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RIPON

forum

VOL. XXV NO. 4

DECEMBER 1989

CAPTAIN BUSH'S ODYSSEY



*Our Own "State of
the Union" Address
Peter Peterson on
Cutting Entitlements
Bill Tate on "Among
Schoolchildren"*

EDITOR'S COLUMN

George Bush's love of the sea was made public again in Malta, where his launch vessel journeyed through choppy seas on his return to the U.S.S. Belknap. Perhaps a nautical cover is then best to depict President Bush's likely encounters during his second year in the White House.

It should be acknowledged that this new president genuinely enjoys his job. As one White House adviser recently told the **Forum**, Mr. Bush *likes* making decisions.

But the decisions are going to start getting more difficult. Eastern Europe's startling changes are raising new questions about our appropriate role in influencing the "new Europe." Budget choices also remain outstanding, despite the good news that real savings will be realized through defense reductions.

The presidency is about setting priorities, so the **Forum** has put together a State of the Union address George Bush could embrace. The president will not approve all our ideas, but the document should be seen as an attempt by moderate GOP leaders and thinkers to assemble a rational set of aims.

Former Republican Commerce Secretary Pete Peterson also discusses goals in this issue. According to the investment banker, our political representatives must be more realistic about our choices. As Peterson says, "The incapacity to make choices that involve costs is at the heart of our problem."

Forum editorial board member David Fuscus analyzes Japan's experience with industrial policy, too. Ripon Educational Fund Mark O. Hatfield Scholar Veronica DiConti also presents a case study of the Baltimore school system.

Bill Tate, our book review editor, looks at the educational system, too, in his essay on Tracy Kidder's "Among Schoolchildren." And Ripon chairman Bill Clinger writes in this issue on the Berlin Wall, which reminds us that while political hurdles remain, occasionally in human affairs real breakthroughs occur.

--Bill McKenzie

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A Conversation with Pete Peterson



Peter G. Peterson

During his professional career, Peter G. Peterson has observed movements in the U.S. and global economies from several different perches. The Nebraska native now chairs the Blackstone Group, an investment banking firm in New York City. He also is head of the Council on Foreign Relations. In 1972, Peterson, son of Greek immigrants, served as secretary of commerce under Richard Nixon. And from 1973-1984, he was chairman of Lehman Brothers.

In 1987 Peterson's financial and political involvements prompted a book on America's economic future. "On Borrowed Time: How the Growth in Entitlement Spending Threatens America's Future" presents his case for economic reform. His plan starts with reducing middle and upper class entitlement programs.

In this interview in his Park Avenue office with *Forum* editor Bill McKenzie, Peterson contends that America "has a progressive type of economic disease." The New York banker says that we are not looking at economic issues over the long-term, and that Wall Street would respond favorably to a tax plan that includes serious entitlement reductions. Peterson also discusses Eastern Europe and Lech Walesa, who recently made an appeal to Peterson and other New York financial leaders for investment in Poland.

Ripon Forum: In 1987 you wrote that "Americans are about to wake up to reality: for some time now the foundations of their economic future have been insidiously weakening." What does this mean? Is it still true today?

Peterson: The article was titled, "The Morning After," but I really meant the piece to be about the next decade. In a world where capital flows are overwhelming trade flows by 50 to 1, no one can predict what's going to happen from month to month or year to year. So much depends on the psychology and, to some extent, the politics of the foreign lender. But I have never seen a study of long-term economic performance that did not show investment to be a major factor in determining success. We not only see a high savings and investment rate in Japan, but also in the successful, so-called newly industrialized countries of Korea, Taiwan, Singapore and Hong Kong.

My concern is that when you start with our very low savings level, which is more like a puddle, and consume from 60 percent to 80 percent of that savings rate on the deficit, a pitifully small portion is left for actual investment. Our ability to regain economic momentum depends on an investment level that we cannot fund from net national savings.

Our current account deficits, for example, run roughly two and a half to three percent of gross national product. In the late 1800s that rate was one and a half percent. But a great deal of money

was being spent on investments such as railroads and steel production. Within about two decades, we had paid that extra debt back.

Ripon Forum: Let me play the devil's advocate a moment. The economy is running at near full employment, inflation remains low, growth in GNP continues to outstrip growth in the deficit. So why worry?

We have a progressive type of economic disease. If you look at our economic problems over a period of decades, there has been a qualitative change in the strength of our economy.

Peterson: A great deal of the deficit is being financed by foreign capital, which leaves us vulnerable to foreign whims. The metaphor I would use is that we have a progressive type of economic disease. If you look at our economic problem over a period of decades, which I am urging us to do, it is hard to believe that we would not get agreement that there has been a qualitative change in the strength of our economy relative to the rest of the world.

The notion of competitiveness includes many factors, but a competitive work force and a competitive education have to rank very high on the scale. Al

Look at our public investment in bridges and highways. This cannot continue. It's almost embarrassing to walk down the street in New York.

Shanker of the American Federation of Teachers told me recently that somewhere between 20 and 30 percent of kids cannot handle change from a two-item check in a restaurant or write a coherent sentence. They are functionally uncompetitive for the mix of future, knowledge-oriented jobs.

Shanker also pointed out that as significant as the problem is at the bottom of the pile, the top five percent or so of our graduates in math and science equal the average in Japan. The vast majority of our high school graduates would have real trouble getting into a major foreign university.

Ripon Forum: That is what the head of a teachers' union said?

Peterson: Yes, that's my point. If you talk about what I call the "investment agenda," many people would say that education and training have a significant competitiveness deficit.

Many would also say that our infrastructure is crumbling, which is almost becoming a cliché. Look at our public investment in bridges and highways. This cannot continue. It's almost embarrassing to walk down the street in New York. Water mains are endlessly breaking and streets are cracking.

I just returned from Japan, where I saw both their subways and bullet trains. Indeed, I went from Osaka to Tokyo in a little under three hours, and at 135 miles an hour you could barely hear the trains.

Japan's business investment is substantially larger than ours, with half the population. They have about two-thirds of the world's robots.

So there are a variety of areas -- human, public and private -- where investment is required to regain our competitiveness. The melancholy fact is that

the political system pervasively evades the resource problem. There is endless political chatter about the new cliché -- "regaining competitiveness" -- without facing what we are prepared to give up to get it back. The brute questions are: Whose consumption is temporarily cut? What particular spending is needed?

If you walk down Fifth Avenue in New York, you typically see young men playing a game called "three-card monte." The aim is to try and guess which one of three cards has money underneath it.

If you stop and think about it, our political economy is like three-card monte. The president, and Washington generally, says there is a drug "scourge," the environment is a high priority problem, and education is a "crucial" issue. But when we discuss resources, both parties, Congress and the Executive Branch start the shuffling process.

Ripon Forum: So what's your answer? Congress is reluctant to pass serious deficit reduction packages, and President Bush has pledged not to raise taxes, partially out of a belief that Congress would spend the extra revenue.

Peterson: A group of us ex-Cabinet sorts got together several years ago and I was astonished how quickly we agreed on the problem -- increasing net savings -- and how obvious the solution was -- moderation in the growth of defense spending around a more coherent definition of our needs and slower growth in entitlement spending. Spending reductions are the top priority, and these reductions must be linked in an iron way to any consumption-based tax increase, such as a gasoline tax.

Over the last 25 years, the increase in entitlement spending has been larger than the entire defense budget. That's just the increase! I became exorcised about this fact, and spent three years working on a book about the subject. In President Reagan's words "we ain't seen nothin' yet."

With a rapidly aging society, with people living much longer, with a seriously flawed health care system, and with 100 percent cost of living adjustments (COLAs), we could easily end up with entitlement spending increases 50 percent larger than the current numbers.

The tax rate to support that increase would be economically, politically and morally impossible vis-a-vis our own kids.

If you moderate COLAs to 60% of the CPI until the year 2000, you would save over \$100 billion in entitlement spending per year.

Ripon Forum: So, as you write in "On Borrowed Time," we should tax Social Security benefits for middle and upper income recipients?

Peterson: You also have to limit cost-of-living-adjustments for the non-poor. The annual COLA increase next year will be between \$12-14 billion. If you moderate that to 60 percent of the Consumer Price Index until the year 2000, you would save over \$100 billion a year. That's what Everett Dirksen would call "real money." It is profoundly important that our budget reform be long-term, structural and ultimately credible and persuasive to financial markets.

As far as Social Security benefits go, people in my income category are getting back substantially more than we put in to the system. It's welfare for the wealthy. I do not understand the

Over the last 25 years, the increase in entitlement spending has been larger than the entire defense budget. That's just the increase!

morality of this. In a time of fiscal stringency, why should upper income people be receiving welfare -- tax free, incidentally?

We ought to tax Social Security benefits for people over a certain income level who have received back the amount they contributed to the system. And I think we ought to tax it 100 percent. That is where I am on this subject.

Ripon Forum: If we have a Congress

that only reluctantly put together a \$14 billion deficit reduction plan, and usually relies on the automatic Gramm-Rudman-Hollings device to cut spending, how can we expect it -- or the administration -- to take the lead on these kinds of issues? As you've also written: "At bottom, our problems are not economic. Rather we are stymied by our lack of political consensus."

Peterson: It's a bit like a turkey shoot. Everybody says to people like me privately, "Pete, we know you are right. We have to do something about entitlements and the deficit. We need some revenue increase. But I'll be damned if I'm going to be the one that proposes something just to get my head shot off in the process."

Japan and Germany's real competitive edge is their long-term economic consensus, which we sadly lack. To be sure, their consensus may have been born out of crisis: the Germans profound fear of hyper-inflation and Hitler, I suppose; and the Japanese because of the destruction of their capital stock during the war and their need to become more productive given their lack of resources.

We ought to tax Social Security benefits for people over a certain income level who have received back the amount they contributed to the system.

But the Japanese have a rapidly aging society, too. Yet a 1986 study put together by their equivalent of our health and welfare secretary said that there were profound issues of inequality in their society, that it was too much of a burden on the economy, and that it was too unfair to the nation's children. So Japan decided to reduce their elderly benefits by 20 percent over a period of time. There was hardly a public wimper.

Recently, Japan also came up with a program to stimulate domestic demand and imports and infrastructure investment. The government issued a report, the parliament acted on it, and now they are getting annual results.

Ripon Forum: But we do not have a tradition of government planning in the

United States.

Peterson: The last thing I am proposing is planning. But both the Japanese and Germans have certain economic fundamentals that should be bipartisan in this country. For example, without productivity improvements, real wage growth cannot occur and inflation cannot be kept under control. Moderate increases in the money supply and moderate wage increases related to productivity are also important. This is not national planning, just basic economic sense.

Our allies criticize us for not having an agreement on even the most fundamental principles of growth. We do not have a long-term consensus nor a system that can make genuine trade-offs or choices. Some other societies understand that if you want more of this, you are going to have give up something and have less of it for a while. That is the opposite of our "you can have it all." The incapacity to make choices that involve costs is at the heart of our problem. The consensus is all rhetoric and little action.

Special interest groups in other countries also are sublimated to some larger and longer term sense of the society's interests. In our case, the most powerful group is the "grey" or elderly lobby. They strike utter terror in the political system. We saw it recently in the catastrophic health care revision, where even the principle that the well-off should pay for the program's benefits was considered an anathema.

We all want to get on the wagon. But we do not have a notion of who does the pulling and what the costs are. Many of our allies want to know whether it's going to take a crisis to make us consider this.

The answer is to come up with a positive vision that is not imposed by a negative authority. Our leaders need to point out a vision of this country which says that if we make some choices, that vision could be obtained. But we are not getting that kind of leadership. We are not getting an honest discussion of our symptoms and of what real long-term health would be like. I believe the American people are genuinely concerned, in their gut, about our economic future and competitiveness. They are ahead of our political representatives on this.

Ripon Forum: Is government dead, as *TIME* Magazine asked a few weeks ago?

Some other societies understand that if you want more of this, you are going to have less of something else. That's the opposite of our "You can have it all."

Peterson: I don't know if it is dead; it is certainly paralyzed about making any real choices.

Ripon Forum: Let's switch to Wall Street. How would it respond to a variety of tax increases, such as a gasoline tax or an oil import fee or an increase in alcohol and cigarette taxes?

Peterson: Curiously enough, I think confronting COLAs and entitlements as part of a comprehensive budget reform package would have an electrifying effect on the market. From talks I've had with people on Wall Street, if you presented a long-term budget package that look balanced -- one part tax increase but the larger part structural spending restraints -- the median response is that bond rates would fall two full points.

Remember our real interest rates are extraordinarily high, as are our capital costs. High capital costs impose a high hurdle people have to jump over to rationalize investment. It would be very useful for politicians to go to Japan to understand the great advantages of having a lot of savings. As the supply of savings goes up, the cost of capital goes down. We need a payoff for our investment, due to our high capital costs, in half the time.

Ripon Forum: How should the rest of the United States, not to mention the world, view developments on Wall Street over the last couple of years? Are these periodic "black" days a mere series of jolts and corrective measures, or are they reflective of a potential for a future Wall Street earthquake?

Peterson: The cliches that started in the '60s about global economic inter-

dependence are now coming true. Our capital markets are becoming remarkably intertwined. When you are dependent on foreign capital to fund current account deficits, a perception abroad can radically affect our stock market and economy.

For example, a couple of big Japanese banks looked at the United Airlines leveraged buy-out and concluded, prudently, I might add, that it was "all takeoffs and no landings." Within a couple of hours the decision of those two Tokyo banks led to a \$200 billion fall in the value of stocks on the American market.

The exchange rate is dominated by whatever capital does around the world. Foreign capital flows are at the heart of what happens in the economy.

It is awkward to stand tall while on bended knee, which is the ambivalent situation we are now in. We talk about autonomy, but the destiny of our economy is shifting abroad.

Ripon Forum: How will the business community respond to appeals for investment in Eastern Europe, in par-

A stark analysis of the Polish economy is that the country is in the wrong industries. I'm not sure that shipbuilding or steel production should be their major industry.

ticular Poland? What should be our public response?

Peterson: A stark analysis of the Polish economy is that the country is in the wrong industries. I'm not at all sure that shipbuilding or steel production should be a major industry there.

The Polish problem is one of restructuring into areas where their economy has a competitive advantage. Lech Walesa was in New York recently and I happily co-chaired a dinner for him. I told the group that among this terrific leader's heroic acts was the taking of

positions that are remarkably difficult for a labor leader. This includes asking workers to give up subsidies and temporarily restrict certain shops. Imagine trying to explain the positive outcome of those moves to your members.

Somebody once said that an economist's lagtime is a politician's nightmare. If Poland's transformation takes ten years, and during several of those years progress is absent or even in decline, the question is, will its political economy be able to sustain it?

I guess the attitude of business people here will be very selective. They will want to make sure that wherever they put their money, there is a competitive advantage. Too many experiences in that part of the world during the 1960s and 1970s were pretty costly. This time, let's hope that any public financial support is genuinely linked to real market reforms. As Lech Walesa told me, "our system is kaput." ■

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Can We Talk?

For future issues, the *Ripon Forum* is seeking to strengthen its role as a "forum" for Ripon Republicans nationwide. We need your letters with reaction to our best and worst features, your views on major issues, your activities to spread the progressive Republican message. The best letters will be printed, subject to editing for considerations of taste, length and appropriateness for the *Ripon Forum* audience.

Should We Copy Japan?

by David A. Fuscus

Over the past four decades, the Japanese have pursued policies, both industrial and governmental, that have enabled them to become one of the richest nations in history. They have become hyper-competitive taking technology and turning it into salable products and aggressively marketing those products to turn themselves into the exemplar of a modern, highly industrialized society.

In America, the success of the Japanese and their recent penchant for flexing their economic muscles have made them a target for harsh criticism both from politicians and industry. Recently, the highly publicized purchases of Rockefeller Center and Columbia Pictures were two catalysts for criticism, serving to bring Japan bashing to our television screens and car radios. Interestingly, images of politicians decrying the evils of an economically strong Japan are often seen and heard on millions of Japanese built TV's and radios.

THE JAPANESE MODEL

We have a love/hate relationship with Japan; we love their products and snap up SONY televisions, Honda automobiles and Panasonic stereos at a rapid pace; we also hate the Japanese to the point where political pundits and out-manuevered businessmen demand protectionist trade policies.

Are the Japanese taking over the world economy at the expense of the United States? The superficial evidence is impressive: Honda, Toyota and other firms have a strong presence here and serve to remind us that Japan has become at least our equal on the world economic stage. But are they really a threat to the United States? Have they achieved their success by practices unfair to the rest of the

industrialized world? Should our efforts to remain the preeminent world economic power incorporate techniques the Japanese have used successfully? Perhaps.

Should the U.S. adopt an Americanized version of industrial policy to ensure continued success?

For much of this decade, there has been a debate among U.S. lawmakers and companies about policies used effectively by the Japanese. It's called "industrial policy" and involves using the federal government to channel private sector resources and federal aid into emerging industries, allowing them to grow. The debate centers on whether or not the U.S. should adopt an Americanized version of industrial policy to ensure continued economic success.

Proponents of an industrial policy for the United States commonly refer to blanket policies of government intervention which have enabled Japanese firms to develop technologies and expand their international market share. The main organ of industrial policy in Japan is the Ministry of International Trade and Industry (MITI), which influences the Japanese economy by trying to change industrial structures or competitive positions in a market. By relaxing anti-trust laws or supporting market protection, it can vastly influence an industry's position relative to its competitors.

MITI also develops consensus or "visions" of the economy and forms national economic priorities; this national strategy allows the Japanese to concentrate on particular markets and focus economic resources. In some cases, they even give direct loans which further serve to reinforce the national importance of a particular industry. The Japanese electronics, computer chip and automobile industries were all

beneficiaries of MITI's efforts, and all became successful parts of the Japanese industrial machine.

Another continuing example of Japanese industrial policy concerns NHK, the government-owned broadcast network. NHK has been trying for the past several years to gain a competitive edge for the embryonic High Definition Television (HDTV) industry. HDTV is a new type of television that has the clarity of a 35mm movie and the sound quality of compact discs. Many envision the units as the basis of future entertainment centers that would bring a new reality to sports and make movies come alive.

To help gain an edge in the market, NHK has developed a standard for the new technology that would double the amount of lines per screen and the picture changes per second. If other nations can be convinced to adopt it, the Japanese would have a huge lead in establishing market share when the televisions hit the market.

Many Americans are also considering governmental help for the HDTV industry, including high ranking members of the Bush administration and members of Congress. The stakes in HDTV are high because the potential technologies go beyond mere television; it's an opportunity for the United States to regain a foothold in consumer electronics. The American Electronics Association estimates that over the next 20 years the industry will be worth upwards of \$500 billion. The technology will also allow advances in computer chip manufacturing, memory improvements and progressively better semiconductors. It's going to be big business and the U. S. wants to ensure a share.

U.S. POLICY

Governmental help for individual industries smacks of diluted socialism to many Americans, and such a notion ostensibly goes against our

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David A. Fuscus is a member of the Ripon Forum editorial board.

On the Front Burner: Abortion Rights and Radical Congressional Reform

STILL ROCKED BY WEBSTER'S WAKE

The topic of abortion continues to be a painful one for all Americans in the wake of last summer's Supreme Court decision in *Webster v. Reproductive Health Services*. The Court's murky logic undermines the broader, widely supported principle of privacy and in so doing, deepens a split within the Republican Party.

After Webster, no longer do women enjoy an unfettered right to privacy that guarantees the option of abortion in the early weeks of pregnancy. By a 5-4 margin, diluted by dissension and by a lack of much elaborated reasoning, the Court gutted the 1973 *Roe v. Wade* case in two ways. The justices asserted that the government's compelling interest in potential human life exists throughout the pregnancy, not merely after the fetus becomes viable, and ridiculed *Roe*'s "trimester" framework as "unsound in principle and unworkable in practice." Despite this frontal assault, the majority found no basis in Webster for reconsidering *Roe*'s emphasis on the right to privacy.

On every question raised by the Webster case, a hesitant, bitterly divided court enlarged the state's interest in unborn life at the expense of individual privacy and judgment, without establishing a legal framework for doing so. Instead of resolving a constitutional debate, the Court intensified it. Now the fundamental question shifts to what new restrictions the state can place on abortion, a debate that must certainly deepen the chasm between the GOP's libertarian and traditionalist wings.

One might have expected the Ripon Society would escape the dilemma, but

that is sadly not the case (see "To The Editors," page nine.) Extending a tradition of being among the leading Republican champions of women's rights, the Ripon Society's National Executive Committee adopted a resolution last July which reaffirmed an individual's right to make her own choices about abortion. The resolution was passed by a large margin. In adopting it, however, Ripon was compelled to reject forcefully the pro-life sentiments of a minority of members, who must obviously be averse to the growing perception of a pro-choice "litmus test."

The abortion debate will never be settled unless the federal government as a whole, backed by the society at large, agrees on the larger framework of abortion rights. 'Privacy' was and still is that framework.

The schism was also apparent as the House of Representatives voted in favor of Medicaid funds for abortions for the victims of rape and incest. Five progressive Republicans took the podium to make the pro-choice case (Nancy Johnson of Connecticut, Marge Roukema of New Jersey, Connie Morella of Maryland, Bill Green of New York, Jan Meyers of Kansas). "If she is raped by the drug addict next door," thundered Johnson, "if she is invaded by her abusive alcoholic father, will you deny her the legal medical care your wife or daughter has access to, and the power over her future...?"

Not surprisingly, the pro-life repre-

sentatives were equally passionate. Standing out from the more conventional restatements of abortion-as-murder, Jim Lightfoot of Iowa said he was an adopted child, uncertain of the circumstances of his conception, and grateful to the mothers of the world who suffer indignity while carrying an unwanted pregnancy to term.

The GOP split is a bitter fruit of the Reagan legacy. Ironically, while restoring the primacy of the individual versus big government in rhetoric, Ronald Reagan created a GOP coalition of landslide proportions by adding to its base the nation's libertarian and theologically conservative constituencies. The coalition held together as long as substantial threats to individual freedom appeared remote, and Reagan pressed his battle through speeches, symbols, and a quiet renovation of the judiciary. Now, as restrictive ideas are ascendant in the courts, the GOP coalition will be fractured by the departure of millions of libertarians, many of them baby-boomers or younger, formerly attracted to the "go-go" GOP.

It is obvious this debate will never be settled unless the federal government as a whole -- courts, executive and the Congress -- backed by the society at large, agrees on the larger framework of abortion rights. Without such consensus on the big picture, the battle over abortion will rage on. Without a broadly-acceptable rationale, rooted in the Constitution and our national habits, neither side will back down on what it views as a fundamental requirement of civilized life: "freedom of choice" versus the "right to life."

"Privacy" was and still is that framework; the venerable "right to be left alone" is old as the frontier. To borrow a fashionable phrase from the Right, we believe in a federal government that looks for ways to empower

people and unleash their free judgment, not restrict it. And privacy is compatible with the anti-abortionists' constitutional right to denounce what they view as sin, to discourage sexual activity outside of marriage, or to support women who decide to give birth to an unwanted child.

George Bush, who switched his position for Ronald Reagan and now must live with that choice, insists there is room in the GOP for citizens on both sides of the question. In fact, he should know the majority of Republican voters favor some form of abortion rights. If the president wants to continue the crusade against abortion *and* hold the party's ground, then he and party chief Lee Atwater need to find some powerful magic.

The problem with the abortion debate is that some on both sides think they must drive the other to the wall. Extremist politics does not settle controversies; it continues and exacerbates them. There are aspects of both extreme positions which leave the vast majority uncomfortable and dissatisfied.

Abortion will continue whether it is legal or not. The ethical and political questions are what the government may do to influence the quantity and quality of abortion. We will not favor absolute repression or license, nor can we support restrictions smacking of paternal control over women's decisions. We

fail to discern any constitutional or popular mandate for curtailing Americans' freedoms to make our metaphysical decisions in private. That is sound constitutional doctrine, and "inclusive" politics.

RADICAL CONGRESSIONAL REFORM: THE FIRST STEP

The spectacle of political perestroika in Eastern Europe has been so stimulating that we think it's time to try it here. The Republic can probably survive a few more years of the federal status quo, although one must certainly ask why we would want to.

For several years now, we have believed that radical congressional reform is only the first step toward more rational, representative, timely and responsible government. Here's what we recommend and why:

1) **Establish a simplified, coherent budget process.** Eliminate the ridiculous process under which one committee authorizes a program, another approves funding levels, and yet another sets budget guidelines. The status quo is a proven recipe for fiscal irresponsibility, abuse of the process, and instability in the financial markets. Mega-bills containing dozens of "rider" provisions are foisted on the president who must accept them whole or threaten to bring government to a halt.

Combine the authorizations and appropriations authority in single committees and do away with the budget committee. Adopt a two-year budget cycle, with tax-and-spending measures approved in the odd-numbered year after elections. With these changes, the White House could forget about the line-item veto.

2) **Cut the congressional budget by 30% over three years**, with particular emphasis on weeding out make-work committee staff and subcommittees with overlapping jurisdictions. Legislative appropriations for 1990 are almost \$2 billion, and to add insult to injury, the distribution of funds and job slots is far out of proportion to election results.

3) **Cut those official perks that contribute to a 98.6 percent incumbent re-election rate:** sky-high franking limits, free TV and radio studios, newsletters, etc. One-sided, self-applauding, citizen-funded propaganda belongs in the Soviet bloc -- and it's not believed there either. Our incumbent re-election rate is higher than that of the Supreme Soviet.

4) **The Senate should join the House and abolish honoraria for private gain.** Enough said already. ■

TO: THE EDITORS RE: SEPTEMBER 1989 EDITORIALS

The unsigned editorial in the September **Ripon Forum** erroneously suggests that the position taken by the Ripon Society National Executive Committee on abortion rights was more equivocal than it was. In fact our members took a very clear, strong position on behalf of a woman's right to choose. Opposing views supporting abortion restrictions were heard and considered at the NEC meeting, but we adopted a pro-choice position. The editorial did not fully express the opinions of the NEC.

The editorial suggests that Ripon's political community is more divided on the issue than is the case. During the course of the NEC deliberations we reviewed the records of 31 "Ripon" legislators on key votes identified by the

National Abortion Rights Action League. Twenty-two of the 31 supported the NARAL position at least 80% of the time. Twenty-five of 31 at least supported the basic right to choose, although some did not support NARAL positions on government funding votes. Only two of the 31 always voted against reproductive rights. If our political community were the "microcosm of the general public" that the editorial describes, the legislative outcome on reproductive rights would be a foregone conclusion.

The editorial should not confuse our readiness to respect principled differences of opinion on the issue with a disregard for a candidate's views when deciding whether to support them. As pro-choice Republicans we are painfully aware that we have supported many Republican candidates who either explain their anti-choice position based on the political expediency of catering to

the pressure of a determined minority or have changed their once pro-choice positions. Surely in a democratic society one appropriate response for pro-choice Republicans is not to continue to support them. The undeniable political reality of the Webster decision is that by making abortion rights more of a legislative issue than it has in the past, it is more difficult for pro-choice voters to support anti-choice candidates.

Signed by the following members of the Ripon Society National Executive Committee:

Keiko DeLille
Nancy Draper
Eileen Green
Ken Grossberger
Bill Lithgow
John Merriman
Steve Rolandi
Mark Uncapher
John Vorperian ■

WHAT GEORGE BUSH SHOULD SAY IN THE STATE OF THE UNION MESSAGE

In late January or early February, President Bush will deliver his *Second State of the Union Message to Congress and the American people*. The editors of the **Forum**, along with several Ripon members, have decided to assist this task by compiling an address they would like George Bush to deliver. The following statement is neither a complete nor a corporate document, but contributors include Ripon national chairman Representative William Clinger (the environment), former Secretary of Transportation William Coleman (urban policy), Representative Nancy Johnson (child care), former Undersecretary of Education William Clohan (educational improvement), New York merchant banker and **Forum** editorial board member Steven Klinsky (economic viability), Ripon national president Mark Uncapher (immigration policy), Washington attorney Donald T. Bliss, Jr. (health care) and **Ripon Forum** editors William McKenzie and Dale Curtis (international security).

.....

Mr. Speaker, Mr. President, Distinguished Members of the House and Senate, Ladies and Gentlemen:

Two months and 11 days ago a true pioneer stood behind this podium and gave testimony to the simple notion that ideas matter. The pioneer was Lech Walesa, the leader of Poland's trade union Solidarity, and the idea to which he and his fellow "freedom-lovers" across Eastern Europe give witness is that we in the human race have an intrinsic desire to be free.

This nation's settlers, of course, fought for that same belief two centuries ago. The thirst remains as strong in our souls today. Lech Walesa used the phrase "We the people" to begin his ad-

dress in this chamber, and it is those three words that best represent the hope of Americans and free people the world over.

Tonight, after 12 months in the White House, I am pleased to report to you that this union remains a beacon of light to peoples of different creeds, colors and nationalities. After 200 years of self-governance, America is still a radical experiment in freedom, whose results intrigue and attract the attention of the world.

No doubt, this places an additional responsibility upon us as leaders and citizens of this great democracy. We must remember the eyes of the world are upon us as we confront the challenges of a mature democracy.

Today, we must strengthen the foundation of our economic competitiveness; ensure the rights and opportunities of the humble as well as the strong; protect the peoples' health and environment; and provide a secure transition for the new experiments in freedom across the world.

ECONOMIC VIABILITY

International strength begins at home. So I am pleased to report to you that the year just ended three weeks ago reflected another 12 months of economic growth, low unemployment and low inflation. Nineteen hundred and eight nine was the seventh straight year of real economic growth, the longest peace-time expansion since World War II. The nation's budget deficit is declining and our savings rate is increasing. The future is bright.

But despite these successes, many Americans have a concern over our nation's economic position relative to the rest of the world. Some look at other nations -- Japan and Europe, for example -- and wonder: are we falling be-

hind? I hear many Americans express concern that foreigners are buying our country; that we can't compete; that our exporters are being treated unfairly; that we should "retaliate." Some have even said that our economic competitors are a greater threat to the United States than dictatorial communism!

Tonight, I call on our allies to join with us in the formation of a "Free World Fund" to promote and finance our shared goals.

Tonight, let us put an end to that misbegotten thinking once and for all. The United States, Japan and free Europe are the best of friends and the staunchest of allies. We are bound inseparably together as the three central pillars that support freedom in this world. It has been the economic success of all the free world nations which caused the Berlin Wall to fall and the communist world to once and for all admit that democracy and private enterprise are the true historical imperatives.

We are economic competitors certainly, and we must keep the competition fair. But I learned as an athlete long ago that you don't get faster by tripping the other runner or by racing the slow movers. You get faster by putting yourself up against the strongest rival you can find and matching him step for step. And you beat him by working even harder and longer than he does.

So we welcome fair competition from our allies. The United States economy is more than twice as large as any of theirs. They have learned a lot from us and we have learned from them. The

result is that all of us -- American and ally -- are becoming richer.

What America needs is not greater retaliation against our allies, but greater cooperation with them. In government, there are some programs -- such as the police force -- which are locally-oriented and financed locally. There are some programs which are statewide and financed by the states. And there are some programs which are national in scope and financed by the nation.

The new Free World Fund would restore increased fairness in allied burden sharing, doing much to eliminate our own budget and trade deficits.

But there are also programs which benefit more than just one nation; which benefit the entire free world alliance. Yet there is now no effective mechanism to fund these supra-national allied programs.

The United Nations is a worthwhile institution, but it is bound by the constraints of partisans. And such allied organizations as NATO, which the Free World Fund will build upon in developing common interests, are purposefully narrow in scope.

The result is that America, as the strongest ally, is carrying a disproportionate share of the weight. For example, America will pay close to \$300 billion in 1990 for the free world's defense while Japan pays only \$30 billion. Yet both nations depend equally on those forces.

It is wise to reduce our defense spending as the Cold War thaws. However, if our budget deficits force us to cut our defense spending, foreign aid and other free world efforts too far, we are endangering our allies' future as well as our own.

Tonight, I call on our allies to join with us in the formation of a new common fund -- the "Free World Fund" -- to promote and finance our shared goals. The fund will collect contributions from each economically developed, free world nation in proportion to the size of its economy and channel those funds into projects which are mutually considered to further free world interests.

For instance, if another naval task force must be sent to protect allied oil shipments in the Persian Gulf, money would be collected by the fund and paid over to the governments of the navies actually employed. Similarly, through the fund, we might jointly aid the less developed debtor nations, help the emerging democracies in Eastern Europe, finance the exploration of space, fund advanced science projects, promote medical research, improve the environment and maintain secure defense forces in Europe and Asia.

Any nation could opt out of any funding program, but its decision would be explicit and subject to the disciplines of international opinion and national honor. Additionally, pacifistic nations such as Japan could contribute without rearming themselves. "Free riding" would therefore be reduced.

The new Free World Fund would restore increased fairness in allied burden sharing, doing much to eliminate our own budget and trade deficits. At the same time, the fund would reduce allied trade tensions and would ensure our allies that necessary free world programs won't be cut. It would also provide Japan and Europe with a meaningful voice in allied affairs because programs they oppose will not receive their financing.

Of course, America or any other nation will retain the right to pursue its own ends with its own funds, as is the case today. But by working together, the fund will keep America from becoming isolated from our friends in Europe and Asia as the world continues to change rapidly. Our alliance will then emerge stronger than ever.

Educational Improvement

It should be apparent to each American that education is central to improving our economic competitiveness. I thus believe that the continued focus of our federal effort in education should be simple: to promote excellence, enhance parental choice, improve literacy and ensure accountability.

An increase in funding of federal education programs, however, will not solve our nation's education problems. To some extent, those very programs have been a cause of our education dilemma. This was first documented by the Department of Education's 1983 report "The Nation at Risk," and by

many studies thereafter.

The focus of federal policy must continue to enable low-income, handicapped, limited English speaking and other at-risk groups to have an equal opportunity to obtain an excellent education. Their training will enable more Americans to become contributors to society and enter the mainstream of American life.

We recognize that early intervention through a program such as Head Start has a disproportionate positive impact on a student's ability to succeed. We will continue to increase funding for those programs and focus attention on the educationally at-risk students.

We must also reduce the dropout rate and increase adult literacy. Our nation cannot tolerate the current illiteracy problem which deprives both young and old of an opportunity to be productive students and workers.

While parents continue to have the primary right and responsibility for

It should be apparent to each American that education is central to improving our economic competitiveness.

education of their children, our nation needs a massive cooperative effort from business and industry, private and public education institutions and systems, communities, states, and the federal government.

We must also engender competition within and between school systems so that parents will have choices as to where to send their children. Magnet schools, alternative schools and private education needs to be emphasized so that those programs which are working will be enhanced and those that are failures will be eliminated.

Implicit in choice and competition is the need for accountability and evaluation of performance of students and teachers. We must continue to reward excellence in learning, in teaching and in administration. Both students and teachers must be tested regularly in order to measure their progress and to ensure that standards are kept high. School boards should provide merit pay and career ladder rewards to recognize excellent teaching.

Curriculum provided, and determined, at the state and local level should include broadbased teaching in history, culture, geography and languages of key nations.

In addition to the primary federal focus of supporting the educationally at-risk populations, some federal funds must continue to be used to reward excellence through merit and model school programs.

At the post-secondary level, we must continue to focus funding on voucher-like programs which target funds to low-income students. Default rates in

Our immigration policy must again be guided by the principles of the Statue of Liberty, rather than the statute of limitation. I am proposing that private organizations be permitted to sponsor individual immigrants into the U.S.

the federal student loan programs must be reduced and some methods to make repayment income-contingent will be explored. Vocational-technical education will be emphasized through existing federal programs in order to prepare the existing and future workforce for the rapidly changing technology of tomorrow.

RIGHTS AND OPPORTUNITIES

At our best we are a nation of dreams -- dreams of opportunity, of personal expression and of a better life for ourselves and our families. Our nation celebrates this spirit of freedom and opportunity and the success of those who have come to our country and unlocked their own potential and enriched all our lives. The lives of generations of immigrants confirm that our country has kept its special promise.

But our immigration policy must again be guided by the principles of the Statue of Liberty, rather than the statute of limitation. I am proposing tonight that private, voluntary social services organizations, churches, heritage groups, local governments and employers be permitted to sponsor individual immigrants into the U.S. These sponsored

immigrants would not be subject to the annual ceilings in the existing admissions quota system. The sponsors will be responsible for necessary health, educational and social services for a transitional period of five to seven years. In return, the sponsored immigrant will co-operate with the sponsor, using its resources, such as job and language education to reach economic self-sufficiency and full participation in American life.

Many voluntary organizations already perform a diversified range of services for immigrants. Historically the voluntary sector has assisted new arrivals in adjusting to American life. A sponsorship program is a logical extension of the role already performed by these agencies.

This proposal, relying upon private initiative by Americans to assist new immigrants to become productive Americans, reflects the spirit of American values at their best.

Urban Policy

Since many of these new immigrants will be residing in our cities, this provides only another reason for a strong urban policy. Cities throughout history have been the citadels of most advanced civilizations, but our urban centers are too often burned-out shells of poverty, drugs, crime and despair.

If our nation is to remain a world leader, we must have a comprehensive federal policy to restore America's cities to greatness. This policy must rely primarily upon private sector initiatives and innovation, using limited federal dollars and tax incentives as a catalyst for private investment.

Our federal urban policy should thus include these aims: 1.) establishing a national goal of eliminating homelessness within three years; 2.) enacting a housing program that provides mortgage assistance for low income families, tax breaks for first time buyers and incentives to build or renovate homes in city centers; 3.) concentrating the war on drugs in specific inner city communities, such as is occurring here in Washington, D.C.; 4.) targeting federal education aid on innovative programs in the inner city; 5.) reforming the welfare system and expanding Medicaid to stress preventive and child care; 6.) encouraging job creation and training through tax free zones and other

incentives; and 7.) exploring, in an imaginative way, whether capital works programs can be developed to restore, repair and expand the city infrastructure by using the people and funds that otherwise would be used for welfare for healthy, unemployed adults.

THE NATION'S HEALTH AND ENVIRONMENT

In delivering my State of the Union address last year, I stated that I would honor our commitment to Canada to combat acid rain by requesting full and expedited funding for our nation's Clean Coal Technologies program. I have promised that clean air and the environment would be top priorities for my administration. I was not and I am not blowing "hot air."

I have promised that clean air and the environment would be top priorities for my administration. I was not and I am not blowing "hot air."

In 1989, tremendous headway was made by Congress in reauthorizing the Clean Air Act with new, stringent and achievable standards. I am convinced that shortly we will have a lasting, positive and healthful impact on every American.

However, as a world leader, the United States has an important role to fill. In fulfilling that role, our environmental vision must not be myopically directed at the impact of pollution on just the United States. The newly recognized threats to the global environment of stratospheric ozone depletion and global warming know no boundaries. Where the United States is a major contributor to an environmental problem, we must work to develop a solution. Where the United States can assist other nations in curbing their pollution problems we must stand ready to provide American pollution technology and "know-how." I am pleased by the initiatives undertaken by William Reilly at the Environmental Protection Agency to broaden our environmental role in the international arena; however, there is more work to be done.

As the second session of the 101st Congress gets underway I will be submitting legislation to Congress calling for an all-out ban on the export of hazardous wastes for disposal to countries that do not currently have a bilateral agreement with the United States. This legislation will be to ensure that such wastes are treated in a manner that is protective of human health and the environment. Upon proposing that legislation, I will also be signing the Basel Convention. Currently, 34 nations have signed the Convention, which, if brought into force, will ensure that hazardous waste shipments will be safe. I am hopeful that the Senate will act quickly in ratifying the Basel Convention.

In addition to protecting against unsafe shipments of hazardous waste, I will be requesting that Congress direct more financial aid to Eastern European and Asian countries to assist those countries wishing to develop new environmental standards to combat pollution problems in their countries.

We are moving into the last decade of the 20th Century, a decade that will be filled with tremendous global environmental challenges. Though daunting, those challenges are not insurmountable. I look forward to working with Congress to provide future generations of mankind with clean air that is healthful to breathe and clean water that is wholesome to drink.

Health Care Policy

Of course, more than clean air and water are needed to ensure the health of the American people. We need a coherent federal care policy that builds upon the strengths of our nation's health care system. These attributes include its quality and diversity and the opportunity for innovation that is possible only in a free and competitive society.

But the problems confronting our health care system are serious. This includes the primary issue of rapidly escalating costs. In 1988, for instance, health care costs for U.S. industry increased by 22 percent. Those increases are having an adverse impact on our international competitiveness. As an example, the Chrysler Corporation pays \$700 in health care benefits for each new car compared to \$200 per car paid by its foreign competitors.

The growing pool of 31 to 37 million

Americans without health insurance is also a national liability. Likewise, inadequate provision for long-term care for an aging population is an issue that continues to plague the American people.

But the problems can be solved

We can and must find a way to reassert our world leadership role in international family planning, while preventing the use of U.S. funds in countries which conduct forced abortions or sterilizations.

through a constructive partnership between the private sector and government. Too often federal policy, driven by budget deficit reduction goals, has distorted the marketplace and shifted costs to the private sector. States have inhibited cost controls and innovation through excessive regulation.

Federal policy should thus seek to provide every consumer with the choice of a quality managed health care option, such as a health maintenance organization preferred provider organization or integrated network of health care services. These programs promote disease prevention and health maintenance; eliminate unneeded or inferior service through utilization review and quality assurance programs; make use of only experienced providers with a record of delivering quality service efficiently; enable consumers to be better informed buyers of services; and employ a payment system that encourages the delivery of quality care in a cost-conscious setting.

Also, through tax incentives, expanded ERISA preemption and mandating a managed care option under Medicare, Medicaid and The HMO Act, federal policy should encourage the use of managed care to hold down costs, expand coverage to the uninsured and deliver Medicare and Medicaid services more cost effectively.

Reproductive Rights and Family Planning

Let me turn now to a subject that

divides this country more sharply or emotionally than any other: the question of abortion. I continue to personally oppose abortion. But I also believe that in a democratic society we must all respect principled differences of opinion, particularly those which are deeply rooted in fundamental religious and philosophical beliefs. I must acknowledge that no clear national consensus now exists to support new restrictions such as a constitutional amendment prohibiting all abortions.

As I promised in my campaign, I reach out my hand to those on both sides of this issue and seek new ways to build consensus. We can and must find a way to reassert our world leadership role in international family planning, while preventing the use of U.S. funds in countries which conduct forced abortions or sterilizations. I oppose federal funding of abortions, but recognize that certain exceptions involving violent crime and the woman's life must be permitted in a civilized society. Further, I support the right of states to set policy governing the expenditures of their tax revenue as established by the Supreme Court.

All women should have full information regarding the means of preventing conception and the options for unplanned pregnancies. I believe we must better support research into more effective means of contraception and am confident that we can regulate research using fetal tissue in a manner which respects ethical concerns yet still holds promise for many Americans battling crippling diseases. Finally, if we are serious about preventing abortion, we must better address the responsibilities that accompany sexual intimacy.

Child Care

Let me also add that I am committed to the passage of a child care bill that meets the needs of American families and recognizes their legitimate, differing child care needs. For instance, I support providing money directly to low-income families through expansion of the Earned Income Tax Credit, coupled with funding child care grants through an increase in Title XX of the Social Services Block Grant.

This approach provides parents with the full range of options for their children's care. It builds on existing government programs rather than creat-

ing new ones, and does not drown families and child care workers in red tape and bureaucracy.

I support providing money directly to low-income families through expansion of the Earned Income Tax Credit, coupled with funding child care grants through an increase in Title XX.

Also I would consider some modest additional programs to stimulate the supply of child care services, but only if they did not discriminate against care facilities in churches and did not provide overly proscriptive federal regulations.

INTERNATIONAL SECURITY AND OUR COMMON FUTURE

As you know, last December 2 and 3 I and members of my administration met with Soviet President Mikhail Gorbachev and his team of advisers. Many of the topics we discussed, such as future arms agreements, were brought about by the changes taking place in his country and the Eastern bloc.

Those changes abroad are extraordinarily exciting, if not glorious events to watch. They prove that the domino theory can work, except the countries being toppled are totalitarian communist nations, not democratic capitalist ones.

These fast advances have left many in the West wondering about our response. Before addressing that question, let me say thank you to our allies who have remained steadfast over the last 45 years in their determination to keep themselves -- and other nations -- strong and free.

Let me also repeat to Mikhail Gorbachev that we appreciate his desire to place the Soviet Union -- and other Eastern bloc countries -- into the camp of nations that consider openness and competitiveness valuable and practical ideals.

But the victory is not yet won. Trying times have not left Eastern Europe. That is why I recently signed into law a three-

year, \$938 million plan which provides food aid, private enterprise funds and technical assistance for various economic projects in Poland and Hungary.

After 45 years of controlled decision making, the East's restructuring demands creativity of an unusual order. So tonight I have suggested the creation of a "Free World Fund" that will build upon the security alliance NATO has provided the U.S. and Western Europe since World War II.

The direct investment in our common future with those countries just now tasting the sweetness of democracy's potential will ensure that America's most essential export -- the love of freedom -- is maintained.

This new fund of common interests can achieve for Europe's future what NATO has accomplished for its past. The United States' initial contribution of \$2.5 billion will come from the judicious defense reductions Secretary of Defense Richard Cheney, in consultation with allied leaders, is now putting together.

In my budget for fiscal year 1991 I will ask Congress for a \$285 billion defense budget. This represents savings of \$20 billion over the last fiscal year, but in no way jeopardizes our international or national security interests.

In fact, the savings should be seen as an investment in our future. The changes can affect our budget deficit, which is critically linked to our trade deficit.

As America's economic house is put in order, our role in the world will continue to be respected. And the direct investment in our common future with those countries just now tasting the sweetness of democracy's potential will ensure that America's most essential export -- the love of freedom -- is maintained.

Distinguished leaders and America's citizens, let me assure you that "We the people" is a concept that is having a resounding ring around the world.

Good night, God bless you and God bless America. ■

PROPOSALS FOR GEORGE BUSH'S STATE OF THE UNION MESSAGE

-- Create a new "Free World Fund" with nations contributing according to the size of their economy;

-- Use the "Free World Fund" to promote and finance shared goals, such as helping the emerging democracies in Eastern Europe and maintaining defense forces in Europe and Asia;

-- Focus federal educational policy on enabling "at-risk" populations to obtain an excellent education;

-- Propose that private, voluntary social organizations, churches, heritage groups, local governments and employers be permitted to sponsor individual immigrants into the U.S.;

-- Exempt sponsored immigrants from annual ceilings in the existing admissions quota system;

-- Promote a seven-part urban policy which uses limited federal dollars and tax incentives to stir private investment;

-- Emphasize the need for a Clean Air Act; stress that global warming and ozone depletion no know national boundaries; and submit legislation for a comprehensive ban on the export of hazardous wastes to countries that do not have a bilateral agreement with the U.S.;

-- Promote a health care policy that provides every consumer with the choice of quality managed health care options,

-- Reassert our leadership role in international family planning, while preventing the use of funds in countries that conduct forced abortions or sterilizations;

-- Provide full information regarding means of preventing conception and options for unplanned pregnancies. ■

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Helping a Troubled School System: Baltimore's Unique Approach

By Veronica DiConti

Ever since the release of "A Nation At Risk" by the Reagan administration's National Commission on Excellence in 1983, education reform has been at the top of the country's agenda. That report detailed the real and practical problems facing the United States if the quality of the public schools was not significantly enhanced.

Today's concern about the quality of the schools stems from two basic apprehensions about the nation's work force. The first is that while the labor force is becoming more technological, students are leaving high school inadequately prepared for either the work world or higher education. The second apprehension is about a shrinking labor pool. "Youth 2,000," a study published by the U.S. Departments of Labor, Education, and Health and Human Services, indicates that by the turn of the century there will not be enough adequately educated workers to fill entry-level jobs in the United States. These two deficiencies come at a time when the demand for workers in new fields is great.

Recently one of the schools' most outspoken critics has been American business. Facing a work force lacking in such basic skills as reading, writing and simple computation, members of the business community feel that they are no longer being provided with competent employees. Brad M. Butler, former chairman of the Procter & Gamble Company, fears we are creat-

Veronica DiConti is pursuing her doctorate at John Hopkins University in Baltimore and is a recent recipient of a Ripon Educational Fund Mark O. Hatfield Scholarship. This article is excerpted from her work as a Hatfield Scholar, which provided a case study of the Baltimore school system.

ing "a third world within our own country." Increasingly, the cost of teaching math and reading is being pushed along to the corporation. It is estimated that American business is now operating a "shadow" education system costing some \$60 billion a year to train employees, frequently in subjects they should have learned in the public schools.

At the local level, the future of cities has become reliant on maximizing one of the resources they control -- labor. "I talk to people again and again about where they are locating a facility, and the quality of the work force is one of their major determinants," says Robert Embry, former head of the Baltimore school board and president of Baltimore City's Abell Foundation. Embry added that the chances of someone locating a new facility to an area that has a poorly-motivated and poorly-educated work force are remote.

BALTIMORE'S EXPERIENCE

Baltimore provides one example of a city which has been forced to enhance labor potential and productivity to further economic development. During the past two decades, Baltimore became a national model for innovative public-private partnerships in urban renewal and downtown development. Urban renewal also changed the city's economy from a manufacturing base to a service-driven sector.

At the heart of this new employment problem, however, are the public schools. The Baltimore public school system, with over 100,000 students, is faced with several challenges. On any given school day, 14,000 students are absent from the city's schools. Half the students entering ninth grade this year will drop out before graduation. Fewer than a quarter of those who manage to graduate will go on to college.

To deal with these shortcomings, the private sector that once focused on

downtown development is now turning its attention to the public schools. The beginning of a public-private partnership exists which could make the city known for an aggressive and innovative approach to helping its deeply troubled school system.

Baltimore provides one example of a city which has been forced to enhance labor potential and productivity to further economic development.

Private sector involvement actually began in the Baltimore public schools in the early 1970s. The Greater Baltimore Committee, which counts over 1,000 area businesses as its members, began with the "Adopt-a-School" program. Strategically and cautiously, the Greater Baltimore Committee increased their partnerships in the schools and began creating partnerships in the larger community.

For example, in January 1985 the Greater Baltimore Committee and the grass-roots church organization, BUILD (Baltimoreans United In Leadership Development), announced the beginning of a program designed to give every high school graduate a chance at a job. The project, dubbed the "Commonwealth Agreement," was based on the "Boston Compact" that began in 1982.

A primary component of the Agreement is that students who meet certain requirements receive a passport at graduation. The requirements are that students are expected to have a 95% attendance rate in their last two years of high school, and an overall 80% grade average.

When the passport concept was originated, over 110 Baltimore firms

gave participating students preferential-hiring treatment. But soon it was discovered that more was needed to motivate students and help the city's schools.

In 1986, the Greater Baltimore Committee's Economic Council conducted a detailed survey of the problems and concerns of 200 companies in the metropolitan region. "We asked CEO's what they look for in entry-level employees that they hired right out of high school," says Jeff Valentine, the Greater Baltimore Committee's deputy director for public policy. Besides the three Rs, Valentine says that the Baltimore area business wanted people who were not necessarily trained, but who were trainable. They wanted employees to show up to work every day and on time, and know what is expected of them in the work place. For the Greater Baltimore Committee, the survey results underscored the need for a more intensive endeavor with the Baltimore public schools.

By 1986, Boston had expanded its program to include assistance for college under the ACCESS program. But when organizers of Baltimore's Commonwealth Agreement looked at the Boston Compact, they found an increase in the drop-out rate, youth unemployment and absenteeism. Valentine noted that the Boston experience was instructive to the partners of Commonwealth. As he said, "It told us that just holding out incentives isn't enough." What was needed was more of a helping hand for children to successfully go through school.

NEW REFORMS

After Mayor Kurt Schmoke was elected to office in 1987, the Greater Baltimore Committee and BUILD saw an opening to include the mayor's office in the Commonwealth. So in February 1988, the Commonwealth Agreement was expanded to the "Baltimore Commonwealth."

This time the Commonwealth was a compact between Mayor Schmoke, the city's Office of Employment Development, the city schools, the Private Industry Council, the Greater Baltimore Committee and BUILD. Before the expansion of Commonwealth, Valentine said there was a lot of energy and resources being expended on the schools but in an inefficient manner.

The new effort is a strategy which brings together all the available resources of the private sector and the city for a more effective and focused effort.

The comprehensive strategy of the Baltimore Commonwealth promises June 1989 graduates job interviews, priority hiring by over 157 firms, help with writing resumes and assistance with the interview process. The city's Office of Employment Training will also evaluate unsuccessful job candidates and provide additional academic or job training assistance to improve employability. A program called "Jobs and Career Clubs" has also been started in the schools.

As the program evolves, changes already are underway. In June 1989, the academic standard was dropped. Pad Waddell, assistant manager for the Commonwealth Youth Employment Services, said that when the Commonwealth partners evaluated the services to students in the schools, many services were already available for economically disadvantaged students and students identified as "at risk" of dropping out of school. So what's left? All the students in the middle that didn't get services under any of these programs and who might not make the grade point average for the Commonwealth. "When you're a city such as Baltimore, with the industry changing to be more services-oriented, [you] have to address that big range of normal kids."

But so far, only 28 percent of the 1989 graduating class qualified for Commonwealth. That's roughly 1,400 seniors out of 4,800 students. To reach more students and at an earlier age, future plans by the Commonwealth members will include programs for students starting with the sixth grade. Although the design is now being developed, the partners intend to draw upon Baltimore's cultural and entertainment institutions, including museums, the National Aquarium, and the symphony, among others, to provide "life experiences" to students who are generally from economically disadvantaged backgrounds.

COLLEGIATE POSSIBILITIES

What about college for Baltimore's students? In an effort to remove the financial barriers students face in continuing their education, Project Collegebound, a privately funded founda-

tion, was created in 1988. Collegebound provides financial aid to take the SAT tests, complete college applications, and for gap financing - a gray area where a college aid packet may not fully meet the student's entire financial needs.

The purpose of Project Collegebound, a separate organization which includes many Baltimore Commonwealth people, is to motivate students who would not normally think about the prospects of college. "It is taking any child that thinks they want to go to college and helping them along," says Embry. So far, the foundation has raised \$10 million with an overall goal of raising \$25 million.

CONCLUSION

How dependent is the future of the school system on private sector involvement? Kalman R. "Buzzy" Hettleman, an aide to Mayor Kurt Schmoke, is extremely pleased that the private sector is involved in the Baltimore City school system. He finds that the business, foundation and community groups have been helpful in bringing resources and attention to the schools. But he adds, not unexpectedly, that "a lot more needs to be done." The need is for "smaller class sizes, more textbooks, and more resources." Mr. Hettleman finds that the most important role the private sector can play is to demand that this country educate its work force. The Baltimore approach may be instructive to public-private partnerships in schools across the nation. The pivotal aspect of Baltimore's strategy is the sense of community responsibility to change the schools. Other programs, such as the Boston Compact, have been less successful because the solution entailed business telling the schools to improve the quality of students.

But solving the problems of the Baltimore school system is no longer strictly the responsibility of school officials and teachers. The solutions for the school system may lie in mobilizing the resources of the community as a whole. The idea is that the community must help the schools in order for the city to maximize its labor potential and allow the social order to survive. ■

continued from page 7

tradition of free trade and a competitive marketplace. Indeed, a valid criticism of industrial policy proposals is that they would tend to favor big companies and exclude the smaller, entrepreneurial firms that are such a strong part of our industrial heritage. What if Japanese-style industrial policy had been in effect when some of our greatest companies started as the dreams of ambitious entrepreneurs? Would Ford automobiles or Apple computers be around today if the government had been in a position to help larger companies develop similar products?

George Bush has stated his opposition to industrial planning and that the federal government should not be "picking winners and losers in the private sector." But with HDTV, his administration is cautiously moving forward with a form of industrial planning.

Commerce Secretary Robert Mosbacher, an accomplished businessman and close Bush friend, is a fan of helping U.S. companies become competitive in HDTV. He and his department are moving towards proposals that would give companies protection against anti-trust laws, tax benefits and financial help. The proposals are not policies yet, but there is movement. The Defense Advanced Research Projects Agency is also involved and plans have been authorized to pump millions into research over the next several years.

The Bush administration efforts are a small attempt to see if a form of industrial policy will work in America, but specters of the past still exist. The U.S. Synthetic Fuels Corporation, a company set up by the government to extract synthetic oil from coal, is one example. It wasted billions.

For years, the Japanese government has supported another device which has enjoyed great success: the establishment and operation of industrial consortiums. Groups of Japanese companies have long banded together to pool research and company talent; members of the consortiums share in discoveries and sometimes even market products together. Supporting consortiums has been a successful policy in Japan and it bears expanded consideration in the United States.

Industrial cooperation of this type has only been possible in the United States since 1984 when Congress reworked

anti-trust laws to allow competing firms to conduct joint research. Since then, over 125 cooperatives have been formed.

One of the most visible consortiums was formed last May by International Business Machines, American Telephone and Telegraph and the Massachusetts Institute of Technology. They have joined hands to try and seize the lead in superconductor technology. Superconductors are ceramic materials that allow electricity to flow through them with no resistance, efficiently using energy. If developed to the point of commercial use, they could revolutionize computers, motors, commercial power and transportation. The economic benefits are staggering.

The organization, the Consortium for Superconducting Electronics, along with a government-sponsored lab, Lincoln Laboratories, was formed on the recommendation of a committee of the White House Science Council. They viewed the formation of such a consortium as vital in the U.S. race to stay ahead in superconductor development. It is being funded by the Defense Advanced Research Agency and each of the participating organizations.

Each partner in the venture has contributed staff who will be governed by managers named by the consortium. All three will share in the research and MIT will get a share of any commercial profits. And if those profits are generated, it will be because of the help from the federal government.

AMERICA'S POSITION

While the joint research and government help for fledgling industries is an ingrained part of Japanese society, it is relatively new to the United States. We have no way of judging whether or not such ventures will be successful in the United States, we can only try.

Since World War II, the United States has been the dominant world economic power, often writing the rules for competition. The pace of technological change and the subsequent evolution of the world economy since 1945 has not allowed one nation to remain supreme. Other nations have advanced and caught up with the United States, to the point where several nations and blocs of nations dominate the world economy. Today, the world economic structure is

Many Americans are considering help for the HDTV industry, including members of the Bush administration.

changing at an unprecedented rate and we need to make sure the United States is at the forefront, so we can be a progressive force in shaping these changes.

The present economic position of the U.S. is an ever changing economic structure, one that our leaders must work to maintain and enhance; we can only do that by constant attention to emerging industries and their role in our future economic structure. To do this, we need to implement the best strategies available to our government, even if they are ones that we have not used in the past. Of course, blanket programs, taken in their entirety, without customizing them, may never work for the United States. However, it only seems prudent to look at, and perhaps implement, policies that have worked well for other nations.

The Bush administration and subsequent presidents should look how industrial policy and consortiums have worked for Japan. Implemented on a targeted basis and applied to specific industries, they could work for us. Emerging industries such as High Definition Television are so important to our future economic status that we must be innovative in ensuring a large market share. Governmental help for the HDTV industry would help ensure that we have a chance of capturing part of an enormous future market. The Bush administration has moved slightly towards this end and they should continue.

Wholesale copying of what worked for the Japanese will not work for us because it doesn't reflect our individual need, but the use of some of their successful techniques could help us prepare for a vastly different economic future. Relaxing anti-trust laws to allow our superconductor consortium to manufacture and market products would allow us to turn leads in research and development into a lead in the marketplace.

Should we copy Japan? If it can help our economy and maintain our industrial strength, the answer is yes. ■

Michael DeLand and the Cleaning of America

by William P. McKenzie

The sawdust collecting in Michael DeLand's Old Executive Office Building suite may lead you to believe that George Bush does not really intend to be the "environmental president." After all, why place your in-house environmental adviser in a make-shift room that requires a six-foot stationery fan to circulate office air?

That DeLand, the president's newly-appointed chairman of the Council on Environmental Quality, is even in the White House, however, is a sign that the president takes environmental issues seriously. Consider DeLand's predecessor, Alan Hill, who toiled a block away from the White House with a staff of only 13 people and never met privately with Ronald Reagan during their eight years in Washington.

Access cannot guarantee success for the CEQ, but it does provide a significant change. The Council's new chairman has already received national attention for his environmental commitment.

As regional head of the New England Environmental Protection Agency, DeLand sued the Commonwealth of Massachusetts (a.k.a. Michael Dukakis) for its failure to clean up Boston Harbor. The Bush campaign seized upon that suit, and made considerable hay with Boston Harbor during last year's presidential campaign.

DeLand's next resuscitation project is the CEQ staff. The president has promised to triple the CEQ budget and staff within three years. So far, DeLand has secured a \$1.5 million budget for fiscal year 1990, which is up from \$861,000 a year ago.

More money should not be equated with success here either. But DeLand argues that funds are needed to "restore

CEQ's original role," which is "to serve as an 'honest broker' among various department and agencies."

The Council's major objectives, as stipulated under the National Environmental Quality Act of 1969, are to advise the president and oversee the NEQA. In laymen's terms, that means publishing an annual report and ensuring that federal agencies consider the environmental impact of their decisions.

According to DeLand, the Council's statement must be published in a "more timely fashion." Critics hope the Council will also put forth some major initiatives, which it did under Presidents Nixon, Ford and Carter but not under President Reagan.

DeLand's initial moves around Washington indicate his shop will indeed be moving forward. The new chairman has already engaged in some self-described "firefights." This includes arguing that long-term water projects, such as those up for renewal in California, must have environmental impact statements. The White House has backed him on this issue, to the dismay of Interior Secretary Manuel Lujan.

A key part of George Bush's environmental strategy is providing economic incentives not to pollute. For instance, a company will now be assigned - or buy from the government - a certain amount of pollutant "permits." If it discharges pollutants over that allotted amount, the organization can purchase extra permits from another company. Conversely, if it discharges less than the prescribed limit, the extra portion can be sold off.

DeLand says this inclusion of the private sector "heralds the future of the environmental movement." The emphasis must change from "what comes out of the pipe to what goes into the pipe."

George Bush's methodology of bringing together diverse political interests includes environmentalists as well. The



president recently met in the Roosevelt Room (as in Theodore Roosevelt, another Republican environmentalist) with representatives of the Environmental Defense Fund. And the day this visitor spoke with DeLand, members of the Audubon Society were also paying a call.

These are signs of progress on a front which had very little improvement during the Reagan years. George Bush subtly used this perception during the 1988 campaign to distinguish himself from Ronald Reagan.

Translating attitudes into policy, however, is a different matter. One area in which the administration has not made the dent it promised is in holding an international conference on global warming. During his election contest with Michael Dukakis, Bush pledged to convene such a gathering during his first year in office.

That meeting has not occurred, and DeLand admits the "goal has slipped a bit." He counters that this is not a "major problem," and that we will see an international conference during the president's second year.

Let's hope so. With environmental deterioration occurring rapidly, international cooperation is necessary. More than the cleaning of America is at stake. Who knows? Maybe DeLand could even then get a clean office. ■

William P. McKenzie is editor of the Ripon Forum.

REVIEWS

Born to Lose

"Among Schoolchildren"

By Tracy Kidder, Boston: Houghton Mifflin Company, 1989.

by Alfred W. Tate

When my daughter Winifred graduated from high school, I realized that her elation did not spring from a sense of satisfaction at all she had accomplished, but rather from a feeling of profound relief that a long ordeal was over. Not that she had not accomplished a great deal. A prize-winning student journalist, she had graduated with honors and been accepted by all of the colleges to which she applied.

But she was also one of the lucky ones. The carefully nurtured product of a white, middle-class, two-parent home, her mother a teacher and her father a dutiful attendee of 13 years of back-to-school nights and parent-teacher conferences, from grade school on she had been placed in the top "track." Her courses were the most challenging and her teachers the most stimulating our city's public school system had to offer.

It is hard not to wonder, if school was such a trial for Winifred, what must it be like for those who lack the benefits bestowed on her by the accident of birth? Tracy Kidder's "Among Schoolchildren" offers a chance to find out.

Kidder's book chronicles a year in a fifth grade class at Kelly School in Holyoke, Massachusetts. During its course, the reader comes to know and care about Robert, Clarence, Judith, Alice and the rest of the 20 member class, about half of whom are Puerto Rican and almost two-thirds of whom are from families receiving some form of public assistance. Their teacher is Mrs. Christine Zajac, 34, married with two children of her own; she is a native of Holyoke and has been teaching for 13 years.

There are others as well. A student teacher undergoes her initiation into her

Alfred W. Tate is a member of the **Ripon Forum** editorial board.

profession, Principal Alphonse Laudato is "grieved" by members of his faculty at Kelly, and a local politician helps Mrs. Zajac teach her class the meaning of the term "stereotype" by coming to school and handing out paper Indian headdresses that identify the wearer as a "Big Chief Friend of Congressman Conte." The reader learns something of the history and changing demographics of the city of Holyoke and travels with Mrs. Zajac over spring break to Puerto Rico.

LESSONS FROM SCHOOL

But what the book is really "about" is Chris Zajac and her work, and it is wonderful at several levels and for a variety of reasons. The power to observe and explicate complicated processes in the incisive and limpid prose Kidder has exhibited in the past make the book richly rewarding. In its depiction of Mrs. Zajac in the classroom, the book provides the sort of genuine and distinct pleasure that is gained from watching a Magic Johnson play basketball or a Cal Ripken baseball.

Meeting Mrs. Zajac ought to clear up any lingering questions left by Ollie North and his ilk regarding the nature of true heroism. And the exposure the book offers to what it means to have a vocation -- a real calling -- and to give oneself wholeheartedly to worthwhile work should prove of interest to those of us mired in the triviality of so many contemporary pursuits.

The book should also be of interest to teachers for the insight it offers into the "tricks of the trade" used by a good one. The integrity of Zajac's efforts to educate her charges and the honesty with which she confronts her defeats should be an inspiration. One of the surprises the book offers is how isolated it reveals the classroom teacher to be; vicariously sharing in her struggles should be of some comfort to other teachers.

Finally, "Among Schoolchildren" is important for the commentary it offers on the state of education in America today. This is not to say that Kidder's book is a treatise on pedagogy. On the contrary, it is a narrative account of

"Among Schoolchildren" provides the sort of pleasure that is gained from watching a Magic Johnson play basketball or a Cal Ripken baseball.

specific lessons taught and learned in a certain time and place by particular children under the guidance of a unique teacher. He does not use these people and their circumstances to promote an educational ideology or castigate the present system. In fact, his central point is that for all our philosophizing and criticizing, what education is all about is not more and no less than what goes on all across the country in thousands of places like room 205 at Kelly School.

PUBLIC SCHOOL IDEALS

Kidder does make clear that the isolated individuals -- the vast majority of them women -- who enter these rooms where education is actually attempted have had to bear a heavy burden of idealism in the United States. Thomas Jefferson envisioned ours would be an "aristocracy of intellect" made up in part by "youths of genius" who would be elevated "from among the classes of the poor" by public education. Horace Mann saw our system of universal education as making "the wheel of progress" roll "harmoniously and resistlessly onward."

W.E.B. DuBois saw education as helping to bring about "the treatment of all men according to their individual

desert and not according to their race." More recently, Harvard's James Bryant Conant found in the nation's public schools the answer to the post-war Soviet threat and the "means to secure the foundations of our free society."

Public education has been pressed into service on behalf of these and many other causes. That it is critical to democracy is obvious: if the people are to rule, and do so wisely and well, they must be wise and well-equipped to do so. Given the present state of our body politic -- which has prompted one national news magazine to ask in a cover story "Is Government Dead?" -- it is equally obvious that public education is in trouble.

While this is really nothing new, as Kidder points out the history of education in this country in the 20th century is one of perennial dissatisfaction, at no time have the public schools come under greater criticism than the present.

Standardized test scores are declining. Polls report current college graduates woefully ignorant of the rudiments of western culture, unable to identify the authors of literary classics a familiarity with which their elders claim to take for granted, unaware of even the century in which major events in world history took place, and inescapable of locating major countries on the world map. Business leaders decry an educational system they claim has a 50 percent failure rate in supplying an entry-level workforce adequately prepared for the demands of today's jobs. Now the threat comes not from Soviet military might so much as from Asian economic power and, as one corporate head put it, "public education has put this country at a terrible competitive disadvantage." (See Veronica DiConti's piece on this subject, pages 16 and 17.)

In recent years much of the debate has centered on the issue of cognition versus content: should the emphasis be placed on learning how to think or on mastering facts? In the '60s and early '70s concern for the former held sway, now the pendulum is swinging in the other direction with renewed stress being placed on the who, what, when and where of the more traditional curriculum.

How our schools should respond to the fundamental changes taking place in American society is now perhaps the major source of contention. At issue is

how schools should adapt to the breakdown in the traditional two-parent family and the large and growing percent of our children who live below the poverty line.

A recent Carnegie Foundation report is critical of "tracking" -- the grouping of students by ability -- and recommends a return to teaching students of all levels of ability in the same class setting. The report goes on to suggest that

We should stop viewing education as a means to some other end, however laudable that end may be.

the learning situation be structured in such a way that the more academically-gifted, talented students have a stake in the success of -- and therefore are motivated to help and encourage -- the less gifted through such devices as giving everyone in the group the average grade of all the group on any test or laboratory project. Whatever the merit of such a proposal, it is clearly an effort to make the school the source of the incentives and support that the family and society at large have traditionally supplied.

Kidder does not address the questions of whether we can do better and, if so, how. Yet not far between the lines of "Among Schoolchildren" can be read indications of directions in which to pursue answers. Perhaps the most obvious is the need to consider education in the context of the larger constellation of social policy issues facing the country. Chris Zajac finds herself forced to conclude: "Let's face it. I as a teacher have to deal with things as they are in the classroom, whatever the situation is at home." People in positions with a wider mandate should not feel themselves so constrained.

EXTRACTING THE BEST

Politics is about power, and so is education. Children know instinctively who has it, and learn quickly whether they have any hope of gaining even a modicum of control over their own lives. How this learning takes place is illustrated by the most telling episode related in the book, "the Science Fair." No parent who has ever gone with his or her child to such an event can possibly

not be moved by the description of the one held at Kelly School.

As Mrs. Zajac moves among her students' projects to evaluate them, she realized she is grading not their efforts, but that of their parents. As in every aspect of their schooling but here with excruciating clarity, it is the involvement of the parents that determines the outcome for the children. As she looks from the faces of those who won prizes at the fair to those who did not, she realized that the latter seem inescapably to have been born to lose.

Her response contains the implicit lesson the book as a whole offers: "I think the cruelest form of prejudice is if I ever said, 'Clarence is poor, so I'll expect less of him than Alice.' Maybe he won't do what Alice does. But I want his best." She knows it is not as simple as it sounds and the book is an account of her struggles -- her small successes and her real failures -- to extract their best from each of her students.

The work that education policy makers from the "education president" on down owe to the Mrs. Zajacs of the world is to stop viewing education as a means to some other end, however laudable that end may be. Rather, perhaps as an experiment to be tried because everything else is palpably failing, we should try as Chris Zajac does to treat every student as an end in themselves, not as a means to a better prepared workforce, or a more economically competitive or militarily secure nation. If we did, we might find that these ulterior goals -- or at least those that are genuinely worth pursuing -- are reached anyway. ■

What's Ahead in the Ripon Forum:

- Who's Who in The Bush Administration
- The National Transportation Policy Review
- Environmental Priorities

Tearing Down the Berlin Wall

by Bill Clinger

I have twice gone from West to East Berlin through Checkpoint Charlie at the Berlin Wall. Each time was a singularly chilling experience. The cold-eyed volkspolizei or Vopos slowly comparing me with the photo in my passport, the dogs patrolling the East German side and my irrational fear that once I was inside East Berlin I might never get out combined to make it so. The little museum on the West Berlin side of the checkpoint also reminded a visitor of the courage and ingenuity of the few who had escaped over the Wall to freedom and the many more who had died trying.

That's why I would have loved to have been there on Thursday, November 9 when the Wall, at least figuratively, came tumbling down. I would love to have seen the hated Vopos swept aside as a joyous wave of humanity breached the Wall for the first time in 28 years.

When I first heard the stunning news that the beleaguered Egon Krenz had opened the Wall in a desperate move to save his regime, I thought back to a day in January 1987. I was in East Berlin that day as part of a delegation meeting with Erich Honneker, the long-time East German Communist leader and the man who built the Wall back in 1961. Though he clearly built the Wall to keep his own people in, the official reason was to protect against a feared invasion from the West.

On that cold January day only two years ago, Congressman Guy Vander Jagt asked him when the Wall would come down and this solemn and humorless little man said, "The Wall will come down when there is no longer a need for it." Clearly for the communist government there is still a need for the Wall to stop the exodus of people to the West. But just as clearly the Wall is no longer

Bill Clinger is chairman of the Ripon Society and a member of Congress from Pennsylvania.

able to hold back the people -- desperate for a taste of freedom after nearly 50 years of communist rule.

The astonishing events of this historic autumn of 1989 have come so thick and fast that scholars and pundits have been hard pressed to keep up. Talk show analyses of what is happening or is about to happen are almost instantly overtaken by events and proven wrong or at least woefully incomplete and inadequate. Generous portions of crow have been served to some of our most distinguished observers of Eastern Europe. They suggested first that the sort of mass demonstrations that occurred in Poland and Hungary would never happen in East Germany because the people enjoyed a higher standard of living and second, if the people did take to the street to demonstrate, the government would suppress them quickly.

The whole world suddenly seems to be on fast forward and this speeding up of history has serious implication for American diplomacy.

What we have seen instead is the spontaneous and nearly unanimous eruption by the East German people in protest. This is a people crying out in frustration and anger over lives which are stunted and drab, finally driven to open revolt by the knowledge that the quality of life -- both economic and political -- is infinitely better in the West.

I'm certainly not going to predict how this incredible drama will play itself out. I would only note that we have seen a simply stunning compression of history in recent months. The whole world suddenly seems to be on fast forward and this speeding up of history has serious implications for American diplomacy.

The acceleration of events should not force an undue acceleration of response in the West. It's one thing if TV experts

or academics miscalculate what is happening in the USSR and Eastern Europe. It is an altogether different and more serious thing if the Bush administration or the Congress does. And there will be temptation for the administration to act.

In the weeks and months ahead, the few voices now calling for immediate troop withdrawals from Europe, dissolution of NATO, or the reunification of Germany will undoubtedly be joined by many more. Criticism of President Bush, seemingly unwilling to seize the opportunities offered by the disarray in the socialist world, will accelerate. Indeed, the temptation to do something now will be intense. It should be resisted.

For the present, it should be enough to take quiet pride in the fact that freedom is winning. The bloodless revolution in Eastern Europe is a repudiation of communism and the acceptance of change by Secretary Gorbachev is an admission of failure. But the situation is extremely unsettled and will remain so for some time to come. We must respond as President Bush did at Malta, by pledging support for a hopeful future but remain leary of moving too far or too fast from proven policy.

Fortunately, in George Bush, we have a president who is superbly prepared, intellectually capable and temperamentally suited to deal with these momentous changes. Some might prefer a more dashing impetuous leader. But we don't need to hype the drama. We do need thoughtful, informed leadership that is not going to be stampeded into ill-advised policy decisions.

An editorialist in *The Economist* wrote recently, "Years like 1989 do not happen often, and when they do history usually discovers they were not as simple as they seemed at the time. Give three cheers that the smear of communism is being wiped away from much of Europe. Then make sure the repainting job is done in a way that lasts." ■

6 LIBRARY COURT

On October 10, the Ripon Society hosted its annual Republican of the Year Award Dinner in Washington, D.C. This year's award was shared by New Jersey Governor Thomas Kean and Housing and Urban Development Secretary Jack Kemp. The two GOP leaders were selected for their efforts to broaden the Republican Party's base.

Governor Kean, whose eight years in Trenton have been noted by New Jersey's economic redevelopment and his ability to attract black and union support, told the audience: "The 'politics of inclusion' is on the rise. In the last nine months President Bush has opened wide those doors which we call the 'GOP' and beckoned all to enter.

"Republicans believe that we shouldn't divide people, we should unite them. Unite them around the philosophy which is about the creation of opportunity. If we do that, we will return to what the roots of what our party is all about."

Secretary Kemp also has made minority recruitment a GOP priority. In May 1988, he wrote, "Republicans can win in November in a way that... leaves a legacy among minorities well into the next century." As the new HUD secretary, Kemp has championed such concepts as tenant management of public housing and urban enterprise zones in trying to find new solutions for the cities' problems.

In addressing the Ripon audience, Kemp said that "the party is progressive and conservative, black and white." And he added, "President Bush has the best opportunity in our lifetime to turn the Republican Party into a majority party."

The Ripon dinner also heard from President Bush, who sent a telegram of greetings. The president, who received the Society's Republican of the Year Award in 1985, said that: "Since 1962 the Ripon Society has played an active role in helping the Republican Party. Republicans such as Jack Kemp and Tom Kean have come forward to strengthen our nation by working to promote individual civil liberties and equal rights for all, a strong national defense, and economic policies that curb wasteful government spending. ...

I thank you for your efforts to build a stronger Republican Party and a better America."

Over 325 people were in attendance for this year's dinner, which was held at the L'Enfant Plaza Hotel in Washington, D.C. Congressman Bill Clinger, chairman of the Ripon Society, served as master of ceremonies.

ISSUE SEMINARS

From August 25 - September 1, the Ripon Educational Fund hosted a delegation of members of Congress, European parliamentarians, financial leaders and transportation officials in Brussels and London. The group participated in sessions on Europe's 1992 economic merger, and the delegation included Representatives Bill Clinger, Bill Archer, Don Sundquist, Tom Petri and Bill Green. Meetings were held at the headquarters of the European Economic Community in Brussels and at the American Embassy in London. NATO officials, as well as EEC leaders, also participated in the sessions.

The Ripon Society hosted four policy breakfasts on transportation issues this fall. The series was held at the Capitol Hill Club in Washington, and its focus was the national transportation policy review. (With a new national transportation policy likely to be introduced in 1990, look for transportation issues to become primary topics in 1990.) Speakers for the series included Jeffrey Shane, assistant secretary for policy and international affairs, Department of Transportation; Thomas Larson, administrator, Federal Highway Administration; William Watt, associate administrator for policy, Federal Railroad Administration; and Representative Bill Clinger, ranking Republican on the House Public Works and Transportation Subcommittee on Aviation.

CHAPTER ACTIVITIES

The Boston Ripon Society also has been involved in transportation issues. On November 13, the chapter's president, John Sears, moderated a panel discussion on Massachusetts rail policy. Participants included Ross Capon of the



Governor Thomas Kean addresses the Ripon Society annual dinner.



Secretary Jack Kemp and Bob Maloney of the Federal National Mortgage Association.

National Rail Passengers Association and GOP State Representative Bob Marsh of the House Transportation Committee.

The Hawaii Ripon Society has been active under the leadership of new president Masu Dyer. The chapter sponsored a "Controversial Issues" meeting on September 28. Speakers included Dorothy Fantle of Hawaii Planned Parenthood and Roger Stenson of the Hawaii Right to Life Committee. The Hawaii chapter also sponsors "roundtable luncheons" each second Thursday at the Honolulu Press Club.

Ripon Forum editor Bill McKenzie's weekly political column has appeared in recent weeks in **New York Newsday**, **The Charleston (W.V.A.) Gazette**, **The Casper (Wyo.) Star Tribune**, **The Barre (Vt.) Times Argus** and **The St. Louis Post-Dispatch**. If papers in your area may be interested in receiving this column, please contact: **Ripon Forum**, 6 Library Court S.E., Washington, D.C. 20003. ■

WASHINGTON NOTES & QUOTES

Where Philosophy Matters: From the June 1989 *Commentary*, in a piece written by our friend Josiah Lee Auspitz, on Poland: "Because the expression of Polish nationality has for so much of the past two centuries been confirmed to language, the most purely verbal disciplines have acquired especially high prestige." During a fellowship in Poland, Auspitz, a Ripon National Governing Board member, found that some of the harshest tracts against statism by Arendt, Oakeshott, Strauss and Vogelstein are non-fiction best-sellers. Philosophy faculties are enormous by western standards; students in every branch of study are required to participate in debates on relevant philosophical issues. "Young Poles seem to understand that concepts like a legal person, freedom of contract, civic virtue, trust, separation of powers, and the rule of law must be reconstructed from the ground up" if Poland is to have any chance of emerging free and prosperous. Auspitz is currently engaged in a non-profit venture through the Cambridge, Massachusetts-based Sabre Foundation to send desperately needed agricultural supplies to Poland, Hungary and Czechoslovakia.

A Proposal for Europe's Future: At the third annual Transatlantic Conference in 1985, held in West Berlin and sponsored jointly by the Ripon Society and Allied progressive-conservative groups, our friend Ron Langston suggested: "The Soviet Union may alter its present posture in Europe if, and only if . . . historic national concerns for defense and territorial expansionism have unequivocally become moot issues." Those conditions having come to pass, we revive Langston's excellent prescription: by April 1995, the 50th Anniversary of the Yalta Conference, NATO and the Warsaw Pact should resolve the military and political dilemmas of a divided Europe.

Right-wing Isolationism Resurgent: With the Soviet threat receding, a strange but important ideological war heats up at home. The leftist tabloid *In These Times* reports that right-wing pundits Patrick Buchanan and some conservative cronies at the *National Review* are aggressively selling the idea that the U.S. cannot afford a global

crusade for democracy: to cite Buchanan, "Democracy *uber alles* is a formula for permanent conflict and national bankruptcy."

The new isolationism maintains a bit of the old's reliance on nativism and theological conservatism: University of Michigan historian Stephen Tonsor claims conservatism's "world view is Roman or Anglo-Catholic," while the conservative movement's most frequent targets are Jewish "neoconservatives" like Charles Krauthammer, Ben Wattenberg and Midge Decter.

Jackie Mason, Move Over: We're not quite sure what to make of funnyman P.J. O'Rourke's recent columns in *The American Spectator*, asking readers to suggest victims for "A New McCarthyism." The objects of hooting derision by *TAS'* readers (including one self-described "racist-sexist-fascist-homophobic college student") included the usual suspects: Howard Metzenbaum, Mitch Snyder, Barney Frank, Dan Rather, Molly Yard, Jane Fonda, Mike Dukakis, Lowell Weicker, David Rockefeller, etc., etc. The Ripon Society escapes mention by name, but we volunteer to fall in the category of "kinder, gentler Welfare State Conservatives."

O'Rourke's witty self-deprecation undermines any genuinely malicious intent. Yet consider his rebuke to haters of black politicians: "Sure they spout nonsense but it's in the great nonsense-spouting tradition of Irish, Italians and Jews before them."

Choice: Even as President Bush was vetoing any and all legislation considered permissive on abortion, World Bank President Barber Conable, appointed by President Reagan, announced he would personally oversee a tripling of the bank's annual spending for birth control, health and nutrition programs in the Third World.

Faces: Representative Hamilton Fish, Jr., is the recipient of the Walter White award, given for "uncommon achievements in civil rights" by the National Association for the Advancement of Colored People.

Also, Ripon member **Mitchell Crusto** is the new deputy administrator of the Small Business Administration for finance, investment and procurement...

World Bank President Barber Conable announced he would personally oversee a tripling of the bank's annual spending for birth control, health and nutrition programs in the Third World.

Evan J. Kemp, Jr., has been promoted to chairman of the Equal Employment Opportunity Commission. A disability rights activist, Kemp told the *Washington Post* recently, "the president is going to practice what he preaches..." on equal rights and opportunities.

Two old friends of Ripon are potential congressional candidates: **Michael Liu** (Hawaii-2) and **John Yoder** (West Virginia-2)... **Constantin Sidamon-Eristoff** is the new chief of EPA's regional office in New York City... and R. Brad Martin is chairman of the Tennessee Republican Executive Committee

"Rock of Gibraltar": Pundit Charles E. Cook, writing in *Roll Call*, says the 1990 Senate race in Iowa between incumbent Democrat Tom Harkin and GOP Representative Tom Tauke is already a pitched battle. Michael Dukakis won the state in 1988, the first Democratic presidential candidate to do so since 1964. The abortion issue may also play to Harkin's strength (Tauke is pro-life), but it was the abortion issue in 1978 that helped Roger Jepsen defeat incumbent Democrat Senator Dick Clark.

The key issue these days is an arcane spat over who's abused the franking privilege the greatest. But the ultraliberal populist Harkin has also assailed Tauke's trademark moderation, remarking, "the people of Iowa don't want a marshmallow in Washington. They want a Rock of Gibraltar." A Harkin aide cheerfully admits the issues may not matter much: "It's going to get down to who's got the biggest bankroll."