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RIPON

forum

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TWILIGHT OF THE IDOLS



- *Elliot Richardson on Nicaragua's Elections*
- *Steven B. Klinsky on Creating a Common Fund*
- *Comments on the National Transportation Policy*

EDITOR'S COLUMN

The collapse of Marxism in Eastern Europe is the most significant foreign policy event since World War II. Of course, the philosophical dismissal of Lenin, Marx and Stalin by Eastern Europeans and now Nicaraguans leaves profound political consequences.

In this issue of the **Forum**, we continue to explore these ramifications. Ambassador Elliot Richardson headed the United Nations' observer team to Nicaragua for that country's February elections. In his interview, Richardson discusses Nicaragua's election process, the challenges facing new Nicaraguan president, Violeta Chamorro, and the "mechanics" of assembling a democratic tradition. The former Cabinet secretary also argues that the U.S. must take the lead in crafting a new structural framework for global security. Without such, we and our Western allies will lack the adequate means to absorb the world's changes.

To be sure, the changes abroad will lead to shifts in American defense priorities. The operative phrase is that we will reap a "peace dividend." The **Forum** agrees, but argues in an editorial that any defense savings must first be applied to deficit reduction. Only then can we develop the economic strength historian Paul Kennedy says will be the new "metric of power."

Not that global responsibilities must be ignored. **Ripon Forum** editorial board member Steven Klinsky, a New York merchant banker, outlines a plan for a new international security framework. In Klinsky's estimation, a "Free World Fund" can more adequately address post-Cold War needs than such organizations as NATO.

The **Forum** also provides commentary on the president's recent national transportation strategy. Ripon chairman William Clinger discusses how airport and highway trust funds can be used. And Republican congressional leaders John Danforth, Mark Hatfield, John Paul Hammerschmidt and Nancy Johnson present their views on the president's policy. They remind us that, in a basic way, without improved transportation systems, the U.S. cannot remain economically competitive.

--Bill McKenzie

TABLE OF CONTENTS

EDITOR'S COLUMN	2
PROFILES AND PERSPECTIVES:	
A Conversation with Elliot Richardson	3
SOUTH AFRICA: Of Gods & Men	
Terrence M. O'Sullivan	7
EDITORIALS	8
CREATING A FREE WORLD FUND	
Steven B. Klinsky	10
RESPONSES TO PRESIDENT BUSH'S NATIONAL TRANSPORTATION POLICY	12
RIPON SOCIETY POLICY CALENDAR	15
BRUCE GELB: Voicing America	
William P. McKenzie	16
SBA: Back In Business	
Mariann Kurtz	17
SUSTAINING THE ECONOMY	
Richard Innes	18
REVIEWS:	
Offspring of History: Stephen Jay Gould:	
Alfred W. Tate	20
THE CHAIRMAN'S CORNER:	
London Bridge Isn't Falling Down But Others Are:	
William Clinger	22
WASHINGTON NOTES AND QUOTES	23

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A Conversation with Elliot Richardson



Elliot Richardson

Shortly before midnight on February 25, Elliot Richardson, Jimmy Carter and Joao Baena Soares, secretary general of the Organization of American States, were called to meet with a stunned Daniel Ortega, who had just lost Nicaragua's presidential race to Violeta Chamorro. The purpose of the meeting, arranged by Ortega, was to orchestrate his acknowledgement of defeat.

Nicaragua's February election, of course, was the culmination of a long and surprising campaign. Since 1978, Ortega's Sandinista Party had held power with little serious opposition. So Daniel Ortega's defeat, which was witnessed by thousands of international observers, brought an end to another Marxist power.

Elliot Richardson, who has held four Cabinet positions under Republican presidents, and served as U.S. ambassador to Great Britain, led the United Nations' observer delegation for the Nicaraguan election. The U.N. group had followed the Nicaraguan campaign since August 1989. After the final vote, Ambassador Richardson and President Carter were asked to stay on to discuss with Nicaraguan leaders the transfer of power. As the longtime Ripon member tells *Ripon Forum* editor Bill McKenzie, the election marked

Nicaragua's first peaceful transfer of power.

Now a lawyer in Washington, the former attorney general is best known for refusing Richard Nixon's order to fire special prosecutor Archibald Cox during Watergate's famous "Saturday Night Massacre." Richardson's expertise has been drawn upon by leaders of both parties, and in this interview he discusses the changes in Central America.

Ripon Forum: Were you surprised by the election results in Nicaragua?

Richardson: I wasn't really surprised, but that wasn't because I could foresee the outcome. A couple of astute American observers who had been in Nicaragua the week before I arrived said they believed Violeta Chamorro's United Nicaraguan Opposition would win. What surprised me was that the observers thought they had a pretty firm basis for their belief.

The only clue I did see was in the huge rally for Daniel Ortega on the campaign's last day. The crowd was the largest one I'd seen in my life. Ortega walked up and down the platform with a hand-held mike, like a rock star, evoking roars of response. Yet the cheers had a rote, rhythmic pattern. I was struck by the crowd's lack of spontaneity or genuine enthusiasm.

Ripon Forum: So what do you think about the election's conduct? Several years ago few people would have expected Nicaragua to have a free election.

On a mini-scale, Mrs. Chamorro faces the same problems Gorbachev confronts. Both have to deliver quickly. With U.S. help, maybe she can.

Richardson: Let me first say that the purpose of the U.N. delegation was to verify the electoral process. A dozen full-time people arrived in Nicaragua in August. By December the U.N. number had grown to over 40, and we had people in every region. From August on, we dealt constantly with representatives of every region and party.

One of our earliest decisions was to agree that we couldn't simply note deficiencies in the process without seeking to get them corrected as soon as possible. Much of my time was spent talking to the Supreme Electoral Council, party representatives and to Daniel Ortega himself. We didn't succeed in getting all our corrections and improvements, but we recognized that we had a second responsibility. That obligation was to decide *before* the election whether the process had been sufficiently free and fair. We had to say with reasonable confidence that the people would be going to the polls the next day able to exercise a free choice through passing a secret ballot which was honestly counted.

During the campaign, we also issued five reports, one of which included an

analysis of the media's role. By the time of the election, we had become intimately involved with every procedure. I told the *New York Times* that I saw no way of beating the system. The procedures were far more rigorous than any I had encountered in my home state of Massachusetts! Certainly they were more rigorous than any elections conducted in Illinois in Richard Daley's time.

A problem Nicaragua faces is the possibility that militant Sandinistas, much further down the chain of command, will rise up against the UNO government.

By election day, there were probably 3,000 observers in Nicaragua. The U.N. had 239; the Organization of American States had close to 600; and Jimmy Carter had a smaller number which included a group of senators and former heads of state. A very large number of polling places were covered on election day.

Ripon Forum: On election night, you, Jimmy Carter and Joao Baena Soares, head of the Organization of American States' delegation, went to meet with Daniel Ortega...

Richardson: We were invited to meet with him.

Ripon Forum: Can you tell us about that meeting?

Richardson: The U.N. had the earliest and best projections of the tally, which turned out to be off by only one- or two-tenths of one percent of the actual vote. We talked with UNO and Sandinista representatives earlier that evening, and we were anxious to learn how the Sandinistas were reacting to what must have been a shocking result.

We all assumed the Sandinistas were surprised, but I here can't help injecting a parenthetical observation. You asked me earlier whether I was surprised. Given the decline in Nicaragua over the last 10 years of at least 75 percent in per capita income, the fact that a third of

agricultural land has been taken out of use, and a current annual inflation rate of somewhere between 2,000 percent and 10,000 percent, it's remarkable that the government had even a serious prospect of reelection. It's hard to imagine that, except for the opportunity to blame the United States, the Sandinistas could have conducted a serious campaign.

Ripon Forum: Were you confident when you went to meet with Ortega that he would abide by the election results? Or did you consider the election results in jeopardy?

Richardson: We thought it likely the Sandinistas would accept the results. They had publicly declared they would; certainly we had found them free and fair. And yet I think we would have admitted to some anxiety, given the massive margin by which the government was repudiated. But when we arrived, it was clear that Ortega had no thought of rejecting the outcome. The whole discussion focused on his concern that UNO supporters might claim victory too soon, thereby antagonizing the Sandinistas. So we worked out with Mrs. Chamorro and UNO an agreement not to declare victory until Daniel Ortega had had a chance to deliver his concession. He delivered that speech at six a.m. the next morning.

Ripon Forum: What do these changes mean for Nicaragua? After all, Violeta Chamorro has no real governing experience and the UNO coalition consists of conservatives as well as Communists.

Richardson: Before we get to that, let me say that the first priority after the election was the selection by each side of transition team leaders who could begin to deal with the most urgent problems. At the top of the list was how to de-mobilize the contras.

I stayed on in Nicaragua an extra day to discuss this question with various U.N. and Sandinista people. In fact, all three observer groups have asked to stay on until the change in government leadership on April 25. The U.N. will have 12 twelve transition team members coordinating the work of the U.N. organizations.

About the question you asked, it's im-

portant to distinguish between three kinds of problems. One issue is will the Sandinistas turn over power? Not only with respect to the government generally, but also in the case of the Army and

This is the first time power will change hands in Nicaragua from an incumbent government to an opposition government. If Nicaragua can do it, anybody can do it.

the Interior Department and its security force.

Ripon Forum: Will they?

Richardson: Yes.

Ripon Forum: Why?

Richardson: Because of the understandings reached at the time of the election and the negative consequences of world opinion and domestic reaction that would follow if the constitutional provisions for the transfer of power were not observed.

The second problem Nicaragua faces concerns the possibility that militant Sandinistas, much further down the chain of command, will rise up against the UNO government.

Ripon Forum: Is this going to happen?

Richardson: I don't have a good feel for it. I just talked to one government representative who is considerably worried about it. This is a consideration which underlines the continuing value of an international presence.

The third problem is how the Sandinista Party behaves as the largest voting bloc in the Nicaraguan Assembly. To what degree will the FSLN cooperate in promoting a national consensus on basic things, such as the continuity of some of the changes instituted by the *Revolucion* itself?

These three problems will exist without regard to the potential conflicts internal to the coalition led by Mrs. Chamorro.

Ripon Forum: A Sandinista union leader was quoted after the election as saying: "We workers will demand salary readjustments, and if they do not respond, we will paralyze the government." Will the Sandinistas sabotage Mrs. Chamorro's market reforms?

Richardson: I don't think that's a probable reaction as such. The problems of wages and poverty and the loss of purchasing power, as well as its continued erosion by inflation, are certainly horrible. And I think everybody on both sides had seen the election as a watershed or springboard. It was going to be the door opening toward a better day, which everyone, UNO supporters and Sandinistas alike, could endorse. The Sandinista slogan, "Todo sera mayor," means "everything will be better." A curious slogan, by the way, for an incumbent government. But the fact that people voted for UNO can only be understood on the basis that they thought UNO had a better chance of delivering an improved existence.

It's a big mistake ever to assume that uneducated people are unintelligent.

As I said earlier, it's undoubtedly true that, given the economic situation, Ortega would not have been a credible candidate but for the fact that he could blame the economic situation on the United States. This was a consequence of our trade embargo and the contra war. But it's also true that many people may have calculated that the United States would be likely to give Nicaragua a lot more help if UNO won.

The Sandinistas tried to make political capital out of the U.S. financial support to Mrs. Chamorro's campaign. That attempt could also have backfired. People may have thought, let's put Mrs. Chamorro in because we may get more aid from the United States.

I'm sure the union leader you quoted is reflecting a widespread attitude that could, depending upon how things evolve, work to the political advantage of the Sandinistas. On a mini-scale, Mrs. Chamorro faces the same problems Gorbachev confronts. Both have to deliver quickly. With U.S. help, maybe she can.

Ripon Forum: Can she produce changes?

Richardson: I do not think she can

produce reforms without creating synergy among several components. One is a coherent domestic economic strategy; a second is a favorable climate for foreign direct investment.

These reforms must encourage further privatization and be supported by early assistance which is channeled into the kind of infrastructure improvement that employs significant numbers of people. In turn, further foreign and domestic investment will be encouraged and additional jobs will be created.

She does have a very able economic adviser in Francisco Mayorga Balladores. Recently Mayorga said that the Chamorro government would not significantly reduce government employment at the outset.

Ripon Forum: Is that a wise move?

Richardson: Yes, given their level of unemployment. The only way Nicaragua can move in the short-term toward reducing inflation is through foreign assistance. Otherwise, inflation would have to be wrung out through the kinds of measures the International Monetary Fund normally imposes. But it's extremely difficult to achieve coherence when you're not a party leader.

Ripon Forum: So how does Mrs. Chamorro put together a governing coalition with such a wide variety of people?

Richardson: It's going to take tough-minded leadership and a lot of negotiation. People must have their attention repeatedly drawn back to realities. Abstract ideological or doctrinaire positions aren't going to provide solutions. Facts and common sense must prevail.

Ripon Forum: But does she have the ability to pull these different groups together? Or is she going to have a strong cabinet-led government, where people like Mayorga play a very significant role?

Richardson: There is every reason to hope that she will succeed in keeping her followers' eyes focused steadily on the national interest, on achieving unity, cooperation and the subordination of petty and personal differences. The fact that UNO was kept together under great

stress in the campaign gives reason to hope that she has the shrewd instincts needed to achieve the necessary cooperation.

Ripon Forum: Already Mr. Mayorga has been to the United States seeking \$300 million in U.S. aid, much of which is for a "social emergency fund" to assist small businesses and create new jobs. What should be our response to this request?

Richardson: We should certainly be generous to Nicaragua. Whatever one thinks of U.S. policies over the past decade, there can be no denying that the combination of U.S. support for the civil war and the trade embargo has inflicted an immense amount of suffering and deprivation on the Nicaraguan people. To some degree our actions are rationalized as having contributed to a good outcome. But they still leave us with a

*We must not forget that
the aspiration for
democracy springs from
the human condition itself.*

large share of responsibility to assist Nicaragua.

Ripon Forum: Is \$300 million adequate?

Richardson: What amount is needed and how it is used must be examined very closely. Assist small businesses to do what? Remember the phrase about a society in which everyone makes a living by taking in other peoples' washing. If you fund small businesses in Nicaragua, who's buying their products? And with what? That's why I said we must look at the infrastructure improvements needed to support a larger industrial base. An awful lot of the infrastructure has been badly neglected.

Of course, there are a lot of things people could do if you paid them. One idea is to put some people to work building up the facilities for tourism. It's a beautiful country.

Ripon Forum: What effect will the Chamorro election have on El Salvador, where leftist rebels have been assisted

by or through the Sandinistas?

Richardson: I can't guess the kind of alternative weapons sources the Salvadoran rebels might have, nor how those weapons get there. The much more significant implication is that other countries can learn about achieving power-sharing through the democratic process. This is the first time power will change hands in Nicaragua from an incumbent govern-

A danger is that the U.S. may not take responsibility for building a structural framework for global security. We need to replace the structure created by the demands of the Cold War.

ment to an opposition government. If Nicaragua can do it, anybody can do it.

The holding of elections also grew out of the Central American peace process launched by Oscar Arias. The Nicaraguan outcome should be seen as lending new impetus to that process.

Ripon Forum: What about Cuba? In mid-February, the Central Committee of Cuba's Communist Party vowed to "perfect" itself and reaffirmed the party's commitment to a one-party system.

Richardson: I don't think the Nicaraguan example has any peculiar applicability to Cuba, as distinct from the events in Eastern Europe. The latter changes have more practical significance for Cuba. But it's only a matter of time before the Cuban situation cracks open.

Ripon Forum: Why? Castro remains strong and he has resisted his allies' changes abroad.

Richardson: So did Nicolaus Ceaucescu.

Ripon Forum: But Ceaucescu wasn't surrounded by his brother and his brother's strong internal supporters.

Richardson: No, but starting with the Philippines in 1986 an interesting phenomenon has been occurring. Authoritarian, non-elected dictators used to think they could maintain power indefinitely. Automatic weapons, armored vehicles and modern communications systems gave them great advantages over popular revolutionary movements.

But what the Philippines showed was that if enough people get out on the street, their own countrymen won't fire upon them. They won't roll tanks over them.

Ripon Forum: You think the same phenomenon could occur in Cuba?

Richardson: I don't know to what extent people in Cuba think authoritarianism has brought equality in such things as access to health care and education. But we must also think about the consequences for Cuba's economy when the Soviet Union turns off the flow of subsidies.

Ripon Forum: You mentioned that this election marks the first time Nicaragua has transferred power peaceably. How optimistic can we be that a tradition of political tolerance can develop?

Richardson: We can be optimistic. The official presence of the U.N., the OAS and Jimmy Carter helped develop communications among people at the community level. In many regions, there were regular meetings between members of the opposing parties. And during the last weeks of the campaign, they met daily in some municipalities at eight a.m. A real fraternal or sororial feeling developed among the party representatives in the polling places, and I suggested to a number of them that they have a reunion every February 25.

Ripon Forum: But Foreign Policy editor Charles William Maynes argues that with the exception of Costa Rica, we've only had "facade democracies" in Central America. So can we really be optimistic about developing democratic traditions in such countries as Nicaragua?

Richardson: Yes, because when you abandon the ideals of communism, you

cease to need the authoritarian apparatus demanded by the effort to approximate its goals. Only the problems associated with chaos could require the reimposition of dictatorial rule.

We must not forget either that the aspiration for democracy springs from the human condition itself: the need for recognition and respect, a voice in matters that shape one's society, and opportunities for self-fulfillment.

If governments that attempt power-sharing can create opportunities for democratic self-expression and meet basic goods and maintain order, they should be able to gain strength. The problem in Central America -- and some parts of Latin America -- is that of breaking the domination of economic oligarchies and building a middle class that shares political and economic power. That's the hard part, but it can be encouraged through intelligent economic assistance.

Ripon Forum: Are you worried that the United States is becoming the next United Kingdom? For example, after World War II the U.K. took a pass on rebuilding Europe through the Marshall Plan and never regained its world leadership. Similarly, the U.S. is not putting much public aid into Eastern Europe and Central America. Is that dangerous?

Richardson: There are three dangers. The first stems from a possible U.S. failure to step up to the needs of emerging democracies, particularly since these needs grow out of an affirmation of our values. Indeed, our failure to do so would imply the erosion of U.S. leadership.

Second, there is the danger that the U.S. will not take the lead in creating or bolstering the institutions that will be required to address transnational issues. These issues are beyond the capacity of any one nation to solve.

The third danger is that we may not take responsibility for building a structural framework for global security. We need to replace the structure created during the prolonged stalemate brought about by superpower competition. These three interrelated challenges demand U.S. leadership. I earnestly hope we will provide that -- for our sake and the world's sake. ■

South Africa: Of Gods and Men

by Terrence M. O'Sullivan

A small miracle occurred recently in South Africa.

No, it was not the legalization by Frederick de Klerk's white government of "banned" groups such as the African National Congress -- nor even the release of Nelson Mandela and numerous other anti-apartheid political prisoners. All of those measures were highly encouraging and necessary preconditions for negotiations towards a new political order in South Africa.

On the contrary, South Africa's small, tenuous miracle is Nelson Mandela himself. Regardless of the 27 year-old mythology that has built-up around the man since his imprisonment in 1962, Mandela is not a demi-god. But, as it has become apparent since his long-awaited release in February, he is something much better: a skilled politician.

Larger than life, yes, especially in the eyes of most blacks -- but reputation alone would not have been able to sustain even Nelson Mandela on the difficult road ahead. While his influence is indisputably tremendous, the expectations of him are similarly very great, and fully capable of causing a lesser man to collapse under their weight. But after his years away from society and politics, which have changed significantly, Mandela has demonstrated that he is the right man -- possibly the only man -- for shepherding his countrymen toward a peaceful end to apartheid. And for that, South Africans of all races should give thanks.

It will not be an easy task, of course. Mandela must tread a delicate line between the often conflicting hopes and desires of his ANC colleagues, and

Terrence M. O'Sullivan, a Ripon Forum editorial board member, is currently a doctoral student in international relations at the University of Southern California. He recently completed his masters degree in African Studies at UCLA, and he traveled to South Africa in 1986 for research as a Mark O. Hatfield Scholar.

The position being taken by de Klerk's ruling Nationalist Party is that constitutional reform must include protection of "minority rights." The question is, what they will mean by that?

blacks in general, and the fears of South Africa's white minority.

But, from the day of his release, he has demonstrated the same political shrewdness he possessed three decades ago. On the one hand, by stating a position of uncompromising faithfulness to the ANC -- repeatedly insisting in interviews, that what he wanted was not as important as what the ANC wanted of him -- he has both ensured his political base and enabled himself to rise above some of the significant strains within the organization.

One of these strains exists between ANC members who belong to the South African Communist Party, which, until its virtual abandonment last year by the Soviets, had been firmly in lockstep with Moscow, and old guard nationalists like Mandela. Another is between hardliners and moderates. The former advocate continued violence against the state by the ANC's military wing, Umkhonto wi Sizwe, and are unwilling to take Frederick de Klerk up on his offer of negotiations until the six-year state of emergency is lifted and apartheid largely abolished.

As evidenced from its March 2nd statement, the ANC's leadership coalesced around Mandela's moderate position very quickly. Its 35-member national executive committee appointed Mandela as deputy president, second only to the ailing current president, Oliver Tambo. The question of actual succession of Tambo is actually a moot one; he and Mandela are both old friends, and whether or not Tambo recovers, Mandela will undoubtedly

lead the black ANC delegation to Pretoria. In addition, he is the only person who can heal the violent seven-year rift between ANC and Zulu Chief Gatsha Buthelezi's Inkatha movement.

From the perspective of many moderate and liberal whites, Mandela's release was seen as necessary. Contrary to some opinions, most whites do believe that the system cannot continue as it is, and that change must occur. Most will regard recent events with nervous anticipation; their greatest fear is that they will be overwhelmed by a black majority out for revenge, and most know in their hearts that a lack of progress will only increase the chances of that occurring.

The position thus being taken by de Klerk's ruling Nationalist Party is that constitutional reform must include protection of "minority rights." The question, of course, is what they will mean by that?

Nelson Mandela is a pragmatist, he has clearly stated that South Africa is for all its citizens, regardless of race. He will thus be likely to strike a politically viable bargain without being seen as selling out. F.W. de Klerk is counting on this for his own political survival. Many whites instinctively realize that Nelson Mandela is their greatest hope for political salvation, and, though he will still need to proceed diplomatically to solidify credibility among whites, the black leader has shown himself quite capable of doing that. The man, in sum, is the first black leader in South African history to have the potential for a significantly multi-racial majority following.

Meanwhile, white backlash is an ever present concern for all would-be negotiators. The white Conservative Party is outraged by de Klerk's reforms. But the Conservatives do not constitutionally have the power to force an election until at least 1994. This gives de Klerk and Mandela some breathing space during which they may construct and sell -- a political compromise.

Mandela is in a unique position. The world holds its breath. ■

The 'Peace Dividend' and the New National Priority: Learning to "Just Say No"

The post-Cold War era into which freedom-loving East Europeans (and Nicaraguans) are thrusting us presents as many challenges as it does rewards, if we can be somber-toned about it all. But for starters, let's celebrate the victory.

America's steady stand against communism over the last 45 years is an accomplishment for which this nation can and should be proud. Our constant but not inexpensive support for NATO and the Western alliance is an example of how public spending has worked.

Yet in the wake of the Eastern bloc's demise, new choices about national priorities demand debate. The decisions we face now are as important as those confronted at the end of World War II.

SELECTING PRIORITIES

This scenario is true, even if prudence dictates U.S. international responsibilities be maintained momentarily at Cold War levels. Inevitably, U.S. global defense commitments will be lessened and the savings -- known on Capitol Hill as the "peace dividend" -- will force our hand in selecting priorities.

Put specifically, will we apply the \$60 billion or more of savings over the next few years to deficit reduction, domestic spending or cutting taxes? To us, the most compelling case is for deficit reduction.

Consider the recent remarks to the Joint Economic Committee by Roger Brinner of DRI/McGraw-Hill, an economic consulting firm. Last December Brinner told the Committee that if military spending is reduced by Defense Secretary Richard Cheney's suggestion of \$180 billion in cuts in the *increase* over the next three years, the savings would "drive interest rates down considerably, assuming other

federal programs do not hungrily consume the potential defense savings and if the Federal Reserve cooperates."

Of course, it cannot be assumed that Congress will restrain itself. The Democratic-led institution is unlikely to exercise the necessary discipline to "just say no" to worthy spending requests for infrastructure improvement, drug abuse, job dislocation costs and housing programs, among other items.

Any savings from a "peace dividend" must be used for deficit reduction. That task may not be politically easy, but it is fundamentally sound.

The Bush administration will thus be placed in the unfortunate but correct position of controlling domestic spending -- at least for the foreseeable future. This role is never enviable, as you may recall the troubles Gerald Ford ran into being the "veto president."

So the administration must argue forcefully -- and with an adequate public relations campaign -- that deficits are enemy number one. If the administration needs some arguments, consider again Brinner's remarks: "Lower rates, in turn, would cut the deficit further and a virtuous cycle can be initiated," he told Congress. "Specifically, by the end of the century, annual federal interest payments could be reduced by about \$100 billion or 0.8 percent of the gross national product; the combination could swing the federal budget from a deficit of 3 percent of GNP today to a surplus of 0.3 percent."

Other multiplier factors would also come into play. Lower interest rates

would create new business investment in plant and equipment, as well as increase both productivity and housing construction. (A "personal" peace dividend would be realized, too: if interest rates fell by two percentage points, buyers could save \$1,000 a year on a \$50,000 mortgage.)

THE GOP AND DOMESTIC ISSUES

The "just say no" approach does not mean the GOP should ignore "quality of life" issues. Education, housing, environment and transportation issues are among key concerns for all Americans.

Republicans should not let Democrats beat them to the punch on these issues. A GOP strategy does not require excessive budget reordering either.

For example, look at transportation. If the Bush administration is successful in forcing Congress to apply the coming "peace dividend" to reducing the federal deficit, the huge federal highway and airport trust funds (\$16 billion and \$7 billion, respectively) now used to mask the deficit could be released. The funds would be an important step in improving roads, bridges, sewers, airports and maintenance. (The trust funds would also be replenished through existing taxes, so the accounts would remain current.)

Republicans also have marketable ideas about housing. Housing and Urban Development Secretary Jack Kemp is asking for \$2.15 billion in federal funds over the next three years to enable tenants to purchase their public housing units. This request is in addition to \$50 million for urban homesteading projects, extended tax credits for construction and rehabilitation of affordable low income housing, and housing opportunity zones.

Until the Democratic Congress gets serious about reforming middle and upper class entitlement programs, or pushing for a greater sharing of defense burdens, real budget shifts cannot occur.

The tenant management program, known as Homeownership and Opportunity for People Everywhere (HOPE), is a particularly compassionate use of government. Owning private property enhances personal esteem and individual responsibility. It also provides minority groups economic power.

The Bush administration is seeking full funding, too, for the Stewart McKinney Homeless Assistance Act. This legislation is a result of the late congressman's -- and Ripon Congressional Advisory Board member's -- work on behalf of the homeless. The \$819 million sought by the administration for fiscal year 1991 will be used to help the indigent secure housing, food, job training, physical and mental health care, and drug and alcohol abuse treatment.

Although Governor No, John Sununu, may have convinced the president that more study -- and less action -- is needed

to assess the likelihood of global warming through ozone depletion, the administration's commitment to securing a Clean Air bill -- as demonstrated by its March 1 agreement with Senate leaders -- is important. The bill will have teeth, and its passage should help restore the GOP's environmental image.

The administration is also proposing changes on several other environment fronts. The National Oceanic Atmospheric Administration is receiving a 35 percent budget increase for 1991; funding for wetlands research, protection and enhancement will increase by 24 percent; and the administration's \$175 million effort to plant one billion trees on private lands and 30 million trees on public property is not as hokey as it may sound. Reforestation is important to combating global warming.

ENTITLEMENT REFORMS AND BURDEN-SHARING

To be sure, the charge that these programs only touch the periphery of real problems is not without merit. But the "not-enough" complaint can't be levied at just the administration or Republicans.

Until the Democratic Congress gets serious about reforming middle and upper class entitlement programs, such as was suggested in these pages last December by former Cabinet Secretary Pete Peterson, or pushing for a greater sharing of defense burdens, which has

The "just say no" approach doesn't mean the GOP should ignore "quality of life" issues. Education, housing, environment and transportation issues are among key concerns for all Americans.

been promoted here before, real budget shifts cannot occur.

For instance, by limiting to 60 percent the yearly cost-of-living adjustments for middle and upper class recipients of Social Security and federal and military pensions, \$100 billion in savings could be realized annually by the year 2000. Likewise, by urging the Western allies and Japan to spend four percent of their gross national product on defense, the U.S. could save \$60 billion annually.

These not insignificant savings could be applied to serious domestic issues. In the meantime, any savings from a "peace dividend" must be used for deficit reduction. That task may not be politically easy, but it is fundamentally sound. ■

THE CLEAN AIR BILL

The compromise agreement reached in early March between Senate leaders and the Bush administration on the Clean Air Act provides the Environmental Protection Agency strong new tools in fighting air pollution. At least, that's what the administration and congressional leaders contend, and they're mostly right.

On the procedural side, the bill represents progress. During the 1980s, Congress bickered about the Clean Air bill's renewal and the Reagan administration ignored it. Now major players like West Virginia Democratic Senator Robert Byrd, the coal industry's most loyal supporter, are coming to the table. George Bush deserves some credit for this progress by making the environment an issue in 1988.

Of course, that Bob Byrd even agreed to participate, after years of obstructing movement toward lower coal sulfur dioxide levels, is mysterious. The senior legislator is notorious for giving up little. So will his compromises on clean-up costs for high sulfur coal, which is found in West Virginia, be valid? Are there any unknown back-room sacrifices made to get his agreement?

The full Senate's debate on Clean Air should result in a measure by the end of March. Then attention will turn to the House of Representatives, where the powerful John Dingell, a Democrat from Detroit, controls the bill's debate through his Energy and Commerce Committee.

Auto emission standards are essential to Dingell. In particular, he likes low standards. Since George Bush has al-

ready weakened his position on auto emissions, he must not let the Michigan lawmaker draw him into more compromise.

On the political front, the Senate's agreement involved several key Ripon members, including Senators John Chafee, James Jeffords and Dave Durenberger. This is worth noting, because progressive Republicans played a pivotal role in merging environmental demands with business interests.

Too often, environmentalists and business leaders clash. Only through mediating their disputes, such as was advocated by Mark O. Hatfield Scholar Robert Ward in the September 1989 **Forum**, can real change occur. Progressive Republicans like Chafee, Jeffords and Durenberger make this contribution by bringing opposing sides together. ■

Creating A Free World Fund

by Steven B. Klinsky

Recent fundamental changes in world politics require parallel changes in the structure of the Western alliance and the United States' role in it. A broader viewpoint and a more balanced sharing of burdens and privileges among the leading Free World nations are needed. A new "Free World Fund" to finance shared goals fairly would be one key institution in achieving these objectives.

Any sound American allied diplomatic policy must begin with the following basic proposition.

America, Western Europe and Japan are now three parts of one whole - call it the "Free World" or even, geography aside, "West."

...[We are] unified by a commitment to democracy and to private capitalism.

The world may appear to be shifting haphazardly in recent months, but it is more appropriate to say that it is healing. The devastation wrought by World War II left an unnatural arrangement of two military superpowers -- the U.S. and the Soviet Union -- and many decimated or captive states. In the half century since World War II, a more normal distribution of wealth and power has reasserted itself. The Warsaw Pact nations and Baltic states are regaining their freedom. Germany has recovered economically -- at least in the West -- and seems destined to reunify. Japan has regained the economic success due to an industrious nation. Europe is again an important political force.

Steven B. Klinsky is a member of the Ripon Forum editorial board.

CHANGING ROLES

Inevitably, the role of the two superpowers are also changing and clear thinking is required to manage that change effectively. The Soviet Union has managed its own affairs poorly, maintaining the pretense of invincibility until it became economically bankrupt and forced to release power in a convulsive rush. The United States government owes a responsibility to its citizens to conduct its affairs more successfully.

Any sound American allied diplomatic policy must begin with the following basic proposition. America, Western Europe and Japan are now three parts of one whole - call it the "Free World" or even, geography aside, "West." We three are unified by a commitment to democracy and to private capitalism. We own each others companies and produce each others goods. We consume the same products, wear the same clothes, watch the same movies, advance the same technologies, lend and borrow the same capital and depend on the same military defenses. America cannot survive without Japan and Europe. Europe cannot survive without America and Japan. Japan cannot survive without Europe and America.

The second proposition of a sound allied diplomacy is this. The Free World is faced by certain challenges which are larger than the interests of any single nation. Principal among these challenges are the West's relations with the Soviet Union, Eastern Europe and the Third World. Equally important are the organizational issues which arise when the interests of the Free World's sovereign nations are coordinated into the needs of the larger whole; issues such as burden sharing, trade barriers and currency exchange rates.

If America, Europe and Japan do not consciously work together to address these larger challenges, then the West's responses will develop haphazardly and dangerously. This is the unfortunate state of affairs today. Now, the U.S. spends \$300 billion on Free World

defense annually while Japan spends under \$30 billion and West Germany spends even less. As a result, America is staggering under a budget deficit and this budget deficit, through the tautological magic of economic definitions, produces a trade deficit. The twin deficits drive the United States toward unilateral arms cuts, cuts in foreign aid, trade wars, bans on foreign investment and xenophobia. American weakness, in turn, compels the Japanese and Europeans to consider independent

The institution most needed to establish and implement the alliance's priorities is a common fund, jointly financed and managed by the Free World nations. The fund would collect voluntary contributions from each nation based on its GNP.

foreign policy initiatives pointed inevitably toward non-alignment, which tear at the Free World's fabric.

NEW PRIORITIES

Priorities must be set to reverse this process, placing today's issues in their proper and larger context. It does America no good to force open Japanese rice markets, for example, if the result is to drive a pro-Western Japanese government out of power. And it is no solution to have a pacifist Japan eschew military spending in favor of foreign aid when the Free World's foreign aid costs are less than one-twentieth of its security costs.

Similarly, a workable supranational institution is needed to address this area. Today, the United Nations is too broad and diverse a forum for discussion of specific allied concerns. Existing allied institutions, such as NATO, are too narrow. Military funding issues must be

joined with civil issues. Atlantic concerns must be joined with Pacific ones.

The institution most needed to establish and implement the alliance's priorities is a common fund, jointly financed and managed by the Free World nations. The fund would collect voluntary contributions from each nation based on its GNP and channel those funds into projects which are unanimously considered to further Free World interests. For example, assume all the allies agree that a naval task force should be sent to protect oil shipments in the Persian Gulf. Money would be collected by the fund from each nation and paid over to the governments of the navies actually employed. Similarly, governments might jointly agree to aid the LDC debtor countries, fund emerging democracies in Eastern Europe, finance a space probe of Jupiter, build an atom smasher, seek an AIDs cure or maintain allied defense forces in Europe and Asia. Any nation could refuse to fund any program to which it philosophically objects. Programs which are not broadly supported, such as American involvement in Central America, would not receive broad funding and the sponsoring nation would bear the cost alone, as it does today.

The advantages of this common fund would be major and numerous:

First, the fund would restore some measure of fairness in Free World burden sharing, particularly benefitting overburdened America. This fairer allocation would result in a reduced U.S. budget deficit, more stable currency ex-

The fund would restore some measure of fairness in Free World burden sharing, particularly benefitting overburdened America. This fairer allocation would result in a reduced U.S. budget deficit, more stable currency exchange rates and reduced trade tensions.

change rates and reduced trade tensions.

Second, the fund would provide Japan and Europe with a meaningful voice in allied affairs. American programs opposed by Japan and Europe will not receive financing. Therefore, America will be given incentive to consider and accommodate its allies' interests to the maximum extent possible. Of course, each nation will retain the option to pursue its own ends with its own funds.

Third, pacifist Japan will be able to achieve a world leadership role without rearmament. As the Free World's second largest economy, Japan will have the Free World's second largest voice even though its own military establishment stays small.

Fourth, "free riding" will be reduced. While a nation can opt out of any funding program, its refusal will be obvious

and explicit. The disciplines of international opinion and national honor will be brought into play. In addition, a division between funding and actual involvement will be established. Japan, for example, cannot constitutionally participate in the Persian Gulf task force even though Japan would be the principal beneficiary. However, Japan could not help but participate in the funding of such an enterprise.

Fifth, the common fund would strengthen the concept of the Free World as a whole. The perceived dichotomy between the U.S. as a military nation and Europe/Japan as peaceful nations would be ended. The irrelevant distinction between North Atlantic and Pacific issues would be bridged. Voluntary participation and joint funding would result in shared pride in successful projects -- such as space launches -- and in increased international cooperation. Yet the sovereignty of each nation would be undiminished.

The benefits of a successful Free World are obvious. Not least, the example of strong and prosperous democracies encourages continued peaceful imitation by the autocratic states. The placement of today's political issues into their proper context, and creation of a common fund to finance broadly supported Free World programs, are two important steps to achieve these benefits. ■

**TO: THE EDITORS
RE: REACHING OUT; ABORTION POLITICS**

The review by Dale Curtis of "The Decline and Fall of the Liberal Republicans" (**Ripon Forum** September, 1989) underscores the need for Ripon Republicans to both assess and define ourselves. From the historical association with Wall Street and corporate interests to the most recent hungering for the "yuppie" vote, GOP moderates have not generally been known for building bridges to ethnics, Catholics and union members. If we realistically seek electoral success, we must reach out, not only as Republican progressives but as Republican populists.

This means having a firm and clear

philosophy that speaks to the needs of our nation and party. Rhetoric about pragmatic solutions and accommodating various views are valid, but not a coherent program. We must define ourselves firmly as Republicans with a fundamentally conservative philosophy of government as the junior partner to the private sector but with a progressive emphasis on a responsible internationalism, civil rights, the environment and a reformist good-government agenda.

On another front, as a member-at-large of the Ripon Society I must strongly protest the adoption of an "abortion rights" resolution by the Ripon National Executive Committee and subsequent letter re-affirming that fact in the December, 1989 **Ripon Forum**. The as-

sumption of this position, without any consultation with the general membership, would appear as a direct rebuke to those Ripon Republicans such as myself and congressional moderates David Durenberger, Tom Petri, Silvio Conte and Mark Hatfield who regard legalized abortion as an assault on the most basic human right to life. It also is a failed opportunity to initiate a reasoned discussion on this most divisive issue and so perhaps chart new ground and policy proposals, an activity well within Ripon's mission.

These thoughts are perhaps a bit wide ranging but are offered in the hope that they might generate discussion. ■

Jeff Vogt
Dunkirk, New York

Responses to President Bush's National Transportation Policy

On March 8, Transportation Secretary Samuel Skinner released the Bush administration's long-awaited policy on renewing America's transportation capacities. Although carefully not labeled a "plan," in order to allay conservative critics' fear of big government, Skinner's strategy is the most important transportation statement since Dwight Eisenhower launched the interstate highway program in 1956.

In anticipation of the administration's proposals, the Ripon Society sponsored four policy breakfast meetings last fall on transportation. Ripon chairman William Clinger, as well as key administration representatives, addressed such topics as airport maintenance, infrastructure repair and increased "user fees."

We continue the debate by presenting below replies from four key Republicans to questions about the administration's strategy. Representatives John Paul Hammerschmidt and Bill Clinger, respectively, are the two top-ranking Republicans on the House Public Works and Transportation Committee. Congresswoman Nancy Johnson is a member of the tax-writing House Ways and Means Committee. Senator John Danforth is the senior Republican on the Senate Commerce, Science and Transportation Committee. And Senator Mark O. Hatfield is the ranking Republican on the Senate Appropriations Committee.

Ripon Forum: The president's 1990 transportation strategy calls for increased "user fees" to fund various transportation projects. What user fees are most likely to be accepted by the public? To what purposes should they be put?

Hammerschmidt: The American people have demonstrated time and time again their support on a broad basis for aviation and highway user fees when the fees are used for their intended pur-



John Paul Hammerschmidt

pose, which is to make capital improvements to these transportation systems.

Unquestionably, public support for user fee-financing in transportation has endured in great measure due to the excellent track record of our transportation trust funds in support of the nation's highway and aviation programs.

However, there will be great reluctance to increase user fees, even though justified on the basis of needs, until we spend those fees currently being collected.

Unfortunately, we are having great difficulty in putting trust fund dollars to work. A major part of the problem is the continued practice of using highway and aviation trust fund balances, now totaling \$26 billion, to mask the true deficit in the general fund. This practice was started by President Johnson when he placed all trust funds in the Unified Budget and has been continued by every administration since then.

Not only is this practice harmful to transportation programs, it also breaks faith with those who pay the user fees for the expressed purpose of improving our transportation systems. After not having their taxes spent for the purpose for which they were collected, the traveling public can hardly be expected to embrace proposals promising more of

the same. Nor are they well served by proposals to raise user fees for non-transportation purposes, such as deficit reduction.

The most effective means of putting trust fund dollars to work would be to remove these funds from the Unified Budget. Efforts to do that have been made in the past several congresses and are expected to continue. In any event, in my judgment, public acceptance of higher user fees is tied to the full expenditure of what is already available.

Ripon Forum: During a time of federal deficits, when budgets must be controlled, how do we encourage investments in transportation infrastructure? For example, given the expected growth of aviation in the future, how do we maintain existing facilities and develop new ones?



John Danforth

Danforth: We have tremendous airport needs. More people are traveling by air today than ever before. In just the last four years, passenger traffic has increased over 30 percent. In order to keep up with the demand, we need to expand existing airports and build new ones.

The problem, as you point out, is money. One approach is to allow local airport authorities to impose charges on

airline passengers who use their facilities. It is an approach that seems to be gaining favor with the administration.

In terms of airport needs, consider these facts: Denver is engaged in the construction of a new airport which will cost in excess of \$2 billion. Lambert-St. Louis International Airport soon will need a third parallel runway. The cost could be as much as a billion dollars. Chicago O'Hare and Chicago Midway are totally congested. There is a pressing need for a new airport in the area. The estimated cost of such a facility is 3.5 billion. There is growing discussion of the need for a new "jetport" in the Phoenix-Tucson area to relieve congestion in that region, which includes Southern California. The estimated price is \$1 billion. These needs are over and above routine airport capital needs.

The federal government is spending approximately \$1.35 billion per year on airport expansion. This money comes from an aviation trust fund comprised of revenues from taxes on passenger tickets, aviation fuel and freight. There is presently a reserve of about \$7 billion in this trust fund.

But even if every cent that comes into the trust fund were spent by the Congress, airport needs would continue to exceed fiscal resources.

These tremendous needs led Senator John McCain (R-AZ) and me to introduce legislation which, among other things, would give some airports a new fiscal resource. S. 1741, the Airline Competition Enhancement Act of 1989, incorporates an approach that is simple and straightforward: allow highly concentrated airports, those dominated by a single airline, to impose a surcharge on passenger tickets to fund new construction. Not only would this relieve pressure on the aviation trust fund, but new construction at these airports would provide room for new competition to enter -- a real need, considering that the Department of Transportation estimates that passengers departing from highly concentrated airports pay an average premium in excess of 18 percent. The revenues that could be raised by such an approach are substantial. A locally imposed charge of four percent per ticket at Lambert-St. Louis International Airport would yield income of approximately \$40 million per year.

Transportation Secretary Sam Skinner

has endorsed the idea of allowing local authorities to levy charges on passengers who use the airport. In fact, he would not restrict it to concentrated airports. Similarly, President Bush, in his fiscal 1991 budget request, proposed that Congress move forward in this area. The president has urged that increased local authority be linked with a reduction in federal airport funding.

I think Congress will act. This approach to funding airport construction is consistent with federalism, reduces reliance on the federal government, and puts the burden of financing directly on the beneficiary of airport services.



Mark O. Hatfield

Ripon Forum: You have served as both governor and senator, so how likely is it that states will bear responsibility for improving the nation's infrastructure? The president's policy calls for "increasing the share of project costs paid by the recipients of federal aid for transportation."

Hatfield: We could help states by shifting federal spending priorities. This means putting less into the Pentagon, which would free up federal resources for transportation projects. But state and local governments will be most responsive when local constituencies are created in support of increased transportation investments. The same, by the way, can be said about the federal government's role.

This isn't to say that emphasis on local support isn't occurring. Some municipalities are already preparing their regions for the coming century. In my home state of Oregon, we have a variety of projects where local officials are taking the lead. Portland's light-rail

system is a good example.

Local leaders *are* taking into account current population needs, future growth patterns and cost-effectiveness. This isn't easy, of course. But when community leaders have been successful in balancing these needs, and in developing a strong base of local support, they've been able to win support from state and federal officials.

Ripon Forum: The Bush administration's transportation plan says the government should spend the aviation and highway trust fund balances "over time in a fiscally responsible way." Assuming these expenditures occur, and the nearly \$26 billion in trust fund monies for aviation and highways are no longer used to mask the deficit, how can these funds be spent creatively?

Clinger: The Aviation Trust Fund, with a balance of \$7 billion, and the Highway Trust Fund, with a balance of \$16 billion, represent a huge resource of funding to improve and expand our public works. However, this money does not exist on a cash basis but rather



Bill Clinger

has been borrowed by the Treasury to support general government operations. I.O.U.'s presently fill the two funds and for us to begin spending down the balances, the Treasury would have to borrow on the public markets to repay their notes. Of course, this would significantly add to the deficit, so deficit reduction is necessary to begin using these funds.

The trust funds can be best used if they are operated as originally intended. They are self-sustaining, having an identifiable revenue source and a specific purpose. Users of our highways and airports are, in effect, paying for

services through the gas and airport taxes. However, because of the way the federal budget is calculated, the trustfunds do nothing but make the deficit look smaller. It is important that these funds be unshackled from the Unified Budget, and freed from Gramm-Rudman constraints. If this does not happen, the transportation trust fund will continue to represent a form of taxation for which little or no benefits are received.

It is possible that the trust fund can do more for the American public if protections are built in to insulate them from budget gimmickry. People have shown a willingness to pay user taxes, provided they are assured that taxes collected are being spent as advertised. If we continue with policies to administer the funds, then this willingness to pay could easily erode.

Finally, if we do overcome the barriers to fully using these trust funds, we need to be creative in our approach. Certainly straight funding of programs needs to be a priority, but by encouraging user fee projects, guaranteeing loans and other measures, we could leverage federal dollars into more than the present levels of the funds.

Ripon Forum: How do you encourage private capital investment in transportation projects, such as high-speed rail development, closed military facilities or infrastructure improvement?

Clinger: In a world of emerging world peace and shrinking defense force, it only seems prudent that we use some of our former military bases for civilian purposes. Military airfields, closed and active, represent the cheapest and best source of new capacity for our civilian transportation network. This is especially true because many airfields are presently used at rates far below their capacity. Contrast this with the crowded commercial airports that are becoming a problem throughout the nation.

To convert airfields to joint use with civil traffic is much less expensive than building an entirely new commercial airport. Military facilities might require the construction of separate taxiways and terminal buildings to handle commercial traffic, but huge costs like land acquisition, construction of control towers and crash and rescue facilities

would be avoided. Military airfields that are close to metropolitan areas could be used to handle all-cargo and general aviation flights, thus freeing up capacity at the main commercial field.

Ripon Forum: The president's March 8 transportation statement calls for transportation research activities to be revitalized and that we "need a renewed focus on innovation and technology." But how do we provide incentives to private companies in particular to participate in transportation research and development? As you know, this is essential to our international competitiveness.



Nancy Johnson

Johnson: The renewed commitment to research and development is indeed a significant part of the administration's transportation approach. But the private sector can't be the only resource or source of expertise. The federal government must also provide guidance to ensure that resources are applied intelligently. This includes being involved with such high-tech innovations as high-speed rail, as well as day-to-day projects like better highway exit ramps. Today's R&D budget will determine the effectiveness of tomorrow's transportation systems.

Also, let's not forget the most important application of R&D: safety. The horror of the Nimitz freeway collapse during last year's Loma Prieta earthquake should serve as a reminder to transportation policy planners of the importance of adequate R&D prior to construction. Basic research, thoughtful planning and thorough inspection are essential to a safe and reliable transportation system. ■

EXCERPTS FROM THE BUSH TRANSPORTATION POLICY

- Increase the share of project costs paid by the recipients of federal aid for transportation.
- Spend transportation trust fund balances over time in a fiscally responsible way.
- Assure that transportation users bear the maximum practical and appropriate share of the costs of services and facilities.
- Continue efforts to increase private sector involvement in transportation where practical and in the public interest, including high-speed rail, mass transit operations, airports, air traffic control towers at low-activity airports, toll roads and bridges, and intermodal facilities.
- Assure effective screening of passengers and cargo at international airports to prevent terrorism in the skies.
- Develop improved and more consistent contingency planning procedures to respond to oil spills, in connection with state, local, and regional officials.
- Increase the federal transportation budget for research and technology projects, in coordination with the efforts of private industry, the academic community and state and local governments.
- Recover a higher portion of program costs from user fees and increase the size of federal aviation programs.
- Provide for implementing the National Airspace System Plan and installing a new generation of air traffic control.
- Make use of the Highway Trust Fund to address critical highway infrastructure requirements.
- Provide federal funding incentives for preservation of highways.
- Increase the state and local share of federal-aid projects.
- Restructure the federal mass transportation assistance programs to improve effectiveness and reduce reliance on the General Fund. ■

Come Join the Ripon Society and
Its Congressional Advisory Board in Honoring
Rudolph Giuliani
With the Fourth Annual Jacob K. Javits
Public Excellence Award

Date: April 30, 1990
Place: Tower Suite, Time-Life Building, New York City
Time: 6p.m. reception, 7p.m. dinner
Tickets: \$400 per Person, \$4,000 per Table of Ten

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G. Total	2100	2000

H. I certify that the statements made by me above are correct and complete: William P. McKenzie.

Ripon Society Policy Calendar

The Ripon Society regularly holds issue seminars in Washington D.C. Since last fall the Society has sponsored eight breakfast meetings on subjects of growing importance: transportation and the environment. Below are listings of speakers and subjects:

Nov. 14 - Congressman Bill Clinger discussed mergers and acquisitions in the airline industry.

Nov. 21 - Thomas Larson, administrator of the Federal Highway Administration, discussed the future of federal highway policy.

Nov. 28 - Gilbert Carmichael, administrator of the Federal Railway Administration, discussed the Staggers Act, which effects rail transportation.

December 5 - Jeffrey Shane, assistant secretary for policy and international affairs at the Department of Transportation, reviewed the national transportation policy process.

* * * * *

February 20 - Don Clay, assistant administrator, EPA office of Waste & Emergency Response, discussed hazardous and solid wastes.

March 9 - Linda Fisher, assistant administrator, EPA office of Pesticides & Toxic Substances, addressed problems of food safety.

March 15 - Congressman Sherwood Boehlert spoke on Acid Rain and the Clean Air Act.

March 22 - William Rosenberg, assistant administrator, EPA office of Air & Radiation, discussed Urban Smog and the Clean Air Act.

Bruce Gelb: Voicing America

by William P. McKenzie

Edward R. Murrow puzzled his journalistic friends when he accepted John F. Kennedy's offer to head the United States Information Agency in 1961. As A.M. Sperber writes in "Murrow: His Life and Times," for the veteran CBS newsman it was "...a little like learning to walk all over again."

Bruce Gelb, George Bush's pick to head USIA, will not necessarily have to learn to "walk all over again." The New York businessman has served as executive vice president of Bristol Myers and president of Clairol. So conceivably his training has provided him managerial insights.

The new USIA director may need such abilities, however, as he walks into the new area of media operations. USIA manages Voice of America, WorldNet satellite television, the Fulbright Fellowship program and various cultural and educational exchanges. As Gelb put it during a recent interview, the agency deals with "intellectual capital."

But already the long-time George Bush friend (this man may be the most passionate Bush supporter you'll ever encounter) has come across the nuances of Washington. While Gelb was traveling earlier this year, the head of Voice of America, Richard Carlson, announced in his absence that six of VOA's language services, including Greek and Turkish, would be curtailed.

This sank VOA morale, and Gelb had to act quickly. Although he allegedly signed off on the decision, the fierce reaction surprised the new director. He restored the language services, but learned the hard way that turf-protection is central to life in many Washington agencies.

Of course, Gelb is also arriving at USIA during one of its most exciting, if not rewarding periods. As he puts it, the events in Eastern Europe represent a "culmination of what [this agency] has

been doing for 35 years." Through radio, scholarships, speakers bureaus and television programs, USIA has helped "open the doors of freedom."

But some people, even within our own government, Gelb says, may consider this work "soft." Yet aren't human exchanges, especially involving academics, essential to changing societies? "[They're] about as soft as Vaclav Havel," Gelb claims, referring to the new Czechoslovakian prime minister who came here in the 1960s on an academic exchange.

According to the former business executive, his agency's work is as important today as it was at its inception. For instance, the USIA is helping people in emerging democracies learn how to assemble their governments. In fact, the questions Gelb faces on travels abroad are very basic: How do you establish a party? What does a political party do? And what are these Roberts' Rules of Order?

During his first year, Gelb's journeys have taken him to Eastern Europe, the Middle East, South America and Southern Africa. Their purpose has been to learn the intricacies of the agency's workings. But the visits have also brought him into contact with top foreign leaders.

Among his encounters has been the former head of ideology for Czechoslovakia. The meeting was quite ironic, Gelb says, because while the Communist minister spoke at length about the failings of the Marxist system, a portrait of Lenin hung behind his desk.

Bruce Gelb has a picture of his leader on his wall, too. But the USIA director also has an expansive map of the world. Staring intensely at the map's pressure points, Gelb reminds one that the Middle East remains a particular hot spot.

So this month the agency is sponsoring a Salzburg seminar which Gelb hopes can move the region "inch-by-inch" toward dialogue. The seminar's subject is the Middle East's history, not its politics, and participants include professors and experts from the Middle East as well as North Africa.



Bruce Gelb

Gelb points out that during the Cold War's most "frosty" points, such exchanges continued. He then reminds a visitor that it is, again, easier to invest in "intellectual capital" than military assistance.

Consider the drug war, Gelb says. Like Paul Revere, the USIA can be out warning listeners about the problems associated with drug use.

Honest, that's the way Bruce Gelb talks. But if he sounds like an earnest patriot, his actions, like George Bush's, support his rhetoric. The New York leader has served on many boards, including as a trustee for Howard University in Washington, D.C. Like the president, he believes deeply in public involvement.

Perhaps Gelb's next annoying battle will be found in Cuba. Fidel Castro has threatened to jam U.S. radio and television stations if the USIA proceeds with its plan to beam television reports into Cuba.

Gelb dismisses this complaint, saying Castro is "threatening in any way he can." TV Marti, as the new USIA signal to Cuba will be known, is consistent with the U.N. Charter and the Helsinki Accords.

Maybe Castro's real problem is that he is isolated -- physically and spiritually. After all, isn't the world "thirsting for freedom?" ■

William P. McKenzie is editor of the Ripon Forum.

SBA: Back in Business

by Mariann Kurtz

The Small Business Administration has long played the role of advocate for America's small business owners. Since its creation in 1953, SBA has championed grassroots economic development by providing financial assistance, management counseling and training to the small business community. The same agency also has played a pivotal role in directing government contracts to small firms and assisting women, minorities, the handicapped and veterans with entry into and survival in the business arena.

Ironic, then, that this very agency has struggled with its survival for most of the last decade. Under the Reagan administration, conservative budgeters sought to eliminate SBA by "zeroing out" its funding requests in six of eight budget periods. Although a sympathetic Congress provided resuscitating support, America's small business champion searched for a champion of its own.

Enter George Bush. No, not the George Bush of Kennebunkport, Yale and the Skull and Bones secret fraternity. But the rolled-up sleeves, hard hat-wearing George Bush of the West Texas oil fields. George Bush the small businessman whose entrepreneurial spirit uttered campaign promises of economic growth and now has moved the budget pen in generous strokes toward SBA.

America's small business partner, it seems, is back in business.

A kinder, gentler Office of Management and Budget has made a strong commitment to the agency and for the first time in nine years, the president's budget includes an increase in funding to SBA. Specifically, the increase will come in the form of additional business loan guarantee authority, a program in which business loans are made by private lenders and guaranteed by the agency. The 1991 budget provides SBA

Mariann Kurtz is a member of the Ripon Forum editorial board.

authority over \$3.2 billion in this category, an increase of \$750 million or 30 percent over the 1990 budget. The surety bond program, which helps small businesses obtain insurance to guarantee work completion, also received a boost in the 1991 budget requests totaling \$450 million.

The agency, in an effort to help its own cause, has given itself an administrative facelift. SBA Administrator Susan Engeleiter, a moderate Republican from Wisconsin, wants to improve program delivery and agency outreach and to further the opportunities for women- and minority-owned business to gain equal access to funding and contracts. To reach these goals, Engeleiter, following a decade of staff reductions, garnered enough support to add 61 full time positions to the agency. One of those new faces belongs to **Ripon Forum** contributor Mitchell F. Crusto.

Engeleiter created the position of associate deputy administrator for finance, investment and procurement to improve coordination across program lines and to ensure sufficient top management support for the agency's key financial programs. Crusto was tapped last September for the role.

Before coming to Washington, Crusto served as president and CEO of American Ventures International, Inc., an investment consulting company and securities brokerage firm. As SBA's newest deputy administrator, he oversees the agency's program on small business loan guarantees, venture capital, surety bond and disaster relief programs. Also in his purview are minority small business and capital ownership development programs and procurement assistance.

"We want minorities and other economically disadvantaged groups to be good capitalists and seize the means of production," said Crusto. Others want to give the disadvantaged food and housing but not the means of production. We want them to produce for themselves."

Crusto also noted that President Bush



Mitchell F. Crusto

created a new commission on minority business to chart a course for the '90s. "We have the human resources, the ideas and the initiative," said Crusto. "What we need now is more sources of working capital, better cooperation between the business and education communities and a prototype for economic development."

Crusto admits, however, that times ahead may be challenging. "We are facing a peace-time downturn in government spending, especially in defense. In a post-Cold War economy, where we must grapple with faltering financial institutions, the president must promote education and assistance to small business."

Crusto envisions that many of those now serving in the armed forces and working for prime contractors involved in defense may try their hands in small business when their current positions are no longer needed.

In the first nine months of 1989, 520,108 new corporations were formed, according to Crusto. Ninety-eight percent of them were small businesses. During 1988, 37,820 businesses failed, a decline of 15.6 percent from 1987.

"SBA is a small agency that packs a lot of punch," said Crusto. "We tote a lot of deliverables. Investing in American growth is one pragmatic way we can tackle the deficit. SBA provides one important vehicle for investment initiatives." ■

Sustaining The Economy

by Richard Innes

Environmental protection, or the lack thereof, is emerging as one of the two or three issues that could make or break a presidential election. Recent polls indicate there is broad, bi-partisan support from a majority of the population for measures to preserve and protect the environment, even if it means raising taxes to do it.

The true test of whether President Bush will succeed in becoming the environmental president will lie in his ability to reconcile economic growth and environmental protection.

President Bush effectively outflanked his opposition during the 1988 election by striking at Governor Dukakis on his home turf: Boston Harbor. By making an issue of the environmental degradation of the harbor, President Bush called into question the commitment or ability of the governor to respond to an environmental threat in his own backyard. Coupled with environmental statements on ocean dumping and preservation of wetlands, President Bush succeeded in capturing the environment as a Republican issue.

Now for the hard part. President Bush, his chief of staff, John Sununu, and Environmental Protection Agency Administrator William Reilly are grappling with tough trade-offs and tension between economic growth and environmental protection. The recent closed-door negotiations between the White House and the Senate on the Clean Air Act is a perfect case in point.

Richard Innes is a professional staff member of the Senate Committee on the Environment and Public Works.

THE CLEAN AIR COMPROMISE

After weeks of difficult sessions which often went long into the night, Roger Porter, the president's chief domestic policy advisor, emerged from the sessions to say that the concessions made by the Senate would result in a bill that would "provide important environmental benefits in an economically efficient way." Mr. Porter was referring to compromises allowing auto makers, utilities and other industry groups more flexibility in meeting cleanup requirements of the bill. Industry is granted this flexibility, however, without sacrificing significant reductions in automobile tailpipe emissions, a ten million ton cut in sulfur dioxide emissions (acid rain), and a requirement for controlling toxic air pollutants.

Although the ultimate fate of the Clean Air Act is far from certain, the administration's performance thus far is of the type that will help George Bush deserve the accolade, "the environmental president." On acid rain provisions, the administration never retreated from the goal of achieving significant reductions in sulfur dioxide emissions. But the administration did insist on a method of achieving reductions that afforded industry flexibility, and provided positive incentives. Specifically, the compromise plan calls for a credit trading system, with increased credits for companies that reduce pollution below mandated levels. The credits can then be sold to other utilities, which can use them to build new electric generating plants. At least in theory, this will allow for economic growth, while achieving substantial improvements in air quality.

While the administration is off to a good start with clean air, its success with other issues, such as wetland preservation and global warming, have been called into question. Here President Bush and his advisors should utilize the same formula: decide on the goal, such as "No net loss of wetland." Never show any sign of wavering from the goal, but indicate a willingness to allow

The traditional "command and control" regulatory framework is expensive and inefficient, and wherever possible we should develop alternatives which provide industry with the incentive to protect the environment.

flexibility in achieving the goal, and, where possible, employ positive incentives. The traditional "command and control" regulatory framework is expensive and inefficient, and wherever possible we should develop alternatives which provide industry with the incentive to protect the environment.

A SUSTAINABLE ECONOMY

The true test of whether President Bush will succeed in becoming the environmental president, however, will lie in his ability to reconcile economic growth and environmental protection. A key to accomplishing this reconciliation is to understand that long-term economic growth, both domestic and international, is not necessarily in competition with environmental protection. Rather, it depends on environmental protection and the preservation of our ecological system.

But the danger is that forward-thinking environmental policy will fall prey to affluent and powerful interest groups intent on protecting short-term economic gain. The environmental president must be able to accept slower growth in the next quarter, in exchange for a policy which protects our basic ecological capital. A nationwide poll completed in February by Cambridge Energy Research Associates noted that 74 percent of those polled said that, when forced to choose between environmental improvements and

economic growth, they would choose slower economic growth.

As president of the United States in the 1990s, George Bush's environmental responsibilities do not stop at our own borders. Especially as the concept of an interrelated world economy becomes more of a reality, the U.S. has an obligation to implement policies which curtail the destruction of finite ecological resources. International environmental negotiations and conferences are beginning to command center stage. We must

The environmental president must be able to accept slower growth in the next quarter, in exchange for a policy which protects our basic ecological capital.

use these forums to address urgent problems such as the greenhouse effect or the ozone hole, or we may not only hinder economic growth, we may threaten human survival.

The president of the World Bank recently stated that, "sound ecology is good economics ... the objectives of sustainable economic growth, poverty alleviation and environmental protection are often mutually reinforcing." This kind of thinking represents a significant shift in the international approach to environmental protection. There is an increasing awareness that environmental protection measures, such as energy and water conservation, recycling of hazardous and solid waste, worker health and safety measures that reduce costly absenteeism or injury, are measures that make good business sense.

On a more national and global scale, we must begin to anticipate the environmental consequences of our economic policies. For example, our policies with regard to fossil fuel consumption and energy can no longer be considered independently of the urgent need to reverse the greenhouse effect. Reorienting businesses, and indeed nations, to consider the environmental implications of economic growth should be a major institutional challenge for the environmental president and U.S. foreign policy in the coming decade.

The stakes, however, could not be higher. The papers every day are filled

with stories documenting the economic and human costs of degrading our environment. Exxon has already spent in excess of two billion dollars cleaning up Prince William Sound. The deforestation of life-supporting tropical forests continues at the rate of over 30 million acres per year. Large areas of the world are experiencing soil erosion and desert-like conditions, which leads to perhaps the most insidious result of ignoring our environment: malnourishment and starvation.

This ecological stress -- the degradation of soils, water, our atmosphere and our forests -- can have enormous impact not only on the United States but on the entire world economy. Unless we utilize our ecological resources wisely, in a manner which enhances their renewability and preserves them for posterity, we face a bleak future. We can no longer simply worry about what effect our economic growth will have on the environment, but perhaps more importantly, what impact will the environment have on economic growth?

President Bush and the Republican Party have an opportunity to solidify a reputation for successfully dealing with environmental problems, both here and abroad, in a manner that does not necessarily inhibit the vitality of the economy. But if he is to succeed, he must learn to "just say no" to arguments which clearly favor short term special interests at the expense of environmental protection. A good case in point is protection of our coastal waters.

COASTAL WATERS

A report issued by the congressional Office of Technology Assessment last year stated that our coastal waters are generally degraded, and showing no signs of improvement. A major cause of this degradation is burgeoning development along the coasts, which result in increased loadings of runoff, pesticides and other pollutants into marine waters. Although states and municipalities play the major role in controlling development, the federal government can provide strong incentives or disincentives through flood insurance programs, grant programs, and the statutory authority of the Marine Protection, Research and Sanctuaries Act, and the Clean Air Act.

Short term economic interests will argue that development of coastal areas

reaps enormous economic benefits. A new marina, condominiums, or a waterfront hotel will provide additional jobs, a larger tax base, and short-term economic advantages for a small number of people. In the long-term, however, such development is not in the best interest of either the environment or the economy. Degradation of our coastal water imperils a \$12 billion dollar fishing industry, not to mention the tourism industry. It is not possible to put a price tag on the enjoyment of a family or a fisherman strolling along an unpolluted beach free of medical waste.

To consider the environmental implications of economic growth should be a major institutional challenge for the environmental president and U.S. foreign policy in the coming decade.

Yet it will require vision and courage to stand up to those, both within and outside the administration, who would deplete our ecological capital now, at the expense of future generations.

Theodore Roosevelt, in establishing our national park system, realized the importance of protecting irreplaceable lands from the onslaught of development. In like manner, this administration must institute policies which serve to align the long-term interests of the environment with the economy. Failure to do so could cause the Republican Party to lose the high ground on a critical issue, and tax an environment which is already showing dangerous signs of stress. ■

What's Ahead in the Ripon Forum?

- More on the Free World Fund
- President Bush's 1990 Budget
- The 1990 Elections

REVIEWS

The Offspring of History

"Wonderful Life: The Burgess Shale and the Nature of History."
by Stephen Jay Gould, New York: W.W. Norton and Company, 1989.

By Alfred W. Tate

The "war" between science and religion has been marked by two major engagements. The first, which began with the replacement of Ptolemaic with Copernican astronomy, resulted in our being banished from the center of creation to a satellite of one of the numberless stars in a galaxy which is itself an infinitesimal part of a measureless universe.

The second followed upon the publication of Darwin's "Origin of Species" in 1849 and the subsequent general acceptance of evolutionary theory. Here the consequence has been being forced to abandon the belief that mankind is a special creation, unique and somehow set apart from the rest of nature.

Both of these developments are potentially humbling for the human psyche. So far, however, we have successfully defended ourselves against any sense of diminishment they might induce by acknowledging their irrefutability on the one hand, and steadfastly refusing to consider seriously their ramification on the other.

THE WALCOTT FIND

Not so Stephen Jay Gould. As a biologist and a historian of science, he has devoted his considerable talents both to expanding and refining our knowledge of how evolution works and to confronting the non-specialist with the larger meaning of that knowledge. Gould continues this in his latest book, "Wonderful Life," an account of the discovery, initial classification and then revised interpretation of the invertebrates of the Burgess Shale. He describes this collection as "the world's most important animal fossils."

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

The Burgess Shale is an outcropping of sedimentary rock located high in the Canadian Rockies on the eastern border of British Columbia. The fossil-crammed outcropping was discovered in August 1909 by Charles Doolittle Walcott, the head of the Smithsonian. Walcott returned to the site each summer through 1913 and again in 1917.

He published his description and classification of the Burgess fossils in 1912. Walcott placed them all in five already established lineages, of which four were represented in the present. As part of his interpretation, he hypothesized a single distant Precambrian ancestor for the Burgess creatures.

Walcott's conclusions remained fundamentally unchallenged for over 50 years. How Cambridge University geology professor Harry Whittington and colleagues Derek Briggs and Simon Conway Morris came to a radically different explanation of the contents of the Burgess Shale provides the plot for Gould's drama. In a series of papers published beginning in 1971, they completely overturned Walcott's work, identifying to date at least 20 unique arthropods and eight anatomical designs that do not fit into any known animal category.

According to Gould, it is now clear that nothing approaching the diversity of fossils contained in the Burgess Shale has been found anywhere else in the world. Far from providing only representatives of a small number of already clearly identified lifeforms, this one small site -- not much more than the height of a man and less than a city block long -- holds remains representing more anatomical diversity than is found in all of the world's seas today.

How this revision came about and the techniques used in reconstructing these bizarre creatures makes fascinating reading. But Gould is primarily concerned with the questions of why Walcott went so wrong and that his mistake

and its subsequent correction tell us about both the nature of the history of life on earth and how science proceeds in the discovery of that history.

Gould concludes it was Walcott's preconceptions about evolution and his failure to allow his find to question those preconceptions that caused him to "shoehorn" the Burgess fossils into classifications to which they could not possibly belong.

Walcott believed himself an orthodox Darwinian, and accepted the process of natural selection as the basic mechanism of evolution. He took this step further, however, and equated this process with progress in an absolute sense. Walcott ascribed to what Gould calls "the iconography of the cone of increasing diversity," an image which expresses an understanding of the history of life as an inexorable movement in time from a few, simple organisms toward the more diverse and complex, with humanity the centerpiece and apex of this development.

Walcott's predilection to fit the Burgess creatures into such a scheme was reinforced by the fact that he headed the Smithsonian at a time when evolution was under sharp attack by fundamentalists. He was convinced that their assault could only be repulsed by showing the ultimate unity of scientific with religious truth. For Walcott, Gould writes, "the primary evidence for this unity lay in the ordered, predictable, and progressive character of life's history...Evolution, with its principle of natural selection leading to progress, represented God's way of showing himself through nature."

GOULD'S CONCLUSIONS

According to Gould, when correctly interpreted, the evidence contained in the Burgess Shale tells a very different story. He believes the primary insight finally won from the quarry in that life on earth did not slowly evolve by con-

tinuous proliferation and advance. Instead, it proceeded through a series of steps characterized by rapid diversifications followed by decimation during cataclysmic mass extinctions. Thus the image Gould would substitute for the "cone of increasing diversity" is that of the "evolutionary bush," in which rapid branching is followed by pruning which only a few disparate types survive.

Equally important, Gould says that a study of the remains of the Burgess animals reveals no clear explanation for why a few types have descendants alive in the present while the large majority do not. This proves, he believes, that the mechanism of evolution -- natural selection -- is not inherently progressive as Walcott believed.

Gould's ultimate conclusion is that the central principle of all history -- for that of organic life as well as that of human endeavor -- is contingency. The creatures of the Burgess Shale and their fate, he believes, underscore what a growing body of evidence has been pointing to, that the explanation of how life has developed does not rest on direct deductions from natural laws.

Rather, Gould claims, the evolution of life as we know it is inextricably embedded in the vagaries of history. We and the whole of the natural world are the products, he writes, of "an unpredictable sequence of antecedent states, where any major change in any step of the sequence would have altered the final result."

What we must come to terms with, Gould contends, is the reality that we are neither the products of divine plan nor ineluctable progress, but the offspring of history. Far from finding this traumatic, however, he believes the acceptance of this can be freeing and inspiring. If we acknowledge that our species is the product of a series of chance survivals of small and innocuous creatures over a long and accident-filled history, he thinks we can make more responsible use of what that process has given us -- our minds -- and at the very least recognize that whether we succeed or fail from this point is up to us.

Gould's enormous audacity is apparent to even the non-scientist. The scope of his book is grand in every sense, in the time it covers -- from the beginning of life to the present -- as well as in its scale -- from the inner workings

Gould's ultimate conclusion is that the central principle of all history -- for that of organic life as well as that of human survival -- is contingency. This has political consequences.

of cells to the meaning of the whole of history. And even the non-scientist can be certain what he has to say will provoke controversy and be challenged at every level of his argument.

POLITICAL LESSONS

But why would anyone interested in contemporary politics want to read "Wonderful Life"?

For one thing, doing so is fun. There is something immensely pleasurable in reading a book by a scholar with the exceedingly rare ability to communicate clearly both what he knows and his sense of the importance of and excitement at his knowledge.

Another reason for reading the book is that you can learn lots of neat stuff from it. Gould explains the uses of taxonomy and outlines the different classifications into which biologists group the animal kingdom; he describes the different eras into which geologists divide the history of the earth; and, of course, he explicates the theory of evolution.

And some of what Gould says has immediate application. After reading him it will be easier to recognize racist statements for what they are, even when their authors claim for them the authority of pseudo-science.

And this points to the most important reason "Wonderful Life" would make rewarding reading for politicians. If the term is not to be an oxymoron of the most egregious sort, the "science" in "political science" must be of the sort Gould champions.

Science has proven so successful in explaining how the world works that an oversimplified version of its "method" has been adopted as the model for all disciplines. According to this oversimplification, science proceeds toward the truth in minute, incremental steps as its "hypotheses" are altered or replaced

when new "facts" are discovered. On the contrary, creative thought in science, Gould maintains, is never merely the collection of facts and the construction of theories. It is a complex process involving bias, intuition and insights borrowed from other fields.

The one thing the story of the Burgess fossils would seem to make abundantly clear is that the facts never speak for themselves. New data, collected in old ways under guidance of theories, rarely leads to new understanding. As Gould writes of the history of the Burgess Shale:

I know no finer illustration of the most important message taught by the history of science: the subtle and inevitable hold that theory exerts upon data and observation. Reality does not speak to us objectively... The greatest impediment to scientific innovation is usually a conceptual lock, not a factual lack.

If this is true for the so-called "hard sciences" how much more so must it be for the "soft" -- of which politics must surely be the softest.

Why is one politician's freedom fighter, another's terrorist; one's lazy welfare cheat, another's victim of economic injustice; one's accomplice in the murder of infants, another's champion of reproductive freedom? The problem is not that the positions we take on these issues are informed by our presuppositions. Nor because of this inevitability must we resign ourselves to some form of ultimate relativism.

Rather, our difficulty resides in not allowing these preconceptions to be genuinely challenged by the new facts we encounter and the interpretations given them by those with whom we disagree. Like Charles Doolittle Walcott poring over his find of fossils, we see only what we want to see.

There are many reasons for the sterility of contemporary political debate in this country. The lesson to be learned from the creatures entombed in the Burgess Shale is that one important cause of this vacuity is the fact that we have not yet proved able to consistently summon the courage to stop projecting old answers onto the new wonders history is turning up around us daily. ■

London Bridge Isn't Falling Down, But Others Are

By Bill Clinger

London Bridge is not falling down. It is alive and well and enjoying a new lease on life at Lake Havasu in Arizona where it has been carefully reconstructed.

Unfortunately, other bridges, highways, ports, waterways, airports and sewer systems -- in fact, much of America's infrastructure -- is wearing out faster than we are replacing or repairing it. Much of America is crumbling and we are doing too little to stop this destructive trend.

There is a direct link between the quality of our public facilities and our ability to have sustained economic growth. If our highways, bridges and other support facilities are not functioning properly, it creates a drag on the economy, one that will continue to affect every person in America. There is a large body of emerging evidence that productivity and infrastructure are directly linked and nowhere is this more evident than in transportation. If goods and services cannot be transported quickly and efficiently, product costs go up and are passed on to other sections of the economy.

Over the past several decades, we've spent less and less on expanding and maintaining our infrastructure and it is starting to effect our economic health. Without the ability to move goods and people into and out of an area easily, without the services necessary to support industry, we cannot continue to be a competitive nation in the world economy. We need to start investing in our future, in our infrastructure, just like other nations.

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

In order to maintain our economic status and quality of life, we need innovative ideas to finance the rebuilding of our infrastructure. One idea that merits debate is establishing a revolving loan fund to finance our public works.

THE JAPANESE AND INFRASTRUCTURE

For example, the Japanese have built their economic leviathan using a variety of techniques, and one of the most successful has been heavy investment in infrastructure. By ensuring that their transportation system is among the most modern in the world, they ensure that their economy can operate at maximum efficiency. Presently, they invest almost eight percent of their gross national product in infrastructure. The United States barely spends two percent.

An additional sign of Japanese emphasis on infrastructure can be seen in their investment in neighboring economies; over the past several years, they have poured billions of yen into public works projects in Taiwan, Korea and China. The Japanese know that surrounding nations support their economy, so strong regional public works can only help them.

Infrastructure is not a sexy word, not one that usually makes headlines, but it's vital nonetheless. Our roads, bridges and highways are the threads that weave 50 individual states into the quilt of one nation. Without good public facilities, our economy can't function and we will not continue to enjoy a high quality of life.

Of course, when one talks of infrastructure and the enormous costs necessary to rebuild ours, the budget realities of 1990 loom like a specter overhead. Some estimates of our needs run into the trillions of dollars. I don't believe they are that high, but the costs are indeed large. Many people shy away from such large numbers, assuming that the money can never be raised. But, to paraphrase an old proverb, "The journey of a thousand miles begins with one step."

FINANCING REPAIR

In order to maintain our economic status and quality of life, we need innovative ideas to finance the rebuilding of our infrastructure. One idea that merits debate is establishing a revolving loan fund to finance our public works. Loans would be made to local and state government who would then build projects requiring user fees. Toll roads, charges for sewer systems and the like would be used to raise revenue from the projects. Those funds would then be paid back into the loan fund to be lent again. It's estimated that \$4 billion in start-up costs for such a fund could be used to leverage \$50 billion. Again, that figure will not solve our problems, but it's a large first step.

We have a nation filled with innovative, intelligent people who have long been on the forefront of solving large problems. The president, Congress and private industry need to start thinking about how we can solve this one. An idea like a revolving loan fund is one such idea, we need more. ■

Politics In Print.

"Tribute of the People: The Minnesota Legislature and Its Leadership"

by Royce Hanson

University of Minnesota Press

2037 University Avenue, S.E.

Minneapolis, MN 55414 1-800-388-3863

WASHINGTON NOTES AND QUOTES

Dale Curtis: Yes, there is a change on our masthead. And it is with regret that we note Dale Curtis, the **Forum's** associate editor since 1984, has moved on to a life beyond editorial deadlines.

But the **Forum's** loss is the country's gain. In February Dale joined the Bush administration. He now is special assistant to Council on Environmental Quality Chairman Michael DeLand. Dale's expertise in environmental issues was honed while serving as an legislative assistant to Representative Sherwood Boehlert and through writing editorials and feature pieces for the **Forum**. Most recently he authored a piece for the **Environmental Forum** on "The Green Grand Old Party."

Dale's voice on this magazine, however, included more than advice on environmental issues. He constantly provided a cool voice of reason and keen political insight. We know the administration will be well served.

1990 Javits Award Dinner: On April 30, the Ripon Society will sponsor its annual Jacob K. Javits Excellence in Public Service Award Dinner in New York City. This year's honoree is Rudolph Giuliani, New York's 1989 GOP mayoral candidate and former U.S. attorney. Like previous recipients David Rockefeller and Bob Packwood, Giuliani is being cited for his commitment to social progress and public service. For more information, please contact the Ripon Society, 202-546-1292.

Chapter Notes: The Boston Ripon Society hosted a successful Massachusetts GOP gubernatorial debate on Monday, February 12. The Boston chapter, under the guidance of John Sears, Arthur George and Andrew McLeod, co-sponsored the evening with Harvard's John F. Kennedy School of Government.

Participants included all Republican gubernatorial candidates, except former U.S. attorney William Weld. The debate drew impressive press coverage, including reports from all three major Boston television affiliates and the **Boston Globe**, **Boston Herald**, and **Harvard Crimson**.

(As it turns out, the state party's March 10 endorsement went to Steven Pierce,

the House Minority Leader. But Bill Weld, a one-time Ripon member, is expected to challenge Peirce in the fall Republican primary.)

Masu Dyer continues to organize meetings for the Hawaii Ripon Society. In January Desmond Byrne, chairman of the Hawaii Better Business Bureau, addressed the group on accountability in the Hawaii state government.

On February 22, the New York Ripon chapter sponsored a discussion on the Pacific Rim. The speaker, John Pryvarski, spoke to the group about the economic climate in Tokyo, Hong Kong and Beijing.

The Choice Debate: The Washington, D.C. chapter of the National Republican Coalition for Choice held a demonstration in front of the Republican National Committee on January 22. That date usually draws anti-abortion protesters to Washington because of the January 22, 1973 **Roe v. Wade** decision legalizing abortion.

But this year, the Washington chapter of the NRCC decided to counter the anti-abortion movement and protest the GOP's strict endorsement of restricted abortions. GOP Chairman Lee Atwater addressed the group (mostly well-tailored Capitol Hill aides), and reassured them that the party can function as "an umbrella." According to Atwater, diverse views on abortion can be found within the GOP.

Long-time Ripon member Tanya Melich also spoke recently before a Washington audience on the choice issue. On February 23, Melich told the annual meeting of the Republican Task Force of the National Women's Political Caucus: "Pro-choice Republicans are in a unique position and may have the ability to effect more positive change than our Democratic sisters. Our opponents are out in the open. Theirs are often hidden under mounds of rhetoric, inaction and equivocation." The head of the New York State Republican Family Committee also outlined a ten-point strategy for dealing with the GOP, as well as with the women's movement.

Ripon Society Activities: The annual meeting of the Ripon National Governing Board will occur in Washington,

D.C. on May 5. The meeting will begin at 10 a.m. (a place will be announced soon). An afternoon policy discussion will be held following the annual meeting.

The Society's regular policymaker breakfasts will continue in May and June with sessions on health care and international trade. For more information, please contact the Society's national office.

Ripon Forum editor Bill McKenzie's column has recently been printed in **The Dallas Morning News**, **The Casper (Wyo.) Star-Tribune**, **The Keene (N.H.) Sentinel** and **The Providence (R.I.) Journal**. If papers in your area are interested in receiving this column, please contact the **Ripon Forum**, 6 Library Court S.E., Washington, D.C. 20003.

Election News: Ripon National Governing Board member Jamie McLaughlin member is vying for the Republican nomination for Connecticut's Fifth Congressional District. Now a member of Connecticut's Senate, where he is ranking Republican on the Senate Finance Committee, McLaughlin maintains a good shot for the GOP's endorsement this July. If so, his likely Democratic opponent will be former Congressman and news anchor Toby Moffett.

In Massachusetts, former Bush aide and self-described progressive Republican James L. Nuzzo is seeking to unseat controversial Democratic congressional incumbent Barney Frank. Nuzzo is a trained neurologist, as well as a former White House fellow. Frank has recently come under scrutiny for allegations of maintaining a male prostitute on his congressional staff. Nuzzo is now assembling a campaign operation in the primarily Democratic Fourth District, and is thought to be a serious contender.

Former Arlen Specter aide Bruce Marks is now running for Pennsylvania's State Senate. Marks is seeking a seat from Philadelphia, where he has been involved in politics over the last decade. The nephew of former Congressman Mark Marks, this is his first personal election contest. ■

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