Michael Dukakis: Is he responsible for the "Massachusetts miracle?" Is he competent to run the country? What is his record on enforcing drug laws?

Those kinds of questions should have been asked during the primaries, but they weren't because of Jesse Jackson. At some point, Michael Dukakis is going to have to put forth his vision of the future: What does he want to do on defense? What sort of social programs would he create? How would he pay for them? What

is his tax policy? He says he would enforce tax collection. Well, are we all going to become IRS agents?

Ripon Forum: George Bush consistently receives low marks from women voters, trailing by as much as 25 percent among women voters. Why is this, and what can be done to correct it?

"George Bush combines compassion and common sense. Unfortunately, the vice presidency is not the best place to display these qualities."

Martin: The campaign is now making every effort to correct that. Part of the problem is that women make their minds up later about their choice for president. They don't want to make an emotional decision. Instead, they prefer to think more about it. Another problem is that while women now make 70¢ on the dollar, which is better than the 59¢ on the dollar they earned at the beginning of this decade, women are more leery about the future. They are more economically vulnerable than men. The third problem is related to language. The Bush campaign uses a lot of football metaphors, and that is not the language women speak. The campaign is going to have to adjust.

But I must add that women just don't know George Bush yet. He is a strong and decent man, and the latter is an undervalued word. I think he combines compassion and common sense. Unfortunately, the vice presidency is not the best place to display those qualities.

Ripon Forum: But as you know, after becoming Ronald Reagan's vice president George Bush changed his position on the Equal Rights Amendment and freedom of choice on abortion. A lot of voters were not pleased with those changes. How is he going to deal with that dissatisfaction?

Martin: You can't win by going from little issue to little issue. You have to present an overall policy, and that relates to peace and prosperity. Will the next decade be better for you and your children under George Bush or Michael Dukakis?

I think the American public wants change, but not a return to the beginning of the 1980s. The question is, would Michael Dukakis be a return to that past? If so, he will not become president.

Ripon Forum: New Jersey Governor Tom

Kean speaks of the "politics of inclusion." By that he means the GOP—as well as the nation—can be comprised of diverse interests. What will the Republican Party resemble if George Bush is elected president?

Martin: I hope that it does not resemble any one thing. Instead, it should be a changing, evolving group. The GOP should be seen as a satellite and not a party revolving around a central sun.

The GOP's core idea should be freedom. The strength of the U.S. is that all its people are so different, and that can be true about the party. Your vision may not be my vision, but that is okay. We don't all have to think alike. The country's elasticity allows us to work out what we believe. The GOP should not be a blanket, but should remain open.

Ripon Forum: That's true, but a number of ethnic minorities claim the party's rules discriminate against them. The reason is the delegate allocation structure, which proportionally favors smaller, non-industrial states. Most of those states do not contain many minority voters.

Martin: I serve on the GOP Rules Committee, and by definition rules will always be a problem. Someone will be discriminated against. The case can be made that the Senate also discriminates against larger states with greater populations.

Ripon Forum: With the selection of Lloyd Bentsen as his running mate, Michael Dukakis seems to be trying to broaden his base in the South, particularly Texas. How does the Bush campaign react to that move?

Martin: They don't. They should pick the best person for vice president. And I must add that I think we overdo the vice presidential choice. With all due respect to George Bush and Geraldine Ferraro, the last election was not about them. It was Walter Mondale vs. Ronald Reagan.

The Bush campaign can't change its message for each state. It has to offer its vision of a Bush presidency and what the beginning of the 21st century should look like. It is a singularly old-fashioned idea to campaign differently state-to-state. I think people in my state of Illinois vote much the same as those in Texas.



Rep. Sherwood
Boehlert

Ripon Forum: There seems to be no overriding issue in this year's presidential election, such as Vietnam was in 1968, Watergate was in 1976 and the economy was in 1980. In your estimation, what is this year's election about?

Boehlert: The heart and soul of the body politic. I am absolutely convinced that the battle ground is for the moderates in America. Whether they have an "R" or a "D" after their name, people are becoming more active in the political process. And they tend to be the moderates. So it is important that we have a candidate who appeals to them, and fortunately we do in George Bush.

If there is an overriding question, it is about the continuation of success. The economy is perking along well, and, if you put aside Central America, things are also going well in our foreign policy. The

"I'm absolutely convinced that the battle ground is for the moderates in America."

Reagan administration secured the INF accords, NATO is strong and the alliance is as durable as it has been in several years.

Perhaps the moderate approach to problems is coming to the surface. George Bush is emphasizing education and the environment, both of which are issues people seem to want to make a priority. And I must say that his recent Seattle speech on the environment, which surprised a lot of people, was magnificent.

As I read it, I stood up and applauded. It is refreshing to see Republicans assert leadership in this area.

The vice president also has been very specific and innovative in his approach to child care. He has been out front early on these issues. In fact, the great contrast now between the two candidates is that Dukakis is a generalist who claims much credit for things he shouldn't and Bush is being specific on issues and saying exactly what he thinks should be done. He's trying to continue our economic success, while beginning to innovatively address issues that have not heretofore been properly addressed.

Ripon Forum: You mentioned the vice president's Seattle speech on the environment. According to a March 30, 1987 *Time* Magazine poll, 67% of Republicans believe that the government should spend more on "environmental clean-up." If elected president what should George Bush do first on the environment? And will the Republican Party stand behind him on the environment?

Boehlert: I think that the Republican Party, at least as it has been represented in Congress, is disappointed with the Reagan administration's non-performance on environmental issues. So we welcome George Bush's declaration that he is going to be an environmental president. Frankly, I think we will be very supportive of his proposals.

But I think his number one priority on the environment should be to set the tone. That is what he did in his Seattle speech, when he talked about toxic wastes, acid rain and marketing cleaner fuels. He should also have someone in the Environmental Protection Agency who has credentials in the business and who will be committed to carrying out his programs. And that person must be able to articulate his goals, and give the marching orders to the people who will be working with Congress. They must provide the sense that we should get moving.

Ripon Forum: You have watched the GOP develop since 1964, as the Goldwater movement culminated in the Reagan administration. How do you think the more radical elements in the party would adjust to a more moderate leadership under George Bush?

Boehlert: I think they will welcome it. The New Right represents a small, dedicated wing of the party. But by no means are they representative of the majority of Republicans in America today.



Sen. Arlen Specter

Ripon Forum: There seems to be no overriding issue in this year's presidential election, such as Vietnam was in 1968, Watergate was in 1976 and the economy was in 1980. In your estimation, what is this year's election about?

Specter: That the major issues are peace and prosperity. The Reagan administration has achieved international progress in displaying American strength around the world and was successful with the INF accords. It also has made progress in An-

Ripon Forum: Do you find that people are now more skeptical of the New Right's social agenda, such as opposition to an Equal Rights Amendment and support for prayer in schools?

Boehlert: They are not only skeptical, but they don't support it. The New Right is inconsistent. It wants the government deeply involved in their social areas, but not in other ways. When you get right down to it, some of us moderates are more conservative in our thinking than they are. I am a "pro-choice" person on abortion, but I think I can make a very persuasive argument that the conservative position on the issue means no involvement of the federal government.

Ripon Forum: So should George Bush prevent the right wing's attempt to put their social agenda into the forefront of Republican politics?

Boehlert: More than anything, I want the GOP to be a majority party. And that doesn't mean sacrificing principle. George Bush also wants a majority party and he will lead one if it is all inclusive.

Although I don't agree with many of the positions taken by the New Right, I welcome them to the party and think it is constructive when they advance issues for a public dialogue. And then, when all is said and done, people should be free to disagree. That is the approach a majority party should take and I think it is the ap-

proach the Republican Party wants.

Ripon Forum: I understand your sentiment about the GOP becoming a majority party and the possibilities of a Bush agenda. But currently the vice president trails Michael Dukakis in the polls, and in some cases he trails badly.

Boehlert: At this time in 1948 Thomas Dewey was 30 points ahead of Harry Truman and was already picking his Cabinet.

Ripon Forum: So if the vice president continues to campaign as he has, will he emerge victorious? Or will he have to do something that will appeal to so-called blue-collar swing voters?

Boehlert: I am one who thinks he has a game plan and is following it. I also think it is working. Anyone who is a student of this business should not be surprised that right after the Democratic convention, Michael Dukakis, their nominee, will look like a giant. What did you read about George Bush during that same period? He's meeting in a strategy session with his staff in Kennebunkport. That's not news. So of course Dukakis is going to be ahead. But now that we are going to New Orleans, and are going to have a good convention and a spirited convention, things will change.

"Bush first needs to establish his own identity and his own positive approach to the problems confronting our country."

gola, Afghanistan, as well as in Iran and Iraq. And the economy is prosperous.

Simply, the most important issues are peace and prosperity and Reagan has achieved both.

Ripon Forum: Many people see the Republican Party as unsympathetic toward the state of black Americans. What do you think the GOP should do to emphasize its being the party of civil rights?

Specter: Well, we just had a major contribution to the Fair Housing Act, which Senator Kennedy and I put through the Senate. It was really a bipartisan effort. And remember, George Bush was supportive of fair housing legislation during the 1960s when he was a Houston congressman. His emphasis on being the education president will also appeal to black voters.

Ripon Forum: A March 30, 1987 *Time* Magazine poll reveals that 55% of Republicans polled believe that if the government had a "choice between spending more money on the military or spending more money on social programs," they would choose social programs. Only 35% would choose to spend more on the military. What does this indicate about what George Bush should do? How should he respond to those numbers?

Specter: The military was in a state of disrepair after Carter and we needed to project American strength. But George Bush has already stated his concern for such major social issues as education, housing and job training in addition to the environment.

Ripon Forum: Republican Consultant John Deardourff stated in a recent *New*

"Remember, George Bush was supportive of fair housing legislation during the 1960s when he was a Houston congressman."

York Times article that what the Bush campaign "ought to be doing is not bash-

ing Dukakis but conveying a picture of George as a solid citizen who's ready to be president. . . ." As someone who has been behind in polls himself, do you agree with Deardourff's assessment, or do you think that George Bush should take the opposite approach and throw a few punches?

Specter: It requires a two-fold approach. First, Bush needs to establish his own identity and establish his own positive approach to the problems confronting our country. But secondly, it is appropriate to discuss the Dukakis record. For example, Bush should discuss the Massachusetts prison furlough system, the state's deficit and the deplorable condition of Boston Bay. The American people do not yet know enough about either candidate, so I think that it is appropriate to attack Dukakis. ■

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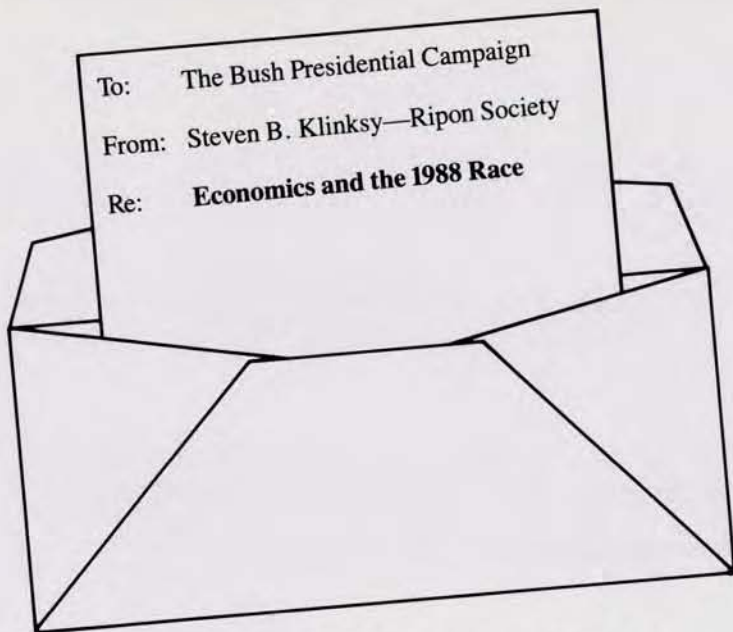
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Vice President Bush should win the presidency in 1988 based on the successful performance of the Reagan-Bush administration over the last eight years. A winning campaign and economic platform might best emphasize the following points:

1) A Central Campaign Theme: "Peace and Prosperity"

The Reagan-Bush administration has performed extraordinarily well on the most important issues: achieving eight years of peace and overseeing the longest peacetime economic expansion in U.S. history. Under the Democrats, the Soviets marched into Afghanistan. Under the Republicans, they are marching out. Under the Democrats, the "misery index" climbed to 20%. Under the Republicans, it fell to 10% and continues to fall. The campaign must shift the nation's focus back to these core matters, and away from the colorful but damaging side issues.

2) A Republican Economic Theme: "The American Miracle"

Michael Dukakis talks frequently about the "Massachusetts Miracle." The vice president can talk about something much more important and much more real: "The American Miracle." Four years ago, the Reagan-Bush ticket won a landslide re-election by asking the voters if Americans were better off than under the Democrats in 1980. This is

Steven B. Klinsky is a member of the Ripon Forum editorial board and a merchant banker in New York.

still the key question and the economy is stronger than ever.

In 1980, inflation was 13%. Today, it is under 5%. In 1980, unemployment was 7%. Today, it is 5.3%. In 1980, the bank prime rate was over 15%. Today, it is 9%. Private investment totalled \$716 billion in 1987 compared to \$437 billion in 1980. Industry capacity utilization levels are ahead of the 1980 performance, and today's economy is superior to the Democratic economy on every meaningful current measure.

3) Dukonomics: The Flea on the Back of the Horse

The Dukakis "Massachusetts Miracle" is a demonstrable fraud. The Massachusetts unemployment rate did improve 3.9% relative to the nation between 1975 and 1988. However, 3.1% of that improvement came during the administration of Dukakis' opponent, Governor Ed King. The remaining improvement was due to the state's slow population growth and the strength of the state's technology industries, both factors outside of Dukakis' control. Harvard economist Lawrence B. Lindsey, building on an earlier study by Harvard's Ferguson and Ladd, has estimated that Dukakis' policies actually cost the state 77,000 jobs. (See Lawrence B. Lindsey, "Who Managed the Massachusetts Miracle?", *Wall Street Journal*, 4-5-88).

Massachusetts is only one small part of the entire nation. The Dukakis "success" is merely an outgrowth of the

Reagan-Bush success for the nation as a whole.

4) The Budget Deficit: Caused by the Democrat's Defense Shortfalls and the Democrat's High Interest Rates and Inflation

The Republicans had to quickly rebuild the nation's defense strength and had no time to arrange equitable allied burden sharing before undertaking this task.

At the same time, the Democratic budget balancing process had become dependent on high inflation. The inflation produced higher nominal tax revenues and "bracket creep." The rapid end of inflation in the early Reagan years eliminated these revenues. At the same time, however, the memories of recent inflation kept the real interest rates on the national debt extremely high. Any effort to raise taxes to balance out these lost revenues would have wrecked the nation's economic recovery.

The Reagan-Bush administration has not been spendthrift. Between 1978 and the record deficit year of 1986, the share of GNP spent on general non-defense programs declined by 1.8%. Despite the 1981 tax cuts and recent tax reform, total federal budget receipts equalled 19.4% of GNP in 1987 compared to 19.4% in 1980 and 19.5% in 1970.

In short, the deficit is not a result of Republican mismanagement. Rather, it is one final symptom of the Carter economic and defense debacle. The na-

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SLEAZE '88

When historians remember Reagan's second term, will "sleaze" be near the top of the list of failures? It's quite possible. Certainly it's fair to say the White House has been burdened since 1985 with the cases of North and Poindexter, Meese, Regan, Deaver and Nofziger. Around Washington, investigators are probing scandalous Pentagon procurement practices and the "sleazy" actions of House Speaker Jim Wright and other members of Congress.

What's going on here? Are the nation's leaders more careless or ill-advised or downright nasty? Does a new administration, Republican or Democratic, offer the promise of clearing the decks and restoring a public image of decency to the federal government?

There is no doubting the significance of the issue. Americans' confidence in government, restored somewhat in Reagan's earlier years, is justifiably sinking again. It's safe to bet that given these stories and the relatively lackluster presidential candidates, we'll see continued apathy toward the amazing democratic system this country offers. That's disturbing.

"Sleaze" is nothing new in America, or anywhere else for that matter; nor is the public's general disdain of politicians. The issue now is the quantity and quality of improper activity going on, and what feeds it. In this regard, think a moment about how much higher we have hoisted our standards. The kind of charges raised against Michael Deaver ("influence-peddling"), Gary Hart (philandering), or even Oliver North (in some quarters), were not viewed as critically or with such drama in years past. For honesty's sake, no one should forget that in the grand sweep of things, it has been only a short time since Watergate

*"On the environment,
George Bush has charted
new ground for the GOP
and the nation."*

forced a closer examination of ethics in government. There will be a long period while we adjust, define gray areas and judge each case on its individual merits.

This is no excuse for those charged with improper deeds. More demanding standards of conduct are a proper response to Watergate and a more open society. Every allegation should be investigated and prosecuted to the fullest extent. Personally, we may be more forgiving with our friends and colleagues, but we will hold that in government it's better to err on the side of strict judgement, than to tolerate more creative uses of power.

It's ironic, incidentally, that tougher standards should coincide with the arrival of the most lax president since Warren Harding. Much has been said of Ronald Reagan's "management style," but like Harding or Grant before him, Reagan has repeatedly put a generous loyalty to his friends above an impartial intolerance toward appearances of wrongdoing. That is true for his first term as well as the second. If Reagan were as intolerant of the faults of his friends and staff as he is those of drug abusers and Sandinistas, there would be a lot less discussion of the "sleaze factor" in this election year.

BURDEN-SHARING

The concept of "burden-sharing," or redistributing the costs of mutual defense among the major democratic allies, is probably the most intellectually potent issue in the 1988 campaign. Not that the rhetoric so far has been very deep; at this point, the argument tends to go that we're broke, the Europeans and Japanese are ungrateful and we had better darn well *make* them pay more for their defense. Clearly, there's much more to it than this.

Politicians, writers and think tanks have embraced burden-sharing but most (including us) are only beginning to think about the breadth of consequences this idea holds.

Think first about the response of our allies. The Europeans have already borne the burden of two world wars, troops on their soil and the fear of World War III since 1945. European leaders are currently preoccupied with preparations for 1992, only four years away, when the 12 nations of the European common market (EC) plan to drop internal barriers and develop what could become the world's largest economic power. The Japanese are struggling with the need to extend their reach under an American-dictated Constitution which forbids full-scale rearmament, and Canada has begun to take a more independent defense posture within NATO.

The Europeans now collectively spend about 4% on defense, the Japanese barely 1%, while relying heavily on imported oil to produce the tremendous quantity of consumer and industrial goods which we buy. There may be a crying need for the allies to pay more for American military protection of their regional and economic interests (like the Persian Gulf), but the status quo exists because the U.S. has dic-

tated it thus, from the ashes of World War II through the 1980's defense buildup and trade dependence. An initiative to change the status quo will require major changes in our economic and political assumptions about each other, and the rest of the world.

Many of these changes would be troublesome. Requiring greater spending by our allies would lead to greater autonomy from the U.S., or at least more decentralized decision-making. Think carefully about the internal disagreements which arise, and the ever-changing political scenes in more than a dozen nations. Protectionism and nationalism are still powerful sentiments. An alliance still needs a leader, and Americans are not yet prepared to shed the leadership role.

Burden-sharing may be an idea whose time has come, but a little cold water in the face would be useful as we

State-in-waiting) James Baker to manage the evolution of the democratic alliance.

Neither has addressed the broader issues of burden-sharing. But it seems certain that whichever man the voters choose, we can count on an enlivening, challenging debate in the months to come.

A BREATH OF FRESH AIR

Between the Pacific Ocean and the rainy Cascades, George Bush stood in Seattle on May 16 and told a business luncheon, "I don't think we've been doing enough to protect our environment in recent years. We need to do more." His remarks were a breath of fresh air for Americans weary of watching the GOP apparently abandon protection of our natural heritage.

That's an overstatement, of course, but from the Environmental Protection Agency scandals of the early 1980's to Interior Secretary Hodel's casual suggestion that we deal with destruction of the ozone layer by wearing more hats and suntan lotion, the Reagan administration has leveled the GOP's image on environmental protection. By contrast, Bush evoked the eloquence of Teddy Roosevelt, saying "nothing short of defending this country in wartime 'compares with the great central task of leaving this land even a better land for our descendants than it is for us.'" Bush outlined a broad vision, strong presidential leadership and innovative economic strategies to clean up or prevent pollution.

Apparently addressing an audience broader than the executives seated before him, Bush pointed to the facts and put his priorities in the right place:

"Make no mistake about it. We have made very real headway in cleaning up our air and water. And we have done that at the same time that our population has grown and our economy expanded. . . . In this as in so many areas of life, it has been not only the government that has made the difference, but the voluntary efforts of private organizations and dedicated individuals in every part of the country. . . .

"The solutions are not always easy or cheap. . . . But given sound research, innovative technology, suffi-

"More demanding standards of conduct are a proper response to Watergate and a more open society."

cient public and private funds, and—most important of all—the necessary political will, we can achieve and maintain an environment that protects the public health and enhances the quality of life of us all."

Bush's remarks even went well beyond "Mom and apple pie" rhetoric. For a Reagan-era Republican, it was remarkable to hear proposed solutions, both conventional and innovative, where we are used to hearing justifications.

For example, on toxic wastes, Bush would insist on stricter enforcement and a streamlining of procedures to speed up the cleanup process. To combat smog and acid rain, Bush warned "We can no longer afford to simply study the problem" and instead would seek a "national commitment" to specific pollution-reduction goals. As a part of that effort, he would push to create markets for cleaner fuels and technologies like natural gas, "clean coal" and corn-based methanol.

Most significant, Bush charted new ground for the GOP and the nation with two suggestions: making protection of the global environment a major foreign policy priority, and launching a "Mission to Planet Earth" to study our fragile Earth from space. The problems of ozone layer destruction, the "greenhouse" effect, pollution of the oceans and poorly planned Third World development will soon dwarf degradation in our own neighborhood, and demand solutions equally wide-ranging. By pledging his intention to see this country set another international standard of hope, Vice President Bush has raised his party and his nation to a higher course, and for that Ripon applauds him. ■

—Dale Edward Curtis

"The concept of 'burden-sharing,' or redistributing the costs of western defense, is probably the most intellectually potent issue in the 1988 campaign."

think it over. A *New York Times* editorial recently offered the wise opinion that the current presidential campaign could push the debate beyond sloganeering and toward these broader questions.

What do the candidates say? Inexplicably, Michael Dukakis talks about beefing up (expensive) conventional forces in Europe. Dukakis calls for greater consultation among the allies, but with no specific vision or experience to flesh out what he means to do. George Bush, on the other hand, has played a role in this administration's generally excellent NATO relations, and offers steady, experienced hands like Treasury Secretary (and Secretary-of-

tional economic recovery should be seen as falling in two phases. In the first phase, the Reagan-Bush administration rebuilt the nation's defense, ended inflation and restored economic growth. In the coming second phase, George Bush could resolve the budget deficit that was inevitably a part of the initial recovery.

5) Ending the Budget Deficit: Defense Burden Sharing with Japan and Lower Interest Rates Through a Stable Dollar

The structural budget deficit today should be attacked through two long-term structural reforms.

First, Japan must be encouraged to reimburse the United States for a portion of Japan's American-supplied military defense. The United States spends over 6.5% of its GNP on free world defense while Japan spends barely 1.0% (In fact, Japanese annually spend two to three times as much to play the pinball-game pachinko as they spend on defense. See *New York Times*, 3/18/88). This disparity is intolerable given Japan's strong economy and its current status as the world's foremost creditor. While Japan should not rearm, it should assume the economic costs of a leading world power. An increase in Japanese military spending/reimbursements to 4% of Japanese GNP would save the United States more than \$60 billion annually. In return, the U.S. should pledge strong world defense, a stable yen:dollar relationship and continued free trade. This global approach strengthens the western alliance and is the exact opposite of Japan-bashing protectionism which tears the alliance apart.

Second, the interest rate on America's long term government bonds—now over 9% annually—should be brought back down toward the 5% level. This 5% level was achieved throughout America's history, up to and including the twenty years following World War II, and compares to a current 4.7% interest level in Japan and a 4.1% interest rate in Switzerland. A 4% reduction in American interest rates on our \$2.4 trillion national debt would save the government an estimated \$120 billion of interest costs annually by 1993. This

savings, plus the outlined defense burden-sharing arrangement with Japan, would have more than eliminated even the record aggregate state, local and federal budget deficit of 1986.

Today's high interest rates are due to the dollar's instability relative to real goods and relative to other currencies. The American government, as owner of the printing press, cannot default on its dollar-denominated debts. However, it can, and does, repay those debts with dollars depreciated in value as a result of inflation and as a result of devaluations relative to foreign currencies. Lenders demand a premium interest rate to compensate for this devaluation/inflation risk. If the high interest rate was merely a domestic question of a low savings rate or tight Federal Reserve policy, then Americans could simply borrow yen or Swiss francs at low rates and convert the foreign borrowings into usable U.S. dollars. Americans are dissuaded from this course by their own fears of a falling dollar.

Understanding this, it is clear that the administration's initiatives to stabilize the dollar have been steps in the right direction and should be continued. In the short term, spending growth should be controlled and tax increases should be avoided. Even a moderate level of economic growth can generate an estimated \$70 billion of additional federal revenues each year without tax increases.

6) Curing the Federal Budget Deficit Will Cure America's Other Economic Challenges; America Is Not In Decline

Many of America's proclaimed economic shortcomings are not shortcomings at all, and those that are would be cured as the federal budget deficit is cured.

America's weak national savings performance is primarily a result of the federal deficit which is, by statistical definition, a "dissaving." Curing the deficit would raise national savings and reduce the need for the foreign borrowings which have been used to offset the national savings shortfall.

A reduced inflow of foreign funding (i.e., a reduction in America's capital

account surplus) would, again by statistical definition, reduce the offsetting current account deficit. This trade deficit figure is given far too much credence in any event. An estimated 20% of all foreign trade is merely the result of U.S. companies selling back and forth between their domestic and foreign subsidiaries. At the same time, sales made by U.S. companies offshore to offshore customers (such as the sales of computers by IBM's Japanese subsidiary to the Japanese) are entirely excluded from the export figures because the goods do not physically cross an American border.

A capital surplus/current account deficit can be socially positive if the foreign funds and goods are applied toward domestic growth. America ran exactly this type of beneficent trade deficit during its rapid expansion in the nineteenth century and Japan ran such a deficit from the end of World War II until the 1980s. In any case, if American employment is high and its factories are running at high levels, it is irrelevant whether those goods are sold domestically or overseas.

America's manufacturing sector is not in decline, although fewer workers are needed as a result of automation and productivity improvement. Manufacturing accounted for 21% of America's aggregate GNP in 1960 and accounted for 22% in 1987. America's share of total world trade (including the sales of foreign subsidiaries of American companies) has held constant. Manufacturing productivity from 1981-1987 has grown at 4.0%, the most rapid peacetime growth in history—a rate almost four times as great as the 1.2% annual increase from 1974 to 1980. The rate of productivity increase for the entire economy has also quadrupled in the same time frame (from 0.3% to 1.3%). This trend is likely to continue, led by a 21% surge in business capital spending during the first quarter of 1988.

7) The Key to Continuing Domestic Economic Prosperity is Foreign Affairs; Governor Dukakis is Completely Unprepared

The keys to the budget deficit are the foreign affairs issues of defense burden-sharing and the coordination of allied

monetary policy and exchange rates. These are foreign policy issues for which the vice president is exceedingly well prepared. A third avenue of budget deficit attack—controlling defense spending—is also a foreign policy issue.

Governor Dukakis, in contrast to the vice president, has no national or foreign policy experience. His apparent tendency is toward economic micro-management: for example, working to locate a plant in one town rather than another. This characteristic is useful or neutral in his role as a diligent state governor. However, it can be positively destructive in the office of world leadership he seeks, as the performance of President Carter proved.

8) Governor Dukakis Will Raise Taxes

Governor Dukakis' policies will inevitably lead to substantial tax increases, and his campaign must not be allowed

to evade this point.

Governor Dukakis is a spend and spend Democrat. His proposed 1989 state budget represents an 83% increase over the 1983 budget. His \$2.3 billion Massachusetts universal health care plan—only one of his social platform planks—would cost Americans an estimated \$95 billion if applied nationally.

At the same time, Dukakis adamantly demands a balanced federal budget (despite a pending \$500 million deficit for 1989 in his own state). His preferred budget balancing technique is improved enforcement of the existing tax laws. However, he readily admits the possibility of tax increases if this technique does not work as planned.

Since this tax collection ploy will almost certainly fail, the likely economic outlook for a Dukakis administration is clear: higher social spending coupled with balanced budget demands and,

therefore, higher taxes. This high taxation is likely to trigger recession, which will reduce tax revenues and create a spiraling need for even higher taxes and social spending. If the Federal Reserve eases the money supply in search of a recovery, a roadmap back to Democratic stagflation can be easily foreseen.

In sum, America's domestic economic challenges can most properly be traced to America's role as an international power and the last Democratic administration's failure to fulfill that role. The U.S., under the Reagan-Bush administration, spent heavily on defense and rightfully so. The wisdom should be stressed emphatically in the campaign, and America's high employment, low inflation and general prosperity should be equally stressed. The economic challenge for the next president is to address the critical international issue of defense budgeting, defense burden sharing and international monetary policy. ■

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TEAM GOP

In the event that George Bush is elected president in November, we thought it prudent to suggest some Cabinet selections. Some of the nominees may fit in better elsewhere, and none of them volunteered for their assignment. But absent any skeletons we don't know about, this list provides for a promising administration.

Secretary of State: The obvious and most mentioned nominee is Jim Baker, now secretary of the treasury. Baker has also served as White House chief-of-staff, knows Capitol Hill well and his Treasury stint has given him international experience. His connection to Bush is legend: tennis buddies back in River Oaks, Bush's campaign manager in 1980 and likely to become his campaign manager again this year, if he hasn't already done so by the time this is published. A graduate of Princeton and the University of Texas Law School, Baker practiced law in Houston for nearly two decades.

PROS/CONS: Lawyers often don't make great geopolitical theorists, and geopolitical theory is what someone in an administration's foreign policy apparatus must provide. Yet nobody knows the essentials of putting together coalitions better than Baker. His understanding of Bush's instincts, his knowledge of global players and his negotiating prowess are key.

Secretary of the Treasury: Here again, an obvious and often mentioned choice: Nicholas Brady, managing director of the investment firm, Dillon Reed. Like Baker, Brady is a close confidant of the vice president's. He is chairman of the Bush campaign, and has a taste for politics (a resident of New Jersey, Brady served out



Nancy Kassebaum

Harrison Williams' Senate term in the early '80s). Brady chaired the presidential commission which recommended changes to avert another stock market crash and is an orthodox conservative on fiscal and monetary matters.

PROS/CONS: The pros have already been stated, and there are not any major cons; good nominee.

Attorney General: If the Senate confirms former Pennsylvania Governor Richard Thornburgh as Edwin Meese's replacement at the Justice Department, then Thornburgh may be retained by George Bush. He is a moderate Republican, a well-known governor and knows the Justice Department. In the Ford administration, Thornburgh served as chief of the Justice Department's criminal division and pursued official corruption and organized crime.

If Richard Thornburgh isn't retained, then let us suggest William T. Coleman, Jr. A graduate of the University of Pennsyl-

vania and Harvard Law School, and a lifelong Republican, Coleman has long been active in civil rights work. In 1954 he helped draft the brief for *Brown v. Board of Education*, and he once served as chairman of the NAACP Legal Defense Fund.

Coleman also served as secretary of transportation in the Ford Cabinet. He is a former U.S. Supreme Court clerk and now a lawyer in Washington, D.C. His willingness to tackle difficult issues was made apparent when he joined Andrew Young and Barbara Jordan in opposing Robert Bork's 1987 Supreme Court nomination.

PROS/CONS: Not too many cons here, although neither Thornburgh nor Coleman are held in esteem by movement conservatives. But who cares? Both are ably-qualified candidates.

Secretary of Labor: Thomas Kean is qualified to fill any governmental role, including chief executive. Often considered as a possible Republican presidential candidate, or even George Bush's running-mate, Kean is universally respected. He is currently serving his second term as governor of New Jersey (he won over 60 percent of New Jersey's black and union vote in 1985). Among his most successful programs is the development of the Transportation Trust Fund which actually encouraged business and labor to cooperate. Kean explains that, "[T]o me, the Transportation Trust Fund is government at its best—a fiscally responsible program putting people to work to create opportunity for other people." Business and labor are perpetually at odds, so perhaps Kean's respect and creativity could provide welcomed leadership.

PROS/CONS: Kean may be overqualified for the job, but he belongs in a Bush ad-

ministration. This may be the most logical place. From there, he could move on to other assignments.

Secretary of Agriculture: After serving as governor of Iowa for five terms, Robert Ray is intimately familiar with the ins-and-outs of agriculture policies. He has also earned a reputation for working well with Democratic legislatures, which would be a considerable asset if the GOP does not gain control of either the House or Senate in 1988. His popularity in the Farm Belt may help Congress and the next administration try to sort out the federal government's role in agricultural subsidies.

PROS/CONS: Ray is not a "fresh face," but he is a pragmatic moderate who will be able to work well with Congress.

Secretary of Education: During his eight years as governor of Tennessee, Lamar Alexander was most noted for two things: education reform and attracting black support. His Better Schools Program won him much praise from everybody except teachers who opposed his support for examining them and for a master teacher plan which would reward exceptional teachers. Since education reform is among everyone's highest priorities, and inner-city schools are universally recognized as miserable, Alexander's commitment to education and his appeal to blacks could make him an ideal secretary.

PROS/CONS: Alexander recently became president of the University of Tennessee, so he may not want to leave that post. On the other hand, he is politically savvy and deserves national exposure for his accomplishments.

Secretary of Commerce: Two people are likely nominees. One is Robert Mosbacher, Bush's longtime friend from the Texas oil patch. Mosbacher is finance chairman of the Bush presidential effort, a post he also held in 1980. It stands to reason that if he wants a Cabinet post, he will get one. Commerce is particularly appropriate, since Mosbacher could vent his entrepreneurial instincts there. He heads Mosbacher Energy Group in Houston, and like many independent oil men, including Bush, he believes in encouraging entrepreneurial activity.

The other likely person is Bruce Smart, the former Continental Group

chairman who once served as undersecretary for international trade in the Reagan administration. He resigned in March 1988 after losing a turf war with Commerce Secretary William Verity, and is now working full-time with the Bush campaign. Smart is experienced on international trade matters and well-connected in the business community.

PROS/CONS: Mosbacher may be better suited to be a free-wheeling adviser to a



Thomas Kean

Bachrach Studios

Bush White House. Sometimes independent businessmen don't make good bureaucratic politicians, which is what a secretary must be. Smart has more political experience, including crucial understanding of America's trade problems.

Director of the Environmental Protection Agency: Loret Miller Ruppe currently serves as the Reagan-appointed director of the Peace Corps. Through this role, Ruppe has been active in coordinating energy and conservation policies in developing nations. She recognizes that environmental concerns cannot be addressed unilaterally, but must involve all nations. A longtime Michigan GOP leader, Ruppe attended Marymount College in Tarrytown, N.Y. and Marquette University in Milwaukee.

PROS/CONS: Ruppe may need more domestic environmental experience, but she has demonstrated leadership at the Peace Corps.

Secretary of Health and Human Services: Our choice is Nancy Johnson, the Connecticut congresswoman who has been on the forefront of addressing such family issues as child care (see page 16). Johnson has proposed a variety of bills to expand child care and ensure its quality. Her plans include such Republican ideas as giving incentives to employers who provide child care or allow flexible work schedules. Johnson knows the social services budget; she serves as the ranking Republican on the Health Task Force of the House Budget Committee.

PROS/CONS: Johnson lacks administrative experience, which former HHS Secretary Margaret Heckler proved is necessary in running a big agency. But Johnson is conscientious, a quick study and would rapidly make up for her lack of experience.

Secretary of Defense. Frank Carlucci, the current secretary of defense, would make an excellent member of the Bush team. He is a low-profile, hard-working administrator. As a former deputy at both Defense and the CIA, he also knows foreign and military issues. Because of his unflinching integrity, he may be the best person to head the Defense Department while it faces corruption charges.

PROS/CONS: It's hard to think George Bush wouldn't retain Carlucci, but if he doesn't perhaps John Tower would be a good Pentagon chief. The former Texas senator would mesh well with George Bush's conservative instincts on defense issues, and as former chairman of the Senate Armed Services Committee he knows the military industry.

Secretary of Housing and Urban Development: Indianapolis' Republican Mayor William Hudnut has given his city new life. The city recently sponsored the Pan American Games and its new sports complex houses the Indianapolis Colts. The football Colts have been surrounded by controversy since their owner, Robert Irby, betrayed the team's former city, Baltimore. But that isn't Hudnut's fault, and he has been active in attracting other such investments to Indianapolis. Hudnut has served as mayor for 13 years, and he should be acutely aware of urban issues.

Congressman Bill Green would also make an excellent HUD secretary. He rep-

resents a sizable portion of Manhattan, one of the most urban districts in America. Green also served from 1970-1977 as New York regional administrator for HUD, which is one of the agencies most important positions. He now is the ranking Republican on the House Appropriations Subcommittee on HUD-Independent Agencies.

PROS/CONS: Hudnut may be too abrasive for a Cabinet post, but he also may want to move beyond mayor. Green may be too liberal for George Bush, but the vice president couldn't find a more competent and intelligent member of Congress.

Secretary of the Interior: George Bush says that he will place a Hispanic in his Cabinet, and New Mexico Congressman Manuel Lujan might be the person. Lujan is the ranking Republican on the House Interior Committee, and while he has been known to be more pro-growth than some environmentalists on the Committee, he is not James Watt. Lujan is a longtime Republican, a key member of Congress and would not be the ideologue Watt was at Interior.

PROS/CONS: Lujan was mentioned as a replacement to James Watt and William Clark at Interior, but did not get the job.

Ambassador to the United Nations: Nancy Landon Kassebaum would make an excellent U.S. representative to the U.N. Like Tom Kean, the Kansas senator is qualified to hold a number of positions, including vice president. But if she is not chosen to run with Bush, Kassebaum has the qualifications to serve at the U.N. She is the ranking Republican of the Senate Foreign Relations African Affairs Subcommittee, and she played a significant role in adjusting the administration's South African policies. Kassebaum has a good understanding of black African countries, and she has also been involved in Central American issues. In 1982, Kassebaum led the American delegation monitoring El Salvador's elections.

Another nominee for U.N. Ambassador is our own Jim Leach. He is a senior member of the House Foreign Affairs Committee, an active proponent of arms control and a former Foreign Service Officer. Leach has been a strong supporter of George Bush since 1980, and he worked

with the vice president when the latter was ambassador to the United Nations in the early 1970s.

PROS/CONS: Kassebaum's temperament would be a welcomed relief at the U.N. after several years of bellicose Reagan representatives. Like Leach, she possesses an understanding of the institution's necessity. A Leach appointment, of course, would be a symbolic move by George Bush to GOP moderates and liberals.



Manuel Lujan

Secretary of Transportation: Patricia Goldman is not a household name, but her experience inside Washington and within the transportation industry make her an appropriate-to-ideal choice. Goldman is now senior vice president at USAir. Before that, she served nine years on the National Transportation Safety Board, six of which were as vice-chairperson. Her record there was good, and she has further administrative and congressional experience as director of the House Wednesday Group.

PROS/CONS: Goldman may lack the profile of other nominees, but not many people outside Washington knew Elizabeth Dole before her Reagan administration appointments. Goldman is ably qualified, knows transportation issues well and would make a good Cabinet selection.

Director of the Office of Management and Budget: Richard Darman served under James Baker at the White House and the Treasury Department, and he received high remarks for both roles. Darman was effective in putting together Reagan administration packages, and like Baker knows how to work Capitol Hill. He also knows the budget, and after his Treasury appointment, where he served as deputy secretary of the treasury, Darman has more than enough knowledge to serve as OMB director.

PROS/CONS: Darman would not be an ideologue like David Stockman, who headed the office until 1985. But presumably Bush would not want an ideologue, so Darman's knowledge of the budget and his far-reaching mind would be real assets.

Director of the Central Intelligence Agency: William Webster replaced William Casey at the CIA in 1987 when the Agency was again heading toward disaster. After considerable progress in the late 1970s, under such directors as George Bush, Casey returned the CIA to its super-secret ways. He ran the Agency like it was the domain of white males not bound by the Constitution. Webster stepped in after Casey's sudden stroke in 1986 and restored the belief that people of integrity are in charge. The Agency will never be an open book, but integrity in such a closed operation is important. There is no reason for George Bush to replace William Webster.

PROS/CONS: As a former St. Louis judge and director of the FBI, Webster has the reputation of being squeaky clean. No cons.

Secretary of Energy: John Y. Brown is a former Democratic governor of Kentucky, but George Bush would be smart to name a Democrat to his administration. Brown is tempting because Kentucky is a coal state. With all George Bush's connections to the oil industry, a non-oil energy secretary might be a shrewd move. Brown also has extensive business experience: he once headed Kentucky Fried Chicken and owned the Boston Celtics.

PROS/CONS: John Brown has a flashy reputation and may not be a team player. On the other hand, he and wife Phyllis George may need a new role. This could be it. ■

DUKAKIS: ALL HAT AND NO CATTLE?

BY WILLIAM P. MCKENZIE

The hallways of the State House in Boston, Massachusetts are lined with statues and names that remind one of the state's Yankee heritage: Groton, Adams, Gerry, Webster and Salt-onstall, among others. Yet today, the state is governed by a descendant of Greek immigrants—Michael Dukakis—whose ambition it is to become the 41st president of the United States.

Many weary voters know by now that Governor Dukakis' claim to that office rests primarily on what he terms the "Massachusetts miracle." In short, the "miracle" is the economic restoration that has swept Massachusetts over the middle part of this decade.

The statistics about that growth are indeed impressive. Massachusetts' unemployment rate is now less than 3 percent, and 300,000 jobs have been created since 1984. Dukakis also claims that he has kept taxes and spending in line.

But many analysts now are taking exception with the governor's claim that his second administration, from 1982 to 1986, was responsible for the "miracle." The *New Republic* writes that the rejuvenation is a regional phenomenon, not a specific, local phenomenon. And the *Wall Street Journal* recently dubbed Governor Dukakis "Governor Isuzu," the term coming from the ad character Joe Isuzu, who tells tales in order to sell Isuzu pickup trucks.

The similarity is not absolute, the *Journal* says, but "Michael Dukakis is trying to sell America an economic success story in which he had no role. . . . The state's economic boom of the mid-1980s can be traced largely to two factors: tax cuts and federal defense spending."

Dan Dimancescu, a partner in a Mas-

William P. McKenzie is editor of the Ripon Forum.

"In Texas, there is a question for people, such as Michael Dukakis: Is he all hat and no cattle? Do his actions match his words?"

sachusetts-based consulting firm, Technology and Strategy Group, echoed these comments in the Dec. 13, 1987, issue of *Mass High Tech*. According to Mr. Dimancescu: "If one reads the PR, the Massachusetts high-tech 'miracle' is still for sale as a presidential campaign promise. . . . This should give us some pause—if only to keep the governor from the self-delusion that he's really found a solution he can take to Washington."

During a recent interview, Mr. Dimancescu elaborated upon those comments and said that if there is a miracle, it is that "New England's economy has undergone an industrial era restructuring: from primary reliance upon shoes and textiles to knowledge."

The Massachusetts economy is now largely based on the technical ability provided by such research facilities as MIT, Draper Labs and the Mitre Corp. Each has been essential in bringing computer-related firms to the state, as well as securing large defense contracts.

During each year of the Reagan administration, for example, \$2.5 billion of

the Pentagon's budget has been spent on research and development. Nearly 40 percent of that annual figure has gone to Massachusetts-based entities. MIT and its Lincoln labs, the Mitre Corp. and Draper Labs each have received \$330 million a year.

According to Mr. Dimancescu, the roots of the "Massachusetts miracle" can be traced to the days following World War II, when Georges Doriot, a Boston businessman, put together the nation's first venture capital firm—American Research and Development. One of Mr. Doriot's first projects was the financing of Digital Equipment Corp., which Mr. Dimancescu says was a crucial factor in the development of the Massachusetts economy. The reason is that Digital laid the foundation for the technological exploration that later came to characterize Massachusetts.

Michael Dukakis certainly did not have anything to do with such projects, Mr. Dimancescu says. And even if the governor tried to claim such events had nothing to do with the "Massachusetts miracle," why has he been so slow in shaping modern events? Why has the state actually lost 74,000 manufacturing jobs since mid-1984? And why has job growth in Massachusetts since 1984 been 30 percent below the national average?

According to Mr. Dimancescu, Governor Dukakis has not been creative in providing leadership for technological growth. Take former North Carolina Governor James Hunt, who Mr. Dimancescu says shaped his state's future by deciding to establish the Research Triangle in Raleigh-Durham with partial public funds. This was the "single event" that turned around North Carolina's economy, Mr. Dimancescu says.

In Massachusetts, however, Dukakis has only lately awakened to technological

Continued on page 22

REPUBLICAN APPROACHES TO CHILD CARE

BY KATHRYN S. CEJA

The absence of affordable, accessible child care concerns Republicans. In fact, a strong, aggressive position on child care can be a plank in the GOP platform, drawing on congressional Republican work that builds on the party's record as champion of the American family.

According to the Bureau of Labor Statistics, half of all mothers with children less than a year old work and almost 70 percent of mothers are working once their children reach school age. The number of working mothers, married and otherwise, has more than tripled since the 1950s, along with the cost of housing, clothing and food.

The Secretary of Labor's Task Force on Child Care also says that women will comprise over three-fifths of new entrants into the labor force between 1986 and the year 2000. In addition, women are overwhelmingly employed in service industries, which the Labor Department projects will sustain all of our economic growth during this same period. Child care will not only free parents to work and stay abreast of an increasingly high cost of living, but will enable employers to actively recruit and encourage women to remain in the workforce to fuel a growing economy. Seen in that light, child care is good for the economy.

During the course of the 100th Congress, more than 100 child care related bills have been introduced, and most have focused on the issues of affordability, availability and quality. Legislators of diverse philosophies have been active in the child care debate, and have generally agreed on these core items: that government's priority should be to help low-income families

Kathryn S. Ceja is a legislative assistant to Representative Nancy Johnson.

“Responsible financing must be a part of any new program, if it is to pass the Congress and provide real assistance.”

first; that child care must be expanded to meet the growing demand; and that government should promote quality services both to assure the well-being of children and to give parents a real choice about who cares for their children while they are working.

Republican members of Congress have added a family dimension to this debate. They argue that it is not sufficient merely to shore up the child care market and make good services more widely available to parents. Instead, they are also proposing bills that would allow parents—mothers and fathers—to reduce their child care needs. Their position is that government policy should recognize that, in most cases, the best environments for children are in a parent's care.

Two of these Republicans, Representative Nancy Johnson of Connecticut, a moderate, and Senator Orrin Hatch of Utah, a conservative, have developed proposals that address all four issues but at a cost that is sensitive to the federal deficit. These two legislators argue that responsible financing must be a part of any new program, if it is to pass the Congress and provide real assistance in the coming years.

Affordability

One of the most frequently cited bases for child care reform has been the misallocation of limited federal resources. Current federal child care policy does not address the needs of the income group that needs help most—the working poor.

Two-thirds of working women are either single heads-of-household or have husbands whose annual income is less than \$20,000. Low-income parents consistently report that the lack of affordable child care is the single greatest barrier to becoming and staying employed. Single mothers on welfare say the absence of child care is one of the major barriers to financial independence.

But direct child care assistance to these families through the two major programs—the Dependent Care Tax Credit of Title XX or the Social Services Block Grant—is practically nonexistent.

While Title XX monies serve the poor, in most states they do not provide direct assistance to families but instead fund slots in government-designated centers. Waiting lists for subsidized child care are as long as two years in some urban areas. In many rural areas, parents may have no access to assisted services.

In contrast to Title XX, the Dependent Care Tax Credit provides a subsidy directly to families. Working parents are able to choose their provider regardless of whether she is home-based or center-based, and whether the care is housed in a government-sponsored, non-profit or private facility. But the credit does not really help the working poor.

Though the credit is currently indexed on a sliding scale favoring low-income families, the amount of money a family receives is determined by its tax bill. This means that while a low-income family can offset some work-related child

care expenses through the tax credit, it does not receive the help as it is needed during the year. More importantly, since low-income families pay little if any taxes, the tax savings are almost meaningless.

Representative Johnson advocates a strategy that would offer low-income families both buying power and the freedom to make individual choices about what kind of care is best for their children. She takes the best of the tax credit—buying power and freedom of choice—and drops the features which discriminate against low-income families by providing funding for child care certificates directly to low-income parents.

The Johnson certificate program would help the families who now receive no help from the tax credit. It would be available to those families making under \$22,000 a year. It would be deficit-neutral, eliminating the Dependent Care Tax Credit for families with annual incomes of \$70,000 and above, providing assistance to low-income families with the money saved. The Connecticut Republican would require states to set the value of the certificate on a sliding scale, the greatest subsidy going to working families of lowest income, so working families can shop for care without being constrained by the limited number of subsidized child care slots.

Availability

Child care is already scarce. The Department of Labor reports that as many as 20,000 children under three may be left unsupervised for part of the day. Numbers of "latch-key" kids are growing, and reports are increasingly frequent of children left at public libraries after school because there is no after-school program in the community.

Senator Hatch has developed a proposal to expand the supply of child care, which Representative Johnson has sponsored in the House of Representatives. Their bill—the Child Care Services Improvement Act—would provide seed money for the expansion of child care services and would free states and localities to set their own priorities.

The bill requires that funds serve low-income children and set sliding-fee scales according to the family's ability to pay. Projects must identify alternative funding once the start-up grant has been exhausted and facilities must be state-licensed. But money is available for a wide variety of child care settings, including family-based

care, center-based care, sick-child care, employer-sponsored care—even programs that provide services for homeless children and links to the elderly.

Providing subsidies and expanding services is not enough. The high price and often complete dearth of liability insurance, plus a lack of resources to make capital improvements, represent significant barriers to establishing and expanding child care slots.

The Services Improvement Act provides a \$250 million block grant in each of the three years of the program, a one-year \$100 million grant for the insurance pool

“Real child care reform must look beyond the limits of the nine-to-five mind set . . . unless we empower employees to negotiate, fewer families will be strong, healthy and secure.”—Rep. Nancy Johnson

and \$25 million for the capital improvement fund. The Child Care Services Improvement Act is meant to initiate locally-controlled projects along the lines of a successful federal-local job training partnership. Because the projects are designed to live beyond federal involvement, the authorization may be used to significantly expand services without creating a new entitlement of federal funds.

The Services Improvement Act does not simply provide grants for services but proposes solutions to real-world problems facing child care businesses. The legislation provides for start-up funds for state insurance pools and reforms product liability in order to encourage insurers to re-enter the child care market. The bill also provides seed money for state revolving-loan funds so family day care providers can make the home-improvements that are

often necessary to gain licensure.

Finally, family-based providers, which provide most of the country's out-of-home care, are subject to stringent and complicated tax requirements, deterring them from paying taxes and thus becoming licensed. The bill lifts the tax burden from family day-care homes by substituting an annual filing requirement for the current quarterly one, and by allowing small providers to contribute once to the payroll tax instead of both the employer's and employee's share.

Quality

Senator Hatch and Representative Johnson believe that regulation is important, but that it is no substitute for the child's parent or a stable and committed provider.

The majority of Republicans have not supported federal regulation, and many have said that most effective quality control on out-of-home care hinges on the professionalism of the provider and the vigilance of parents. They disagree with the assumption that federal regulations can magically assure that all child care providers will be good child care providers.

Child care regulation is currently the responsibility of states. Hatch and Johnson prefer to keep it at that level, where regulations can be monitored, enforced and changed if they are found to be unrealistic or overly intrusive. Every state now regulates child care centers, and all but two states regulate home-based operations.

Instead, as Representative Johnson has pointed out, states have begun to roll back annual inspection requirements for family day-care homes in favor of rules requiring an unannounced "spot-check" for a percentage of family day-care home providers. Moreover, since 50 to 90 percent of family child-care homes are underground operations, the burden is often on parents to monitor the quality of their children's care. A more realistic response to the problem of unregulated care, according to both legislators, is removing the barriers to joining the licensed system, such as making insurance more available, eliminating the tax burden on family-based providers, thereby increasing the state's ability to provide effective oversight, and educating parents to recognize quality child care environments.

Republicans, too, have suggested there is a flip side to the quality issue. While Senator Hatch and Representative

Johnson recognize that parents today must work to remain a step ahead of the rising cost of living, they contend that adherence to a full-time, five-day work week may be unhealthy for the parent who must juggle both job and parenting responsibilities, and unhealthy for the security and development of the child.

The Services Improvement Act includes three options to reduce the demand for child care. The bill allows parents of newborn or newly adopted children to take additional tax credits to remain home for six months with their children; it provides full-time homemakers with retirement security by allowing full contributions to Individual Retirement Accounts; and it establishes a new Presidential Award for Progressive Personnel Policies, for employers whose policies have significantly reduced their workers' child care needs.

Representative Johnson also proposes establishing a tax credit for employers, modeled on the successful Targeted Jobs Tax Credit, that would provide workers with the power to bargain for flexible work schedules. The new credit would provide working parents with the ability to reduce their need for child care and the ability to manage both work and family responsibilities. She envisions her new legislation as a workplace incentive to adjust to the changing demographics of the American workforce. As Johnson says, "Real child care reform must look beyond the limits of the nine-to-five mindset. Bold modifications can be adopted without reducing productivity, but unless we empower employees to negotiate, fewer families will be strong, healthy and secure."

Fiscally responsible policy has been the hallmark of Republican proposals. Republicans believe that workable solutions, not expensive funding levels, indicate real commitment to solving a problem.

Republicans have responded to changing workforce demographics with proposals that will expand the supply of care by providing incentives to fill gaps at the grassroots and remain in operation when the federal government turns its attention to other, equally pressing national needs. The blueprint provided by two congressional Republicans, Representative Nancy Johnson and Senator Orrin Hatch, propose strategies to meet the challenges of availability, affordability and quality, but remain loyal to the Republican principle that building strong families should be the party's primary goal. ■

THE HERITAGE OF PROGRESSIVE REPUBLICAN VALUES

BY MARK E. UNCAPHER

Most political choices involve competing value systems. Voters, politicians and policymakers alike act upon a variety of conflicting assumptions, primarily about the role of government and the relationship of the individual toward government. Without a clear understanding of the conflict and interplay of competing values, however, many political decisions cannot be fully understood.

The underlying tension in progressive Republicanism was expressed best by John Anderson when he said during his 1980 presidential campaign that he carried his wallet on the right and his heart on the left. Put differently, progressive Republicans combine a strong free market orientation on economic issues with an emphasis on fairness for the individual on social, procedural and rights issues.

Economic and Individual Freedoms

On economic issues, progressive Republicans share much with the rest of the Republican Party, including a commitment to sustained economic growth. The primary difference is that progressive Republicans focus on the individual's freedom within the marketplace, rather than protecting the status quo for business.

This is an important distinction. Recall that progressive Republicans have supported anti-trust policies ever since Theodore Roosevelt's "trust-busting" days. The result is that individuals have been allowed to compete more effectively in the marketplace.

Yet one shouldn't confuse progressive Republicans with those liberals who look to government for all solutions. While

Mark E. Uncapher is an attorney in New York and national president of the Ripon Society.

many past Ripon proposals show an acceptance of the objectives of liberal economic policy, i.e., promoting economic opportunity, they propose to use free market methods to achieve those ends. For example, Ripon proposals frequently center on replacing direct government spending programs with tax credits. The intent is to replace centralized programs with incentives that can encourage a variety of strategies to reach the same end.

The second fundamental tenet of progressive Republican values is that of "fairness" for individuals. This takes on a variety of forms, including support for civil liberties, civil rights and procedural fairness by government.

"A fundamental tenet of progressive Republican values is that of 'fairness' for individuals."

The support of civil rights has been—and will remain—a litmus test for progressive Republicans. Progressive Republican legislators, administrators and jurists have made their contributions to the painfully slow march toward social justice.

But it may also be suggested that the gravest political failure of progressive Republicans has been their inability to maintain an environment within the party which could attract a substantial number of black voters. Even in some of the current rhetoric of Jesse Jackson about economic and political empowerment, one can hear the echo

of a political strain which might otherwise feel at home in the Republican Party.

The protection of the individual against government power especially distinguishes progressive Republicans from more authoritarian conservatives. Those conservatives who would use government power to impose their own values are comparable to statist liberals who would enlarge government economic power at the expense of the individual.

No more basic test of the balance of state power and individual rights exists than the struggle over reproductive rights. No clear consensus exists on this profound moral issue. Individuals and religions hold a variety of teachings on the subject.

“The support of civil rights has been—and will remain—a litmus test for progressive Republicans.”

Yet it's odd that the American right, which so fervently supports economic freedoms, embraces the use of state power to impose the moral teaching of particular religions upon the whole of society. They would deny the right of individuals to make their own choices on reproduction. Can one think of a more direct, personal use of state power than to force women to have children they would not choose to have?

The progressive Republican tradition also has been shaped by a concern for conservation and the environment. This tradition is rooted in the belief that environmental preservation cannot be accomplished solely through free market means. (Theodore Roosevelt's legacy in this area is also noteworthy.) Progressive Republicans maintain that environmental issues are exemplary of how market forces need to be tempered with government intervention to protect the interests of the individual.

Of course, at times the progressive Republican values of “individual fairness” and “market opportunity” clash.

“The progressive Republican tradition also has been shaped by a concern for conservation and the environment.”

The Great Society and New Deal social insurance programs have blurred some of the distinctions between the “economic” impulses for free markets and the more compassionate impulse for individual “fairness.”

Progressive Republicans are forced to reconcile these tensions, just as the American right must reconcile its embrace of supply-side economics with its support for essentially authoritarian social policies.

A free economic marketplace requires an open market of ideas. A successful economic environment requires tolerance of new ideas and initiatives. Economic progress depends on individual mobility which is not stymied by racism or sexism. Entrepreneurship prospers in a society that is not preoccupied with retaining the relationships of the old order, but which is open to challenge by sometimes unconventional outsiders.

Foreign Policy

Progressive Republican foreign policy recognizes the special responsibility of America in world affairs. Our values reflect an outward international orientation and are at odds with policies which are directed at narrowly construed conceptions of American interests, such as protectionist trade policies or isolation from our allies.

This global perspective is the end product of an evolution in progressive American thinking and of the growing responsibility and power of America in world affairs. This sense of stewardship leads to a strong preference for negotiation, which also reflects a sensitivity to the conflicting interests of other nations.

However within this perspective there exists a sharp division. One branch, expressed best by Ripon Society chairman Jim Leach, seeks to reorder international

behavior with reference to international law.

The alternative perspective takes a less idealistic view of international affairs, and sees foreign relations as a struggle among self-interested nations. While this group may prefer to use negotiation to balance national interests, it regards the use of force as the ultimate arbiter of international disputes. When this branch of progressive Republicans supports the use of force, or the threat of force, it is likely to be drawn into direct conflict with the more ideal-oriented progressive Republicans.

The Future

Perhaps the greatest opportunity for the progressive Republican movement lies in the coming to power of the baby boom generation, those Americans who were born between 1946 to 1964.

The baby boom generation was shaped by the civil rights movement, as well as the affluence of the post-war era. Its civil rights orientation reduces the appeal class-based politics had for the Depression-era generation.

“Perhaps the greatest opportunity for the progressive Republican movement lies in the coming to power of the baby boom generation.”

In particular, the baby boom generation prizes personal freedom. This flows from the various developments of the Sixties and leads to a tolerance and openness on social issues.

The demographic bulge of baby-boom voters will remain a significant part of American politics well into the next century. Its unique characteristics offer a significant opportunity for progressive Republicans. If we can succeed in capturing the political imagination of a growing segment of this group, we can greatly expand the influence of our movement and its values in American politics. ■

AMERICAN VALUES FOR THE 21ST CENTURY

BY JIM LEACH

Every society has a Santayana—an historian who points out that to fail to study the past is to condemn the future to the repetition of past mistakes.

What, for instance, could be more relevant to our understanding of the Nicaragua problem than study of the classics, particularly Thucydides?

Two and a half millennia ago in a chronicle of the Peloponnesian War, Thucydides recorded how the Athenian assembly voted to send ships to conquer the island of Melos, whose people declared they wanted to remain neutral in the great struggle of the Greek age. The day after the fleet was ordered to sail, the assembly reconsidered and a vessel was ordered to convey new orders of restraint. Melos received a reprieve.

Thirty years later the same issue was revisited. This time the order was not reconsidered and Athenian forces landed on Melos, killing the males and enslaving the females of the island.

Thucydides' account was intended to portray the flowering and then the decay of Athenian democracy. Today America stands as the Athens of our time; the Soviet Union, an ideologically more rigid Sparta. The question we must ask ourselves, as our democratic forefathers did 2500 years ago, is whether it is possible to respect the right of a small country to self-determination even if it implies living with a government in our region which articulates a philosophy repugnant to our own.

In a broader historical framework the most challenging assignment for civilization is to figure out how not to make the one

Jim Leach is a member of Congress from Iowa and chairman of the Ripon Society. This essay is excerpted from Ripon's forthcoming book "A Newer World: The Progressive Republican Vision of America."

"If war is a constant of history, the greatest political science question of all time is how it can be made obsolete."

mistake that can't be repeated: nuclear Armageddon. What distinguishes this generation of citizens of the world from all others is that we are the first to have the capacity not just to wage war, but to destroy civilization. As Einstein once noted, "The unleashed power of the atom has changed everything save our modes of thinking." If war is a constant of history, the greatest political science question of all time is how it can be made obsolete.

Here, the role the imagination plays cannot be underestimated. For practitioners of the so-called "art of the possible," the trait most often prized is pragmatism and calculating realism. Yet the realists have brought us an unreal world. It may be that the very stuff of survival demands that the human imagination be stretched in ways it never has before.

In the fast-changing circumstances of the 20th century, a premier responsibility of government is to expand society's commitment to education, with the understanding that the premier responsibility of the education community is to stimulate the imagination, to provide perspective, to enlarge the capacity of the individual to manage change, personal as well as public.

Whatever discipline or disciplines are taught, the key is the manner in which the individual's imagination is stimulated to think and act.

In this context, it is impossible not to be concerned with the state of American ethics.

As evidenced by weekly indictments, the greed syndrome on Wall Street has never been more in evidence. Newsmakers have become those who prey on insider confidences, who manipulate paper rather than grow, invest and build.

As evidenced by the Iran-a-mok episode, the power syndrome in Washington appears increasingly corrupted. White House zealots have ignored common sense in attempting to trade arms for hostages and stretched the law and the Constitution in prosecuting a dubiously moral war in Central America.

As evidenced by the character suicide of a presidential candidate, it appears that some who seek to set an example for American families believe they can ignore traditional family values in their own lifestyles.

And, as evidenced by recent revelations regarding tele-evangelists, moral confidence appears to be shaken not just by those in public life, but by those who by profession have chosen to guide the public, citing the Bible's authority.

Amidst this ethical crisis is a crisis of perspective.

What do these challenges of social ethics, embraced in the context of challenges to the survival of the species, imply for the individual citizen?

The American Revolution was premised on the notion that might did not make right and that self-interest could never be the final measure of an action's worth. Signers of the Declaration of Independence pledged their lives, honors and for-

tunes to establish a government that constitutionally recognized the separation but not total divorce of church and state.

In crafting our initial documents, our founding fathers attempted not only to imbue our political institutions with an understanding of human nature but with a recognition of the transcendental import of the divine.

Building on the French philosopher Montesquieu, they recognized human frailty and determined that there would be a separation of powers between branches of government with shared and potentially discordant authority. While not establishing a single state church or state school, they nevertheless decreed freedom of religion as a primal right protected by the Constitution itself. Government was to be premised on the active consent of the governed, with the right of revolution against authority, the right of self-determination, rooted in a higher law of conscience as opposed to the lesser, more mundane civil law of society.

There is always a tension in a society such as ours that is based on firmly held ethical and religious values but which protects as a fundamental right diversity of perspective. The tension is the genius of our constitutional system. Process is our most important product.

This emphasis on process as opposed to outcome—the “how” rather than the “who” or the “what” of policy—has never been more important.

The challenge for government in a democracy is to establish laws that deserve respect and for citizens to follow laws even when they find them inconvenient.

But law, to be respected, must constrain the behavior of governments as well as citizens. How the game is played matters . . . as does the temper and integrity of the participants.

Today the greatest threat to world order is the anarchy implied when governments themselves refuse to follow the rules and refuse as well to submit to the kind of arbitration necessary to make law enforceable rather than simply hortatory.

When governments put themselves above the law they invite the retribution of the lawless. And the lawless today are carrying more than six-guns and are motivated by more than the traditional human foibles of greed and gluttony.

In an age of ideological, quasi-religious politics, martyrdom—a preference for rather than an aversion to death—is

“Process is our most important product . . . Process as opposed to outcome has never been more important.”

increasingly the norm. It cannot be obviated simply by building nuclear tipped missiles nor by de-mothballing yesterday's battleships. When a quick entrance to heaven is the goal of potential adversaries, it is imperative that we come to better understand foreign cultures—the Koran as well as Machiavelli—and remember the part of our heritage contained in our first supplication: our revolutionary commitment to pay a decent respect to the opinions of mankind.

For decades there has been debate about whether the United States should play a role of policeman for the world, with some arguing that it is a chore for which we lack either a legal imprimatur or adequate resources to undertake. A new dimension

to this debate is implicit in the Reagan administration's policy in Latin America. The administration seems to be suggesting that not only will we play the role of world policeman, but rather than enforcing the law, the interventionist cops American citizens are encouraged to support are themselves above the law. This in the profoundest sense is the meaning of our withdrawal from the compulsory jurisdiction of the World Court because of the case Nicaragua instituted against us.

Centuries hence historians might note that as a society we've experienced three great debates. The first centered around the founding of the Republic and the question of whether a nation-state could be founded premised on the rights of man; the second, symbolized by the Civil War and the Suffragette movement a century later, centered on whether rights would be applied to people who weren't simply male and pale; the third is the debate we're entering today: whether there's a right to peace, whether international stability can be achieved without expanding international law as it applies to trade as well as politics. The outcome of this last debate is unlikely to be happy unless we recognize that law, to be effective, has to constrain the behavior of governments as well as individuals, politicians as well as interest groups. ■

A PERSONAL NOTE

Thank you for your generous response so far to the “Silver Challenge.” We at the Ripon Society designed the “Silver Challenge” for ourselves and for you, in honor of the Ripon Society's 25th Anniversary. Our goal: to raise \$250,000 in one year to fund our books and magazines, our participation in political conferences and debates and our research and development of new ideas.

Now, at mid-year, we have raised about \$175,000. We are over half way to our goal, and we think we can reach our goal or even beyond.

We design and carry out all of these activities—the Transatlantic Conference from which we just returned, the Republican National Convention to which we are now on our way and more issues of the Forum which we can look forward to in the future—so that your voice will be heard above the ruckus of the far right and the liberal left.

As we enter the second half of the year, the crucial half in terms of shaping the political debates for the November elections, we are excited about your great enthusiasm. Please don't let up now. You will be hearing more about the “Silver Challenge” in the months ahead. Please continue your support, which is primarily what keeps our doors open.

concerns. Not until 1987—a year into the governor's third term—did he establish an office of science and technology. And it doesn't even answer directly to the governor, but rather to two or three levels below him in the state's bureaucracy.

To be sure, the Dukakis administration has approved funds for some programs related to the state's knowledge-based economy. But even those, Mr. Dimancescu claims, have been limited and are mostly political payoffs.

The state's Center of Excellence, which was originated by Governor Dukakis' political rival, Lieutenant Governor Evelyn Murphy, is an example. The purpose of the program is to concentrate resources on the underlying strengths of an area. The governor's budget, however, has provided only \$4.6 million to the Massachusetts Center of Excellence over the last two years. This is "absolute peanuts," Mr. Dimancescu says, and the reason is political rivalry. Governor Dukakis does not want to fund his opponent's program.

Michael Dukakis is not running for president on his foreign policy experience, as George Bush is, so his domestic experience is crucial. But if that leadership doesn't exactly reflect what he says it is, particularly when it comes to thinking creatively about the future, voters should beware. In Texas, a state seeking its own renaissance, there is a question for people with this problem: Is he all hat and no cattle? Do his actions match his words? ■

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250 10th Street, S.E.
Washington, D.C. 20003

WINNING CALIFORNIA

BY ROMAN BUHLER

“George Bush can win the Presidency without California, but Mike Dukakis must carry California in order to win.” This is the message that California Republican leaders and the Bush campaign have been delivering in recent weeks.

But the authoritative California Field poll and others show Bush losing by a substantial margin to Dukakis as of early June. Carrying California will certainly be a challenge for George Bush, but the reward may well be the presidency.

California has gone Democratic only twice in the last 40 years, for Harry Truman in 1948 and Lyndon Johnson in 1964.

So, why would 1988 look different? For one thing there has been a Californian on the Republican presidential ticket in every election but two since 1948. Governor Earl Warren in '48, Richard Nixon in '52, '56, '60, '68, and '72, and Ronald Reagan in '80 and '84 were all Californians. Gerald Ford is the only Republican who carried California without a Californian on the ticket, and he won it by a narrow margin.

So how can George Bush win California, particularly if he doesn't place the state's GOP governor, George Deukmejian, on the ticket?

First, he must win over the conservative Democratic blue collar constituencies that Reagan won in 1984. Bush's strategy must be to emphasize Dukakis' liberal views on crime, taxes and national defense. This seems to be happening. But Bush is going to have to come down off Air Force Two and campaign in a more populist style. If he could drive a semi in New Hampshire, he can load bales of hay in Visalia or drive a skip loader in San Pedro. Ironically this will probably happen when

Roman Buhler is an attorney in Los Angeles and a grassroots political organizer.

Bush, behind in the polls with time running out, begins to take risks.

Second, Bush must define himself. How matters less than when. It must be now, before the Olympics in September and the World Series in October.

“If Bush could drive a semi in New Hampshire, he can load bales of hay in Visalia or drive a skip loader in San Pedro.”

There are plenty of visions waiting. I suspect we will really begin to see Bush's choices during his acceptance speech at the GOP convention in August. And I suspect that the visions that appeal to Californians will not be far from those that appeal to swing voters in Illinois, Ohio, Michigan, Pennsylvania and all over the country.

Third, Republicans must make a massive grassroots recruitment effort to ensure the key voters are personally contacted and urged to participate. Organization cannot substitute for persuasion, but it can add 10-15% of the already persuaded to the ranks of the already voted.

I suspect that in 1988, phoning will not be enough. It will be the face to face contact out in the precinct that really works. And it will be mostly young volunteers who make it happen, if the campaign mobilizes them. ■

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ANNUAL DINNER

As reported in the June issue of the *Forum*, we held our Annual Dinner, "A Salute to Humor in American Politics," on June 21st. The dinner was a great success. The attendance was high, over 350 people attended, including nearly 50 Members of Congress (that's more than one out of every ten Representatives and Senators!).

Furthermore, as the theme promised, we were able to spend an evening laughing at the right wing, the liberals and especially ourselves.

The dinner was a fun, not-so-serious opportunity for us to get together with many of our supporters and to enjoy ourselves while raising money for our various activities. For those of you who were not able to attend, please enjoy these photographs of the dinner, and we hope to see you at next year's dinner if not sooner.

IN THE NEWS. . .

Two different aspects of the Ripon Society were mentioned in the *Washington Post* recently. On June 21st, *Washington Post* staff writer Charles Trueheart wrote a very positive review of the *Ripon Forum*. Referring to us as a "cabal of idea-oriented party moderates and progressives," Trueheart comments that we have had a "thankless task" as moderates in the age of Reagan. In an uplifting tone, Trueheart looks toward the future and enquires, as we recently have, "does there beat within the vice president the heart of a fellow-traveling Riponoid?"

On the following day, Sarah Peasley wrote a *Washington Post* article about our Annual Dinner with the headline: "Ripping Good Time for Ripon." Peasley describes the Ripon Society as a "group of self-proclaimed moderate Republicans [which] rumbled like a faction coming into its own."

We enjoy the attention, especially as flattering as it has been.

AN AUGUST MEETING IN JULY

Members of the Ripon Society, the British Bow Group, Club 89 from France and a one person Norwegian delegation recently attended the Sixth Annual Transatlantic Conference in London and Cambridge. The formal and informal discussions are too numerous to describe in

detail, however, here is a summary of the highlights.

Conference topics ranged from arms control and burden sharing to the economy and the 1988 U.S. presidential election. Issues from both sides of the Atlantic were covered as well as trans-European issues.

Jonathan Eyal of the Royal United Services Institute, the Rt. Hon. Leon Brittan QC MP and William Howard Taft, the U.S. under-secretary of defense, addressed arms control and defense issues. All three speakers emphasized the importance of the changing Soviet role in the world and how the western alliance is affected by those changes. Leon Brittan MP

expressed concern that NATO is reacting to Mikhail Gorbachev's actions rather than initiating action. He noted that NATO should "assist Gorbachev without taking risks."

Congressman Bill Green from New York, Daniel Oliver, chairman of the Federal Trade Commission, and Thelma Askey, counsel to the House Ways and Means Committee, led discussions on trade and development issues. Askey pointed out the importance of the Uruguay round of the GATT talks and stressed three areas as places for improvement: government services, government procurement and property rights. ■



Representative Jim Leach and Representative Lynn Martin at the Ripon Society Annual Dinner.



Senator Alan Simpson and Representative Lynn Martin talking before the dinner.

WASHINGTON NOTES AND QUOTES

Bush & Iran-contra: Quoted in the *Des Moines Register*, Ripon Chairman Rep. Jim Leach said, "As Ronald Reagan's copilot, George Bush has faced up to the Iran mess more fully than the press has acknowledged. It is an understandable liability for him. But the question remains whether the press can now face up to the fairness issue. Should this decent man be run out of town for a policy he neither authored nor played a principal role in? . . . George Bush should be entitled to ask his other serious opponent—the press: 'Where's the perspective?'"

Riponoid Infiltrators: The new White House Chief of Staff, Kenneth Duberstein, served Reagan previously as a respected, competent specialist in White House-Congressional relations. Duberstein came to Washington in 1965 to work for Ripon-iron Jacob K. Javits.

Cool, Clean and Popular: The appointment of former Governor Richard Thornburgh of Pennsylvania to be attorney general is a sweet success for pragmatic, principled moderates. Long a prosecuting attorney before becoming governor, including a stint as chief of Justice's criminal division under Gerald Ford, Thornburgh made a reputation for nabbing corrupt public officials, polluters, drug dealers and organized crime. He left the governorship in 1987 after two terms, cool, clean and popular.

When asked by the *New York Times* in 1975 why he entered politics, he referred to Goldwater's defeat by LBJ in 1964: "I really faulted the Republican moderates who sat on their duffs and let the extremists from the far right take over."

New Faces: As part of a Bush effort to showcase "new faces" in the Republican Party, New Jersey Governor Thomas Kean has been given the honor of delivering the keynote address at the New Orleans convention. First elected in 1981, Kean has delivered a booming economy and lower taxes, and national leadership on education and the environment, two areas where Bush has pledged to focus his energies if elected; Kean also drew 60% of the black vote in his '85 re-election.

Other major convention speakers include Jeane Kirkpatrick, Elizabeth Hanford Dole, William Coleman (Ford's

Transportation Secretary who testified last summer against Supreme Court nominee Robert Bork), Pat Robertson and of course, President Reagan.

A House Out of Order: Peter Osterlund, writing for the *Christian Science Monitor*, wrapped up a 10-part series on the Congress with these thoughts: "The Democrats are likely to continue to dominate for some time, if only because of the dramatic expansion of perquisites—special interest money, staff help and media attention—that accrue to incumbents. . . . As a result, the House has become a place where Democratic policy positions are written into legislation, rather than a place where parties compete to elevate their ideas into law."

A July 9 *New York Times* editorial added: "It would be a mistake to dismiss all of the Republicans' charges as so much partisan grousing. The Democrats have clearly adapted some House procedures to suit themselves, with too little regard for the public interest."

Minimum Wage Politicking: Economist Robert J. Samuelson, writing in *Newsweek*: "Raising the minimum wage involves the worst kind of back-door spending and feel-good politics: people can say they're helping the poor when they're really not. Democrats are trying to paint the Republicans as cold, cruel, and heartless. . . . Whoever wins, the poor lose." Samuelson praises the plan of Wisconsin Representative Thomas Petri to increase an existing tax credit for low-income working parents with children (see June 1988 RF).

Facts About the Fiction is the name of an informational brochure being distributed by the Republican National Committee to battle what GOP Chairman Frank Fahrenkopf, Jr. calls "the Big Lie of '88": that the U.S. economy is on the brink of a disastrous collapse. Copies may be obtained by contacting the RNC.

Trouble in Paradise: From the *Honolulu Star-Bulletin*: "With the exception of Maui Mayor Hannibal Tavares, City Councilman David Kahanu and state Senator Donna Ikeda, the remaining 17 national GOP delegates were part of the Christian coalition that moved in like an army and took over the local GOP earlier this

year. . . ." Neither Honolulu Mayor Frank Fasi nor U.S. Representative Pat Saiki (the only Hawaiian federal GOP office holder) will be part of the Hawaii delegation.

Ripon at the Races: Here is a look at hot House races involving moderate and progressive Republicans (our last issue featured Senate races):

In California, Stanford Law professor Tom Campbell defeated one-term incumbent Representative Ernie Konnyu in the June GOP primary, in the district last held by '86 Senate nominee Ed Zschau. Campbell is a strong favorite for November in one of the nation's most reliably moderate GOP seats.

Most leaders of the moderate House contingent (such as Gunderson of Wisconsin, Johnson of Connecticut, Green and Boehlert of New York, Leach of Iowa, Snowe of Maine, Tauke of Iowa) are safe bets for re-election. Buechner of Missouri, Morella of Maryland, Saiki of Hawaii, and Shays of Connecticut—each in their first-term representing Democratic-leaning districts—appear to be strengthening their position. Michigander Carl Pursell faces tougher-than-usual opposition.

In the Vermont seat being vacated by Senate nominee Jim Jeffords, moderate Peter Smith is currently the frontrunner, although he faces primary opposition. Impressive challengers seeking to defeat Democratic incumbents include Ann Haney in Wisconsin, Earl Mollander in Oregon, John Holmes in Rhode Island, Don Redfern in Iowa and Ted O'Meara in Maine.

In our last two issues, WN&Q erroneously identified Wisconsin Senate candidate Susan Engeleiter as lieutenant governor. Ms. Engeleiter is the highly regarded State Senate Republican Leader. We regret the mistake.

Who's Disloyal?? Says Representative Vin Weber of Minnesota: "[George Bush] is not hopeless—but we're beginning to recognize that the sort of aggressive conservatism we've been pushing doesn't have any leadership or visibility anymore." And Richard Viguerie, the direct-mail wizard, detects "a strong feeling that it might not be so bad an idea to lose this election."

—compiled by the staff and National Ripon Society Correspondents