

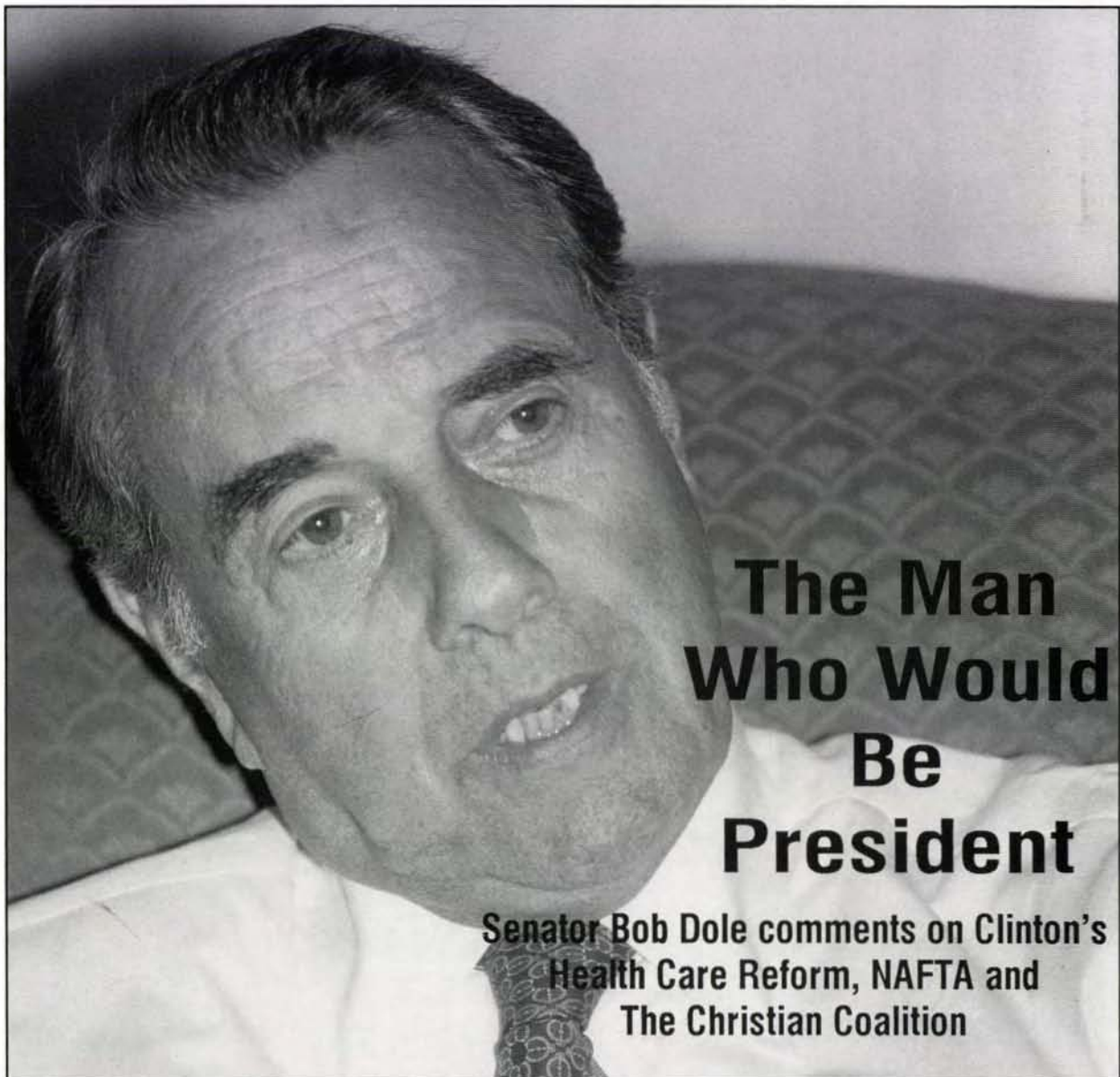
Did Rep. Gary Franks get a raw deal from the Black Caucus?

The RIPON FORUM

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November 1993



**The Man
Who Would
Be
President**

Senator Bob Dole comments on Clinton's
Health Care Reform, NAFTA and
The Christian Coalition

GOP Pro-Choice Women: They're Baaack!

The Ripon Forum

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227 Massachusetts Avenue

The Ripon Educational Fund wrapped up a successful policy conference on "Issues Facing the 90's" in St. Paul, Minnesota on September 27th. Speakers included Ripon Vice President **Gregg Edwards**, Minneapolis Chamber of Commerce President, **Connie Levi**, Center of the American Experiment President, **Mitch Pearlstein**, State Senator, **Duane Benson** and Minnesota Lt. Governor, **Joanell Dyrstad** with **Sarah Janacek**, Minneapolis attorney, moderating. After the policy conference, the Ripon Society hosted a reception to honor Minnesota Governor Arne Carlson as "Ripon Republican of the Year." Carlson was presented with the award because of his long standing dedication to women's and civil rights. Over 150 people attended both events. Our thanks goes out to all those in Minnesota who really made this event a huge success. Look for the next policy conference sometime this winter.

The Fall morning breakfast series "Taxes and the Budget" sponsored by the Ripon Society closed on October 6th with Colorado **Congressman Scott McInnis**. Speakers for the series included **Washington Senator Slade Gorton**, **Connecticut Congressman Chris Shays** and **Colorado Senator Hank Brown**. Each of the

lawmakers presented a very interesting perspective on the Clinton budget package as well as health care reform and NAFTA.

On October 27th, the Ripon Society sponsored a breakfast at the Capitol Hill Club entitled "The Politics of NAFTA." Speakers included **Special Advisor to the President for NAFTA, The Honorable Bill Frenzel**, **Congressman Newt Gingrich of Georgia**, **House Minority Whip**, and **Congressman Jim Kolbe of Arizona**. Each of the speakers discussed the North American Free Trade Agreement and answered questions afterwards.

Minority Senate Whip, The Honorable Alan K. Simpson of Wyoming will be awarded the 1993 Jacob K. Javits Excellence in Public Service Award. The Ripon Society will present this award on November 29, in New York City. The award is presented each year to the individual who reflects Senator Javits' commitment to conservative values and public excellence. Previous recipients include the **Honorable Howard Baker**, **Senator Bob Packwood**, **David Rockefeller** and **Governor William Weld**.

Lisbon, Portugal is the site for the

1993 Transatlantic Conference (TAC), sponsored by The Ripon Educational Fund. This is the eleventh in a series of conferences. Previous conference locations include Rome, Prague, Vienna, London, Oxford, Berlin, Brussels, Washington, D.C., and Paris. The conference provides a unique opportunity for American government and business leaders to meet their overseas counterparts to discuss current foreign and economic policy.

For more information on the Transatlantic Conference please contact **John Sullivan** at 202-547-6808.

Since Clinton was elected last year, there have been six political contests with national implications including the Virginia and New Jersey gubernatorial races, the mayoral elections in New York, Los Angeles and Jersey City as well as the Senate races in Georgia and Texas. In each race, a Republican who espoused moderate views ran and won. Therefore, Ripon would like to extend a special congratulations to our new national Republican leaders **Governors George Allen** and **Christine Todd Whitman**, **Mayors Rudy Giuliani**, **Richard Reardon** and **Bret Schundler**, **Senators Kay Bailey Hutchinson** and **Paul Coverdell**.

The RIPON FORUM

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The Ripon Society Inc., Peter Smith, president, is a research and policy organization whose members are business, academic, and professional men and women. It is headquartered in Washington, D.C., with National Associate members throughout the United States. Ripon is supported by chapter dues, individual contributions, and revenues from its publications.

Editorial

The United States Government, led by the Democrats, stumbled and squeezed itself for a dubious victory in the Clinton budget and tax initiative last month. No light banter about this "landslide" could hide two facts: one, this president has yet to gain the confidence of either the people or his party's leadership, and second, the Congress has not yet been able to change its ways, its language or its behavior to meet the budget realities of the day or the radically changing expectations and aspirations of the American electorate. This is a brush which tars all our leadership and, ultimately, both parties.

Therefore, the situation continues to worsen, like rust spreading, invisibly at first, on the body of a car. The people's confidence, respect, and trust begins to erode and reveal a deep cynicism about both the motives and the capacity of our elected leadership. Republicans are playing a dangerous game if we think that we can win back any of these lost commodities with rhetoric and obstruction, the traditional tools of the minority. People want much more.

This issue of *The Ripon Forum* and its continuing series of articles featuring the ideas and leaders who can rebuild people's confidence in the governmental enterprise is about more than traditional opposition. It is about establishing the principles and the coalition that can win elections and lead America successfully in a world at a time of radical change and upheaval.

The Ripon view, stated broadly, holds that politics and government in America are in the same fix that health care, education, IBM, and other core societal and corporate institutions are because they fail to respond to the aspirations and expectations of the people they serve. The message is the same for our political leaders as it is for other leaders: shape up, get it right, or you're out of business.

As this writer traveled during August, he heard less about Republicans and Democrats and ever more about Washington and the failure of the people and the institutions of government. The fault line in American politics, most recently established in 1990 and growing ever since, lies between Washington and the rest of the country, not simply between the right and the left.

People now understand the language of base line budgeting as deceitful at best and outright dishonest at worst. They angrily reject the offered explanation which says that increases in spending are actually cuts

The Fault Line

by

Peter
Smith

and new taxes are actually deficit reduction. And they know enough to raise a skeptical eyebrow at the concept of government reinvesting, as opposed to private sector, small business job creation stimulated by stable taxes and a lighter regulatory load.

Americans are confused and angry about politics where entitlements are cut, only to rise, and where the military is restructured only to require more money. For example, the people of California, Maine, Virginia, and New York, who have taken such grievous and direct hits with base closings, don't like the political calculus that takes the savings from those actions and spends them on something else. To them, budgeting is a lottery where there is no common good, where the losers are many, the winners live somewhere else, and who you know helps determine how you do.

In this murky atmosphere, the good ideas and true leaders get lost. For instance, the budget bill included an old Ripon idea that was long overdue: using the Earned Income Tax Credit to stabilize low income family incomes as they work. It is a simple, non-bureaucratic yet profound restructuring idea which promotes work over welfare and family stability over disintegration. If coupled with a growing private sector and education programs which educate and train to world class standards, the EITC can have a profound impact on America's workers and families.

The coalition with the right leadership is waiting to emerge. Their agenda will be simple. It will include commitments to low taxation and level government funding until spending equals revenue. It will include a program for economic growth in the private sector which recognizes that the best social program is a good job and that education and health institutions must meet the needs of all Americans. More importantly, it will recognize that all this hinges on restructuring government services to wrap around the problems of people and communities.

No one should stay on the sidelines in this debate. The articles, interviews, and policies discussed in *The Ripon Forum* are our contribution to this process. It represents the people and ideas that will build this political coalition which can and will lead America effectively.

Peter Smith is President of the Ripon Society and Dean of the School of Education at George Washington University.

WHAT EVER HAPPENED TO THE PARTY OF LINCOLN?

By Arthur George

With off year elections approaching and President Clinton and the Democrats increasingly ineffectual, Republicans stand to make their most serious bid for their most elusive prize, the House of Representatives.

An ossified party structure, however, dating back to an obsolete demographic strategy of the 1920s and a historical hodgepodge of archaic rules, continues to hinder Republican election opportunities and makes charges of discrimination and exclusion in GOP politics predictable.

The Republican Party is the only right of center party among the world's democracies that has failed to control its popular assembly for more than two consecutive years since the end of World War II.

Since 1932, the GOP has controlled the House a total of four years at two different intervals, those between 1947 and 1949, and 1953 to 1955 in the 80th and 83rd Congresses. There was a time in Republican history, of about 70 years, when the opposite was true.

Republican rules history can be divided into roughly two 70 year periods, 1854 to 1924 and 1924 to the present.

The rules of the first seventy years reflected the GOP's commitment to a party run at the congressional and state level and committed to equality for all Americans.

The rules changes of the second seventy years effectively undercut these principles and represent an attempt to target certain Americans to the exclusion of others.

THE FIRST 70 YEARS

The party's single issue orientation on the question of slavery was grounded in the notion of the equality of all Americans within a strong federal union. The party at its inception purely followed the composition of Congress in

balancing equal representation by population (on the basis of congressional districts) with equal representation of states (on the basis of at-large senatorial seats.)

The "Under the Oaks" convention in Jackson, Michigan in 1854, for example, was based on congressional districts. The first National Convention of February 22, 1856, held in Pittsburgh, declared that it should consist of delegates from each state equal in number to double the number of Representatives in both Houses of Congress. In Philadelphia, that same year, the delegations were composed of three delegates for every congressional district and six delegates-at-large from each state.

The orientation of the GOP with the electoral college served two of the parties central themes. First, this was the party of equality that reawakened the Jeffersonian ideal and encouraged an enlightened citizenry with control at the congressional and state level. Delegate selection based on a multiple of the Federal Congress ensured that the control was consistent with the compromise between the smaller and larger states enshrined in Article I of the Constitution of the United States. Secondly, the GOP was the party that created the Thirteenth, Fourteenth and Fifteenth Amendments to the Constitution. It was, in fact, a moral force.

With such inspiring and universal principles behind it, the GOP was able to control all three branches of the government within the first six years of its founding and remain the dominant national party, more or less, until the ascendancy of Franklin Delano Roosevelt and the New Deal Coalition in the 1930s.

The party structure stood as a neutral integrator of the opinions and programs of Republicans on the national level.

Continued on page 19

Senate Minority Leader Bob Dole is now the titular head of the Republican Party. How does the 5th term senior senator from Kansas handle the task of

The *Senator* who would be *President*

Ripon Forum: We are going to talk about the future of the Republican Party, the Clinton Administration, and the mid-term elections. The defeat of President Bush last year was a stunning blow to Republicans and many factions of the party. Many have been quarreling over the reasons for the loss ever since. Why do you think George Bush lost the election?

Senator Dole: Well, my own view is the economy. I think there was a feeling out there that somehow, for some reason, President Bush wasn't sensitive enough. Maybe he got bad staff advice, or something else. He didn't fully understand the depth of the problems of the people in New England, or California or other places, where a lot of people lost their jobs, lost their homes, lost their business, and I think that he could never overcome that. Even though now we look back and 1992 was a good year economically. To President Bush's credit, it turned out pretty much like he said, but for some reason the voters weren't buying it. That's my assessment.

RF: Senate Republicans have been accused of contributing to gridlock. First with the campaign finance reform package, then with the National Service Program, finally with the budget debate. In your opinion did the Senate Republicans have a viable alternative budget package that the Democrats could have embraced?

DOLE: I think gridlock is going out the window. I think that was sort of a fad for a

pulling together a fragmented party, implementing good policy and keeping tabs on Republican elections, including maybe his own? After his "vacation" in New Hampshire, the Senator took a few moments to expand on his responsibilities as the GOP Leader.

couple of weeks. I haven't heard President Clinton mention it for the last several weeks because we're out there helping the North American Free Trade Agreement. We're willing to help in reinventing Government, whatever that is, as soon as we find out more details, and certainly with health care. We're prepared to address the issues. We may have some different ideas, but my own view is that it never did stick, from Republicans. We did have an alternative budget plan. In fact we offered -- some Senate Republicans offered -- our health care plan before President Clinton's, so we wouldn't be accused, as the press accused us before, of not having a plan on the budget. We offered our budget after he offered his, and they still said "Oh, where is your plan?"

So I think we have to be out there offering constructive proposals. I think we're doing that. We have the crime bill, we're working on welfare reform, on immigration, on education, and a whole host of issues where House Republicans and Senate Republicans are working together.

RF: The Administration seems to be making a real effort to work with Republicans on the health care reform package. I know that you have had several meetings with the First Lady on this issue. What does this package have to include in order to get your support, and what aspects would you be willing to compromise on?



DOLE: I think it's too early to tell, this is going to be a process that is going to take a year or more. It may take a little less, but I doubt it. And we just go back on all the things President Clinton talked about in February, March, April, May about health care. I would guess that many of the big issues are going to be price controls, putting a cap on insurance premiums, whether you're going to force people into plans they don't want to be in, eliminate their choice of physicians, and more federal control. People are worried about federal control. We've had a lot of calls just today saying "We're opposed to so-

"I don't agree with
Ross Perot."

cialized medicine." People don't like turning things over to the government, and we see a lot of that with Clinton's program. Having said that, we've indicated to the President, many of us, that we think the dialogue has started, the starting gun has been fired, we're ready to go to work. We may have to divorce each other somewhere down the road, but right now I think we want to have the hearings. The President has said he is flexible, we're flexible. We're opposed to new taxes, he would like some taxes. Let us see what we can do to make it work without punishing small businessmen and women.

RF: What do you think is the single factor that will really reduce costs for health care?

DOLE: Well, I think that both the Clinton plan and all the Republican plans that I have seen, and there are several, say cost containment, primarily, will reduce the cost of Medicaid and Medicare. Now, there are limits on how far you can go, and how many votes you can get in this place, to reduce the cost of Medicare and Medicaid. Even though you are going to be able to go into other plans, you won't need as much money

for Medicaid, but the President said, when he talked to Congress, he wants to preserve Medicare. So, that's where we're going to get most of it, cost containment of Medicare and Medicaid.

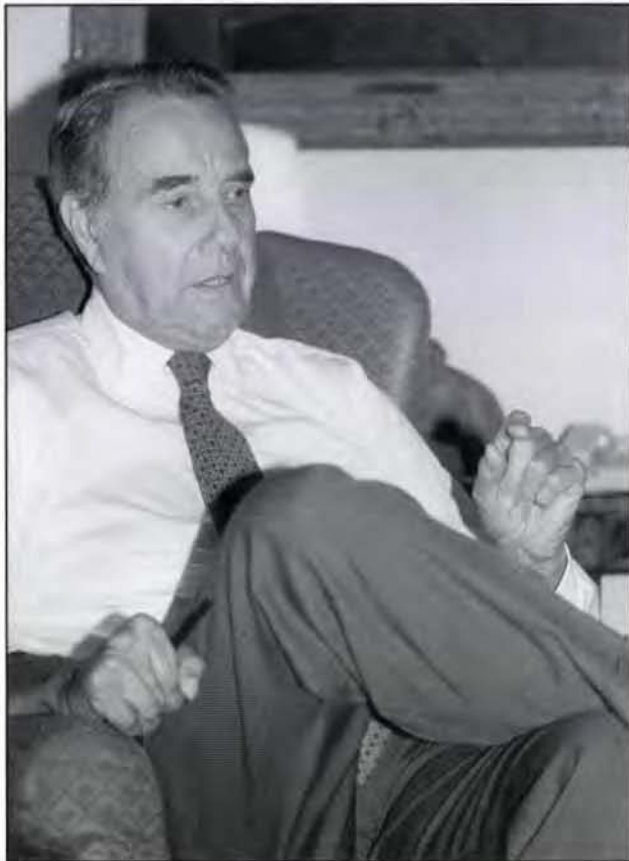
RF: President Clinton has said that abortion might also be included and available to women who cannot afford it in a section called "pregnancy related services." Would you support the package if it included such language? And how would you try to bring pro-choice and pro-life Republicans together to support a comprehensive plan?

DOLE: It is never going to happen. It seems to me that whatever your issue is, and whatever your views on that issue, I think it can hang up the whole program. So, let's try to debate that separately. I think President Clinton might send it up here with something [like that] in it. Then he can say to whoever, "Well I tried." But he won't shed any tears if Congress takes it out. And again, and I know it's very important, very emotional issue, but we're dealing with life and death issues on health care that ought to be resolved. There are going to a lot of people who want things that aren't going to be in there. So, I hope that it can be dealt with separately.

RF: The President's support on NAFTA seems to be waning. I know that you have articulated your support, but Republican House members such as Mike Crapo of Idaho and Olympia Snowe of Maine are against it. Do you think with the new side agreements NAFTA will pass? And what does the President need to do to pull his own party together for passage?

DOLE: He told me just recently that he feels better about NAFTA, in fact he told me yesterday morning. But when I read the paper, today's for example, it looks like more Republicans are dropping

off. I hope we're not playing games. My view is we ought to support NAFTA because it is the right thing to do, not how many Democrats vote for it, how many Republicans. If we get most of the votes, that's fine because it is the right thing to do. It's going to create jobs and opportunities in America, and that's what it is



all about. We believe in trade. We don't believe in protectionism or building a wall around America. Mexico is our third largest trading partner, Canada is number one. There are 700,000 jobs in America, American jobs that are making products that are exported to Mexico. Every time they spend a dollar for imports, 70 cents comes to us. And there are all kinds of reasons we ought to support NAFTA. So we're going to keep pushing the President and the Democrats to get this done. The longer they wait, the more trouble they are going to have, in my opinion.

RF: How will you bring along those Republicans who have voiced their opposition?

DOLE: We probably won't get every Republican in the Senate either. If we can get 38 or 40 Republicans, well that is pretty good out of 44. I mean the Democrats only have to furnish 13 Democrats to get 51. They can get by with 12 and a door vote. So the House Republicans are saying, "Well, if we're going to have 50 votes, you've got to furnish 50." I'm not certain we ought to play that game because I think it is so impor-

tant we pass NAFTA.

RF: Many high profile Democrats, such as Majority Leader Richard Gephardt, and the House Democratic Whip, David Bonior, are opposed to NAFTA. Will they help kill NAFTA?

DOLE: I think their opposition is going to be fairly muted. They are going to take votes, obviously. If you have organized labor saying they are going to withhold support unless you vote against it, it is going to have an impact. They need to find a 100 Democrats over there somewhere to vote for NAFTA. If they only get 118 Republicans, that will be hard to do. It shouldn't be hard, it ought to be a slam dunk, in my view.

RF: It seems that Perot's voice is constant and getting louder, like a slow drip.

DOLE: Yes, well I don't agree with Ross Perot, I don't know what his agenda is, but my view is that this the only jobs opportunity we are going to have this

year.

RF: Do you think the Clinton honeymoon is over? He was having difficulty earlier in the summer, but now he seems to be pulling himself back up with health care reform and the middle east peace agreement, etc.

DOLE: I think he is doing that. I think presidents go up and down. Obviously, President Clinton is going to go up and down. We're going to try to win, we have races to run, but we're not trying to embarrass the President. If he does better, that's fine. We will try to come up with better ideas at election time to win seats in the House and the Senate in '94, and two outstanding Governor's races in 1993, in

"People don't like turning things over to the government, and we see a lot of that in Clinton's [health care] program."

Virginia and New Jersey. Then in 1996 we will try to help Mr. Clinton out, out of office.

RF: Lets talk about races. In 1994, the Republicans might have a shot of winning back the majority in the Senate. In your opinion, where are the target states and where do you think the Republican Party can make the most difference?

DOLE: Well, there are a number of target states. I just named two. I think Arizona, Michigan, Virginia, and Ohio, that's four. Our motto of course, since we have 44 (seats in the Senate), is "Seven More In '94." I'm not certain we're going to attain that, but we always are very optimistic. If the economy gets a little better and Clinton is doing a little better, it will be tougher to pick up seats. Plus we have some tough seats. We have open seats in Wyoming and an open seat in Missouri and an open in Minnesota. Those are three, particularly Minnesota, that will be tough to keep. Missouri is a tough Democratic state for the most part. What we need are good candidates, and we still have a number of states without candidates, such as Connecticut, New Jersey, North Dakota. So we are working

on it, and we think that if the economy should just sort of stagger along, it's not good news for business, but it's good news for us because we can pick up seats.

RF: What do think the chances are for a moderate Republican to gain the Minnesota seat or any of these other states?

DOLE: I think Minnesota is a critical one, it is a moderate state. There are not a lot of conservatives, but there are good moderates. The governor is a moderate, Arne Carlson. In Missouri, I think Governor Ashcroft is quite conservative. Wyoming is still wide open, maybe former Secretary Dick Cheney or maybe Craig Thomas or Lynn Cheney. We've got a moderate running for governor of New

start winning, people start showing up at meetings. We're going to have our differences, we're going to have our controversies, but if we didn't have any competition the party would be pretty dull too.

RF: Many in the Senate, and in the Republican Party have been nervous about the increase in political clout of Pat Robertson and the Christian Coalition. Are you worried about the influence of this group and the low public image that many Americans associate with them?

DOLE: Well,

"In my state, the right-to-life groups have taken over two of our largest counties...I've told other people that if you don't like it, go out and run..."

Jersey, Christine Whitman. That's the first big test this year. I'll be up there soon to campaign with her.

RF: What are the characteristics of the ideal Republican Presidential candidate for 1996 and how can we bring the many subsets of the Republican Party together to agree?

DOLE: I think we have to do that between now and 1996. I think that 1996 is too far away, we have elections this year, we have elections next year. One way to make certain we do well in 1996 is to continue winning elections. We've won two Senate seats since Clinton's election, in Georgia and Texas. We've also won the seat for Mayor of Los Angeles and the lieutenant governor of Arkansas. We are winning elections, that tells you about the party, and they're moderates, conservatives, whatever. So, if we can win in New Jersey and Virginia, and pick up seats in 1994, we will be in pretty good shape in 1996. It tends to bring people together if you are winning. You may not agree on every issue, but if you are winning elections, unless it is just somebody you can't tolerate winning, I think it's like anything else. When people

I've never told people they couldn't vote for me, I don't run around giving litmus tests. In fact, I told the Christian Coalition, when I addressed them a couple of weeks ago, that we shouldn't give litmus tests in our party because

we have different ideas, different philosophies. But there is something that brings us together as Republicans, maybe it's the economy, maybe it's something else, but it shouldn't be some single issue. I said it there and I say it everywhere. I want the Republican Party to be the majority. It doesn't have to be a majority made of people who think like I do, or like somebody else does. The Democrats are able to contain all their different views, sometimes we find it more difficult.

In my state, the right-to-life groups have taken over two of our largest counties because there was nobody running for precinct office, and they went in and filled the office, now they have a majority, and

they're exercising their majority. I've told other people that if you don't like it, go out and run for precinct office. You can't fault people who use the legitimate process and win. But we've got to be more than a one-issue party, that's the point I've been trying to make.

RF: The last question Senator is how was New Hampshire?



DOLE: New Hampshire is great, particularly when it is hot. A lot of people are heading up there. Phil Gramm is up there a lot. Jack Kemp is heading that way. Dick Cheney has been up there, Bill Bennett, Lynn Martin. I'm sure that after all the governor's races in 1994, there will be three or four of them heading that way. If Governor Wilson wins in California, he'll be a factor. It's a good place to go, but I think you shouldn't over do it, though, this early. I don't intend to go back for a while. **R**

*Mimi Carteris associate editor of
The Ripon Forum.*

Health Care

EMERGENCY

Excuse me, ...Hillary...Ira? Is this the health care reform program we really need?

By Greg Scandlen

As the Administration and the Democratic National Committee switch into campaign mode to sell their health care plan to the public, the opportunity for thoughtful discussion of the issues is rapidly slipping away. Soon we will be beset by heated rhetoric intended to bludgeon public opinion rather than enlighten it. As Clinton's number one political strategist, James Carville, said earlier this year about pushing health care reform, "we're going to roll over the opposition." Not persuade or educate or reason with, but "roll over."

In fact the Administration wasted a wonderful opportunity to persuade, educate and reason with the entire nation when it closed the door on the workings of its health care task force. Instead of sharing the thought process with the rest of the country, they chose to work in secret, behind closed doors. We may never know exactly what they looked at or why they accepted or rejected any particular idea.

So, before we get totally "rolled over," here are a few questions the task force may never have asked, let alone answered:

1. WHAT IS THE RIGHT AMOUNT OF MONEY TO SPEND ON HEALTH CARE?

It is widely agreed that we spend more on health care than any other country and that 14 percent of the GNP (or GDP) is too much. But one of the reasons we spend a greater portion on health care than other countries, is that we spend a lesser portion on other things, like food. Americans spent 14.42 percent of their household budgets on food in 1991, while the Japanese spent 25.10 percent. We also spent less than the Japanese on entertainment, 5 percent vs. 9.6 percent, and clothing, 5.9 percent vs. 7.3 percent. We spent only 5.25 percent of our household budget on medical care, but 17.4 percent on transportation and a whopping 31.4 percent on housing. The Japanese spend roughly half of what Americans spend for each of those categories. The fact that we spend less for health than we spend on clothing is part of what prevents

most Americans from viewing this as a real crisis.

Is 14 percent of GNP really too much to spend on health care? Is it a crisis? Well, maybe, but it seems to be a crisis mostly in the eyes of policy wonks. And it has almost always been a crisis for such wonks. Only a few years ago, in 1975, professors and academics were sounding the alarms about the "astronomical increases in cost" when health spending reached 8.3 percent of the GNP, and they were equally alarmed about the "crisis" in 1970 when it was 7 percent of the GNP.

The optimal percentages on what we spend on health care food and entertainment seem to keep changing. Have we set a goal as to what these should be and, if so, what is it?

2. IS MANAGED CARE REALLY THE PANACEA?

Health Maintenance Organizations (HMOs) and other forms of managed care have been around a long time now, and lots of people are in them. In fact, over half of all employees with health coverage were in some form of managed care system in 1992, including 41 million in HMOs. But they don't seem to be doing much to hold down costs. Many health economists argue that because HMOs generally attract a younger, healthier population, their primary savings can be attributed to customers not needing as many health care services. Further, there appears to be one time savings when people first enroll in the HMO after which cost increases parallel very closely with increases in traditional fee-for-service plans.

Much has been made of a recent employer survey by the consulting firm of Foster Higgins. This year their survey showed that premium increases between 1991 and 1992 were lower for HMOs than they were for traditional insurance arrangements (8.8 percent vs. 14.2 percent,) but in the previous year, the survey found that HMO premiums went up more than traditional insurance plans. And while 52 percent of employers surveyed said their HMOs cost less than their traditional plans, 30 percent said the HMO cost more.

So will managed care really solve all our problems? It would appear that those employees who would like to be an HMO already are, so where are the cost savings going to come from? If we force the other half of the population into managed care, will there still be savings? Even if those people are older and sicker than the existing HMO population?

3. SHOULD HIPCS OR HEALTH ALLIANCES BE THE ONLY WAY TO PURCHASE COVERAGE?

Joint purchasing is a great idea and many small businesses, like local chambers of commerce and trade associations, have already joined together to take advantage of greater economies of scale and clout in the market place. But these are voluntary associations. They must be run efficiently and provide good service or their members will go elsewhere for coverage. But the Clinton proposal would establish state run or non-profit "health alliances" which would be the only way anyone could

ever obtain coverage. No one would be allowed to purchase an insurance policy that wasn't enrolled in the Health Alliance. The National Health Board would then decide what plans are certified and, therefore, could participate in the Health Alliances, oversee an annual enrollment process, collect all the premiums and pass them on to the insurers.

If an association stops being voluntary -- if everyone must purchase coverage, and the Health Alliance is the only way to get it -- where is the incentive to be efficiently run and provide good service? Even the great California Public Employee Retirement System (CalPERS) which provides health coverage for over 800,000 people and is often cited as a model for "managed competition" is a voluntary arrangement between California public entities like the county governments, municipalities, school boards etc. These employers are free to go elsewhere if they can get a better deal. Indeed, the evidence would suggest that a Health Alliance must be voluntary to be successful.

4. UNIVERSAL ACCESS OR UNIVERSAL COVERAGE?

Not many would disagree that everyone should have access to coverage and to health care services. But that is much different than saying everyone must have a health insurance policy.

If the standard for success or failure of the new system is universal coverage, it is destined to fail. There are too many people in our society who are not functional enough to enroll in any insurance program, even a free one. Illegal immigrants are one such group. Other are the homeless, criminals, drug addicts, and the illiterate.

Even aside from these dysfunctionals, how will a mandate be enforced on the rest of us? What is the penalty for failing to enroll? What social upheavals are we willing to endure to force people to buy an insurance policy?

Once we take the step of making the purchase of private health insurance mandatory, we set off a chain of regula-

If the standard for success or failure of the new system is universal coverage, it is destined to fail. There are too many people... who are not functional enough to enroll in any insurance program, even a free one.

tory events that could have serious consequences for the whole society:

If everyone must purchase, then we must control what it is that they are required to buy;

Having controlled the product, we must next control the price of the product to prevent profiteering;

Now that the price is controlled, we must create a mechanism to subsidize those who can't afford even the controlled price;

Having a subsidy, we must develop a process if application and approval so that only the truly needy are subsidized;

Now that the needy are subsidized, we must create a new tax system to pay for the new subsidy;

Then we must provide assistance to those people or businesses who would be hurt by the new taxes;

And at every step of the way we have to set up policing, enforcement, and appeals procedures.

All of this for what? To make sure that 15 percent of the population without insurance will have it? But does the

magnitude of the problem justify the contortions?

Most of the uninsured spend less than four months without coverage. Generally, these are the people in between jobs, or people who haven't been on the job long enough to qualify for fringe benefits. Of these 15 percent, those uninsured who are without coverage for two or more years are probably poor single men, like the homeless, or childless couples who are not allowed to obtain Medicaid, regardless of their poverty.

The uninsured still receive health services, at about 75 percent of the rate of the uninsured, by paying out of pocket, going to public facilities, or going to private hospitals which cannot deny them care.

The burden of free care on hospitals is actually only 6 percent of hospital revenues. While some hospitals offer much more free care than that, others do not. Many of the uninsured are able to pay some or all of their medical bills directly, so the burden on most hospitals of providing charity care is not unmanageable.

Most of the problem of the uninsured could be solved through a combination of an improved Medicaid program that really cared for the poor, fair tax treatment for people who pay for their own insurance, real efforts to lower the cost of care such as allowing people to set up their own Medical Savings Accounts, and adequate funding for our public health facilities. This could all be done without the upheaval a mandate would cause.

5. HILLARY, HAS THIS ALL BEEN CONSIDERED?

Or are we supposed to take your word for it that *everything* has been considered? Is it possible that, even with 500 lawyers and professors advising you, something may have slipped? I just thought I would ask. **R**

Gregg Scandlen is Executive Director of the Council for Affordable Health Insurance.

Strange Bedfellows

by Louise Palmer



Over the summer, members of the Congressional Black Caucus, an organization of African American House members, many of whom have spent their lives battling discrimination, found themselves in the undesirable position of casting out a fellow member whose ideas of racial equality they consider divisive and unpalatable.

Following a blistering attack on the character of conservative Rep. Gary Franks, R - Conn., by Rep. William Clay, D - Mo., the caucus voted unanimously to limit Franks' role in the group. After Franks threatened to sue, the media jumped aboard, and the group backed down.

Tensions then reached a breaking point during a caucus meeting with President Clinton. At the meeting, Franks opined that the act of creating a minority-dominated district amounted to "racial gerrymandering," consequently outraging caucus members. Franks' subsequent "Dear Colleague" letters outlining his proposal to ban such practices took the caucus over the edge and further alienated the Republican member.

Clay then faxed every reporter in town an open letter to Franks stating that, for the good of the country, Franks should resign from the caucus as he had threatened to do weeks earlier. "It is incumbent on me to reiterate my opposition to your insensitivity to and callous disregard of the basic rights and freedoms of 35 million black Americans," Clay wrote. "To remain silent any longer, might at a future time, imperil the well-being of black America."

The unraveling of this saga raised the specter of an all black group tossing its ideals of diversity and tolerance out the window in order to bolster its power. At a time when members are under tremendous pressure from their constituents to get

results from Washington, the question is whether there is room in Congress for alternate views on what is best for black America.

More vitriol began to seep out of the caucus after it voted, in Franks' absence, to limit his participation in the activities of the caucus. "I have no desire to eat their fried chicken and leave," Franks responded. Flouting the golden rule never to criticize another member, black lawmakers publicly ridiculed and denounced Franks, saying he was more concerned with protecting his vote base, which is predominantly white, than with fighting discrimination. Rep. Mel Reynolds, D-Ill., provided a view into the inflammatory charges.

"Gary wants to pretend that racism doesn't exist as far as it relates to black people," said Reynolds, who had proposed a motion to permanently remove Franks from the caucus. "He always says 'I had a KKK cross burned on my lawn,' and things like that, but that's just a game. Gary cares about getting re-elected, not about fighting discrimination."

After Franks threatened to resign, Caucus Chairman Kweisi Mfume, D-Md., called a press conference to announce that the caucus had reversed its decision and was determined to let Franks air his views and cast his votes. Mfume made it clear that he would block attempts to throw Franks out while reserving the option to form a Democrats only black caucus in the future.

But the issues underlying the controversy are far from resolved and the irony of the caucus action clearly was not wasted on its members. The African American agenda is guided by the ideals of equal representation and diversity. And yet, in acting against Franks, both were sacrificed for the sake of political expedience and moral outrage.

This leaves the caucus to ponder how its mostly liberal members should respond to black conservatism that poses a challenge to their unity. Franks stands apart from the group not just in his political affiliation as the only black Republican in Congress, but in his political base as well. He is bound to have an orientation different from the average caucus member.

Can the group afford to tolerate a radically divergent perspective when its members feel "under siege" and mounting "pressure at home because of neglect of an agenda that needs the president's attention?" asks Dr. Ronald Walters, head of Howard University's political science department.

"Diversity is good theoretically, but it doesn't work when it comes to politics," Walters said in an interview before the caucus reversed itself. But if diversity has no place in the free-for-all of American politics, where does it belong? Black conservatism, in the form of Supreme Court Justice Clarence Thomas or author, Shelby Steele, is a presence in the collective African American mind. The caucus does itself harm by quarantining the expression of views touted by those like Franks.

Clearly the group's work to battle discrimination will not square with attempts to ostracize its renegade members who hold different ideas of what constitutes progress. Nor will it blend with individual members attempts to embarrass Franks by calling into question his civil rights credentials.

In response to the recent attacks, Franks said "Every morning I wake up and realize I'm black, I realize that if I didn't have my congressman's suit on in a restaurant, I would be seated by the kitchen." Should we be asking Franks to assure us he knows he is, indeed, black? The caucus's attacks take away from its credibility and authority to speak for the under represented black community.

Not surprisingly, the caucus is frustrated by the irony Franks' situation points up. While Franks fulminates against "special treatment" for minorities, the majority of caucus members benefited from programs such as affirmative action and the civil rights legislation of the '60s that brought blacks

to Congress in significant numbers for the first time since the Reconstruction.

Now Franks calls into question some of the measures that made those laws a reality. Franks supports the recent Supreme

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Court decision on re-districting which, in Clay's words, "diminish the effectiveness of the Voting Rights Act in drawing legislative districts designed to remedy a whole century of past discrimination." Franks, on the other hand, argues for a color-blind society and says of the caucus "For them to believe you need a handicap to get elected is wrong."

While Franks speaks out on "manufactured advantages" for blacks today, Clay -- and presumably the rest of the caucus -- believes he should speak out against the gerrymandering, fraud and intimidation of yesterday that deprived blacks of their voting rights.

For many black members of Congress, some of whom have participated in the struggle to ensure African Americans have a voice in Congress, any assault on the Voting Rights Act is nothing short of heresy, especially when it comes from a black American. It is indeed a "life or death issue" for many in the caucus, reminds Walters, and so support of it is considered essential to the struggle for equal rights in this country.

Clay listed 15 bills Franks opposed but which the caucus unanimously supported, including punitive damages for discrimination based on sex, religion or disability. He also cited votes against legislation promoting civil rights, family and medical leave, extensions of employment benefits and legal assistance to the poor -- a record that has more in common with Minority Whip Newt Gingrich than it did with any member of the caucus.

Even so, the Franks credo hardly represents a threat to the caucus. Speaking as it does with more or less one voice, the message of the group has been -- and will be -- heard above the plea of divergent opinion. **R**

Louise Palmer is a writer for States News Service in Washington.

Prescription for Success

by Bill Gradison

Health care reform is needed and it is needed soon. On this we all agree. Democrats and Republicans, consumers and business persons, young and old, all believe that America cannot enter the 21st century with a health care system that does not quite measure up to those of other leading industrialized nations. Our competitiveness, our stature, and our goals as a society are all at stake.

The realization that we have lost ground has been a bitter pill. While we remain the leader in medical research and technology, and the leader in the quality of our medical services, we have failed to provide health care security for all our citizens. And recently, not only America's poor (historically, the focus of health care reform movements) but its middle class has begun to feel vulnerable.

We simply cannot have so many of our citizens living precariously, in fear of inadequate care and lack of coverage. Comprehensive, affordable coverage for everyone is our central goal.

President Clinton has started us moving in the right direction. His proposal is far-sighted and generous. While our purposes are shared--and cut across party lines and sectarian interests--some disagreement remains about how to achieve them. More specifically, three areas in the Administration's proposal are of particular concern: price controls, exclusive health alliances and pure community rating.

Price controls have never done what they are supposed to do: curb costs. Moreover, the major price control the White House talks about is a cap on insurance premiums. Premium caps present a disincentive to new investment -- and this at a time when the industry will need a massive infusion of money to adequately cover the 37 million Americans soon to be privately insured over the next decade. If we want growth--and we must have it to serve our new customers--a cap on premiums is exactly the wrong way to go about it.

Many people who support caps do so because they believe that health insurers make inordinate profits. Actually, it's hard to make money in health insurance. Insurers who provide individual insurance products to their customers have consistently suffered losses over the past seven years, and those who provide group products have fared little better: the average rate of return is under 2 percent, which is far below that of many other health care industries. Therefore, burdening one of the least profitable players in health care with price controls

doesn't make sense, especially when the weight of that burden could drive some companies out of the health insurance business, thus placing some insurance recipients at risk of an abrupt loss of coverage.

I am also skeptical about exclusive health alliances. Under the Clinton proposal, employers with fewer than 5,000 employees and all individuals not employed by large companies, would be required to buy health insurance through a regional or state purchasing mechanism called a health alliance. These alliances will have to live within a federally determined global budget. Thus, when an alliance goes into the insurance marketplace, it will be less likely to buy indemnity insurance that covers fee-for-service arrangements and will be more likely to buy managed care. While managed care is an excellent option for many, some patients really need --and are willing to pay extra for--indemnity insurance. But with arbitrary spending limits in place, some alliances may be unable or unwilling to offer consumers an indemnity option. Consumers will then be deprived of their right to choose fee-for-service coverage.

Establishing purchasing pools that will increase the affordability of coverage is a laudable goal. But participation in the health alliance should be voluntary, not mandatory. Consumers should have the option of obtaining coverage either through an alliance or directly from a plan, so long as the plan meets all federal requirements.

Finally, there is "pure" community rating, a pricing mechanism in which everyone pays the same rates for the same

level of coverage. Equitable? Not really. In addition to an onerous financial burden on the young, who will pay far more than they do today, a person with an unhealthy lifestyle, maybe someone who doesn't exercise and smokes three packs a day, will pay the same premium as someone who exercises regularly and has never smoked. This is not only unfair, but undermines prevention and wellness programs.

If the insurance industry's concerns over price controls, exclusive health alliances and pure community rating are addressed (and our concerns are shared by many outside the industry), reform will be less disruptive, simpler to administer and more consumer friendly.

As for those of us in the health insurance industry, we will continue to listen to our customers and work with federal and state legislators to craft the best reforms possible. Our reforms then must be, and will be, the result of bipartisan compromise, informed by what the American public wants: comprehensive coverage for all, achieved through a dynamic partnership between public and private sectors. Ultimately, only this type of holistic approach will help enhance our competitiveness abroad and advance our social goals at home. *R*

The Honorable Bill Gradison is a former U.S. congressman who represented the 2nd district of Ohio for 17 years and is now president of the Health Insurance Association of America.



Republican

WOMEN

Still Want A Choice.

by
Mary
Dent
Crisp

A year ago, moderate pro-choice Republicans emerged from the most divisive and damaging Republican National Convention in decades. Some plunged headlong into the battles of the Fall campaign, hoping to make the best of a bad situation. Others continued to seek an outlet, a voice for the true Republican tradition of limited government and individual rights, even though we knew we were unwelcome in our own party. Many more -- too many -- choked once too often on the outrage sparked by the fanatic right-wing exclusionists. They left the party, never, I fear, to return.

For those of us in the pro-choice Republican movement who labored on, our determination was strong, but our hearts were heavy. We knew our Party had turned its back on its own pro-choice majority. We suspected, even as the elections approached, that the Party had also succeeded in alienating and offending Americans of every stripe, including the independents and cross-over Democrats that every Republican candidate needs to win. All too sadly, we were right.

The Republican Party caromed through the fall, only to awake the morning after Election Day to a whopping political hangover, courtesy of the radical, anti-choice right wing. It took some people longer than others to admit to themselves what the poll data showed beyond dispute -- that those who had allowed the Party to become a perceived, and too often, an actual haven for the radical, anti-choice right wing had cost us election after election, from the White House all the way down the ticket.

As difficult as that "hangover" was to recover from, I do believe that taken in a longer view, it may actually prove to be the

wake up call the Republican Party needed. The political landscape is markedly different today, and even those responsible for them are beginning to acknowledge the role intolerance and extremism played in the Party's losses. With little left to lose, and much to gain, dialogues and reconciliations that would have been impossible a year ago are being undertaken. Into this atmosphere, renewed efforts to restore the Republican Party's true pro-choice tradition are taking shape. Moderate groups, including pro-choice Republican advocates, must move forward with the following thoughts in mind.

LET NO ONE ELSE DEFINE US . . . OR THE PRO-CHOICE ISSUE

The first battle we must win is the perception battle. For too long, moderate pro-choice Republicans have allowed the opposition to characterize us as radical, out-of-touch, disloyal. These characterizations are directly controverted by fact. Who can fail to agree that it is the anti-choice faction, who repeatedly fail to convincingly distance themselves from vigilantes who gun down doctors, that is, in fact, "radical?" When nearly 70 percent of Republicans believe abortion should remain legal, who would not categorize the anti-choice wing as "out of touch?" And, most importantly, when the 1992 elections proved beyond doubt that the Republican Party's anti-choice, intolerant rhetoric and policies turned voters away, who can believe that it is not the pro-choice, moderate Republicans who are fighting to save the Party?

FIGHT WHERE THE BATTLE IS

Elections are won and lost at the local level. Control of a Party's soul is determined there, too. While national visibility and pressure is

"One of the best lessons pro-choice Republicans can learn from the radical anti-choice faction is to remain focused."

important in policy debates, only individual delegates to the Republican National Convention in 1996 will be able to cast votes to change the platform to eliminate the radical anti-choice language. Only individually elected officials, one by one, vote by vote, will be able to stop the sweeping incursion of government into private, medical decisions.

We have at last learned a hard lesson from our opponents in the radical right wing of the party. Through their grass-roots activism and ability to mobilize their constituents through the built-in political infrastructure of our nation's religious institutions, they have achieved political and financial clout far disproportionate to their actual numbers. They are gaining control of Republican party politics not because they are the majority, but because they are better organized, better funded, far better motivated and better informed about how to impact the political process.

The moderate pro-choice majority of the Republican Party that the NRCC represents cannot hope to match groups like the Christian Coalition dollar for dollar or pulpit for pulpit. Our best hope lies in working smart as well as hard, accepting the lessons our opposition has taught us and always remembering that the majority is with us. Anti-choice groups cannot legitimately claim, as we do, that polls show that they have the support of nearly 70 percent of Republicans.

One of the best lessons pro-choice Republicans can learn from the radical anti-choice faction is to remain focused. Groups like the Christian Coalition are chillingly undistracted from what they hope to achieve. Despite recent protestations by that group of its intent to broaden its agenda beyond radical anti-choice and anti-gay issues, recent press coverage makes it clear that abortion and homosexuals are still the "hot buttons" that whip their foot soldiers into a frenzy. They have shown their true colors, and I would not be surprised to see the Christian Coalition return

to its original radical agenda. They know that they dilute their message at their organization's own peril. Their narrow-mindedness is, in part, what makes them effective.

Republican women have learned this lesson perhaps above all others. As a result, we are targeting our efforts only at our two goals: electing more pro-choice Republicans to office at all levels and changing the Republican Party Platform so it accurately reflects the views of the pro-choice GOP majority.

GET MODERATES TO MOVE

One charge made by the opposition -- that moderates are not a political force because their pragmatic political attitude leaves them disinclined to participate in "movement" politics -- is, unfortunately, a label we have in the past earned. Moderates must begin to set aside their natural inclination to bend over backward to see the other person's perspective. We must swallow our distaste for rocking the boat. Believe me, the radical right suffers from no such reluctance. They are motivated, and they are organized, as the 2,200 participants in a recently concluded Christian Coalition political boot camp attest.

Moderates can no longer settle for writing a check, voting their conscience and waking up disappointed the day after Election Day. We must roll up our sleeves and get back to basics: precinct-based political organization.

And, most importantly, moderates need to get mad. They need to recognize the real, imminent threat posed by the radical right, not only to the future of the Republican Party, but to that of the country as well. Moderates do not need to respond to the call of a charismatic, fire-and-brimstone political preacher. We do what we do not because someone tells us to, but because it is right. We know how to win in American politics. Now we just have to do it.

R

Mary Dent Crisp is Chairman of the National Republican Coalition for Choice.

The Heritage Foundation, that bastion of Washington conservatism that houses the minds of policy people such as Robert Bork, Stuart Butler and John Robson, has decided to branch out. Its magazine, **Policy Review**, where thoughtful ideas and issues are reviewed and analyzed, has now abandoned its adherence to what is policy and has instead moved on to what is popular.

Hardly known for its religious background, the **Review** was the perfect place for Ralph Reed, executive director of the Christian Coalition, to publish the organization's mission to broaden its agenda to economic issues.

Reed, who cut his teeth in the secular world before being "born again" and going to work for TV evangelist Pat Robertson, barely disguises his pragmatism and secular political savvy in the recent piece, "Casting a Wider Net." While his attempt at inclusion, through similar economic pursuits, might be reason for traditional Republicans to cheer the possible advent of a new "Reagan Coalition," fellow Republicans should look more closely. Even Reed in his press conferences makes a point of reassuring the evangelical faithful that he was not intending to abandon their adamant stands against abortion and gay rights. But can the Christian Coalition have it both ways?

After conducting a survey of Christian Coalition members, Reed writes that the voting power of the hardcore pro-life/anti-gay Christian community is not enough to give true representation to the church-going Christian electorate. He further concedes that the priorities of Robertson's greater following are more economically conservative than anti-abortion.

The good news for the Republican party, if one interprets Reed correctly in his piece, is that the majority of respondents to his survey will have a tendency to vote Republican based on economic issues only and therefore potentially be the beginning of a new Republican "coalition." The bad news, for the Christian Coalition, is if they can't convince their zealots to soften their perceived intolerant social agenda, the organization may see itself marginalized by its own unwavering pro-life activists.

Another more insidious outcome may, however, be in store for the Party of Lincoln. Reed's new agenda may indeed be the ultimate "Trojan Horse," using "openly stealth" candidates to grasp control of the local party structures as they have already done in a dozen states, and eventually penetrate the walls of the Republican National Committee. With a budget estimated at \$13 million dollars, the Christian Coalition barely lags behind the RNC by a mere million dollars, giving it more than ample opportunity to strike anytime.

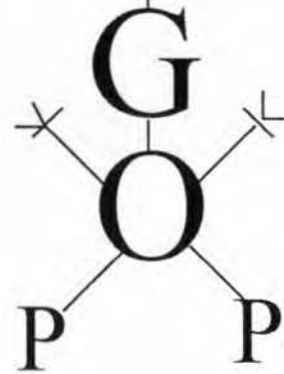
But what of the more moderate, culturally diverse, majority of Republicans, who believe in the basic tenets of less government and individual rights and enthusiastically includes the Republican party of African Americans, Hispanics, Hindus and Jews. Will they find comfort in the

A

TROJAN

H O R S E

control of their GOP by an individual who on Robertson's television show, the 700 Club, implies that they are Satan worshippers? Will they be able to ignore the fact that one of the top leaders of the Christian Coalition is a devout supporter of former Klu Klux Klan wizard and Louisiana gubernatorial nominee, David Duke? Or will they finally mobilize to save their party from these over zealous theocratists?



If the Fundamentalists who answered the Christian Coalition questionnaire ranked abortion eighth in importance, something else is going on in this movement. Those who have studied the migration of Fundamentalists to the Republican Party in 1980 acknowledge the fact that abortion was used by secular conservatives as a unifying tool to unite the various sects with substantial diversity in their other religious beliefs. Is it then time for the church-going segment of the Republican electorate to be absorbed into the mainstream of the GOP? Certainly they have no monopoly on the moral support of broad issues like the family. Then isn't time for people like Ralph Reed to stop writing about "Casting a Wider Net," and start acting on it? Otherwise, Republicans must face the real possibility of single-issue extinction, brought on by careless "policy" people who do not practice what they preach. *R*

Caty Sibble is a member of the Ripon Society's National Executive Committee.

RNC Delegate Process Is Unfair to Blacks

Continued from page 5

Bloc voting was prohibited at party conventions and the dignity of the individual Congressional delegate was time and again affirmed.

In his article entitled *The Republican Party 1854-1876*, author David Donald Herbert quotes a Kansas delegate in 1876 committed to such early GOP ideals who said, "The great principles of the Republican organizations demand that each man shall have his vote himself and not be bound up by some party or power that is behind him. We are not here to be handled like mere machines."

After the Reconstruction period and the re-emergence of the legalistic distinction between the right of the African American to freedom versus the right of the African American to equality, with its accompanying chilling effect on racial justice, the "Negro question" began to enter political discussion with subsequent disenfranchisement and segregation of the races. Among Republicans, historic principles of civil rights were slowly being replaced with a different standard couched in economic terms which had the effect of diminishing the party's moral character and focusing its dialogue along less noble principles.

Ironically, it was the progressives, appalled at the control by President Taft in 1912 of the southern, mostly black, GOP delegates that led the movement to change the party rules from those of neutral guardianship of noble principle to complicity with exclusion.

As scholar J. Lee Auspitz reveals in his article *Party Rules*, the first change occurred in 1916 when it was determined that the second congressional delegate would now have to be earned by the district casting a minimum of 7500 votes for the Republican nominee for Congress or President in the previous

election. Since the franchise was unconstitutionally denied in the South, this reduced southern representation in 1916 by a third, cutting the proportion of black delegates in half.

A compromise by regulars and progressives led to the 1924 rules changes.

THE LAST 70 YEARS

The 1920s was a time of nativism when ethnic urban and suburban areas were ceded to the Democratic Party and when majority solutions to racial and ethnic concerns resulted in either outright exclusion (in the case of Asian immigrants) or, with regard to race, overt segregation and disenfranchisement.

The movement to weaken the congressional district delegates culminated with the rules changes proposed in 1921 for the 1924 Convention. The new rules added two additional delegates in the at-large category for each at-large representative in Congress, two additional delegates-at-large from each state casting its electoral vote or a majority thereof for the Republican nominee for President in the last preceding Presidential election, and a further proposal to provide a minimum threshold vote of 2500 votes in order to earn even **one** congressional delegate and an increase to 10,000 votes from 7500 votes for a second congressional delegate.

The at-large "bonus" delegates aided the smaller states to the detriment of the larger states. The crude minimum delegate requirements were to structurally shift the party in a new direction, concentrating on southern white voters and western progressives at the expense of black and ethnic Republicans in the South and urban America.

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Americans from its
ranks."

This was the beginning of the "southern strategy" which would seek economic allies among white Southerners at the expense of the GOP's historic commitment to civil rights.

Despite black disenfranchisement, Jim Crow legislation, overt discrimination, not to mention lynchings, poll taxes, educational requirements and the virtual exclusion of black America from political life, these Republicans emphasized a party founded on its economic astuteness and solicitation of white southern voters to the exclusion of ethnic urban and suburban America.

Black and other concerned delegates, given little warning of what changes were to be proposed at the 1921 RNC meeting, objected to the discriminatory effect of the more obvious minimum voting requirements, which amounted to Republican complicity in denial of the vote.

Colonel Rimmel of Arkansas objected to the whole proposal saying, "The fact is we are being disenfranchised...and nobody knows it better than any one of you gentlemen sitting here." Henry Lincoln Johnson, a black RNC member from Georgia added, "Are you going to deny representation to an electorate that is yours by preference and really by inheritance as is the case with me? ...Why will you be silent as the mummies of Egypt on the disenfranchising laws that keep your friends and party comrades from the polls?" In words that many Republicans can apply to the present, he continued, "This proposition will not do. It leaves too many Republicans with a bad taste in their mouths. It is not fair to go into impending political warfare with so many ardent Republicans distressed down deep in their hearts at the acts of the Republican organization. It is not good judgement to go into the coming battle with so many of your privates feeling that they have been fundamentally wronged."

George Holden Tinkham, a Congressman from Boston, fought hard for the enforcement of the Constitution's Fourteenth and Fifteenth Amendments.

Tinkham insisted that the "indefensible and flagrant nullification of these amendments" had resulted in "not only notorious and scandalous disenfranchisement of the Negro voter, but in an illegal proportion of southern members in the House and an unconstitutional dishonest and illegitimate organization of the government itself." In an address to the RNC, he urged the committee to respond to the low southern GOP vote by enforcing the Constitution and not penalizing the victims of disenfranchisement.

Despite these protestations, the GOP delegate structure was radically compromised by the new rule changes. White southern participation in a party structured around economic prowess was to be the new party goal. The individual delegate was no longer to be viewed as the revered embodiment of the Jeffersonian ideal.

At the very time that Republicans were de-emphasizing the House of Representatives as the basis of representation, they were losing House seats. As Malcolm Moos points out in his book *The Republicans*, GOP House seats in 1920 fell from 300 to 221 as a result of the country's "first agricultural depression of the century," a forerunner of the Great Depression. By replacing civil rights with economic issues, the GOP tied its fortunes to the whims of the marketplace rather than to the bedrock of party principle.

As Teapot Dome and other scandals broke, Coolidge began to worry about the black vote for the next presidential race. Thus the cruder elements of the 1921 delegation changes were reconsidered, illegally, in 1923. The transcripts of that meeting disclose the fact that the exclusion of ethnic groups by means of bonus delegates was known to RNC members.

One black member who comments that "race is not the issue" structures his remarks along lines of ethnic prejudice common at the time: "You expect me to be loyal to you, and I will be loyal to you...now let me ask you to be loyal to me. ...I am content to trust my govern-

ment in you. ...Coming into your hearts and coming into your homes are people who stand against your government. The red flag of anarchy is in the heavens where the Stars and Stripes ought to be, and men are preaching a strange doctrine of the street corner, and the foundations of your government are being assaulted by strangers across the sea. ...I belong to a race that never sold a secret. I belong to a race that never practiced treason. I belong to a race that never sold a map to the enemy. I belong to a race that never shot a president. ...Just look at Massachusetts. ...Thirty years ago Massachusetts was a rock-ribbed Republican state. Today Massachusetts is not a rock-ribbed Republican state and is almost a Democratic state. Who made it Democratic? Strangers and foreigners from abroad made it Democratic."

After much debate the first congressional delegate was restored as a matter of right, but the 10,000 vote minimum remained for the second congressional delegate along with the at-large "bonuses."

Thus, in 1924, a pattern of adding additional "bonus" delegates-at-large was developed which, over time, has had the effect of reducing the representation of the ethnic urban and suburban areas of the nation.

Rule No. 31, entitled *Membership in Conventions*, lists these "at-large" bonus delegates which favor the smaller states: Four and one-half at-large delegates for each state [regardless of size] having cast its electoral votes, or majority thereof, for the Republican nominee for President [the 1924 bonus], and an additional at-large delegate for each Republican U.S. Senator, Governor, and a majority of Republican members in the state legislature. It is significant that the only victory not given a "bonus" is for winning a congressional seat. Rather, a bonus is given for a Republican **majority** of Representatives from a state's delegation to the U.S. House. For example, Wyoming, with only one congressional district needed to be filled by a Republican, would be given a bonus

at-large delegate under the rules, whereas California would not be entitled to the delegate unless 27 of its currently 52 Representatives were elected Republicans.

The fact that these bonuses hurt the urban and suburban states was outlined in a study on the 1984 convention by the public policy branch of the Ripon Society, the Ripon Educational Fund. The study found that the states of California, Texas, Florida, Massachusetts, New York, New Jersey, Pennsylvania, West Virginia, Ohio, Indiana, Illinois, Mississippi, Michigan, Wisconsin and Minnesota were included in the most under represented category.

Another study done by the Freedom Republicans, a multi-racial organization committed to the founding principles of the Republican Party, revealed that the current rules create the following disparities: the 17 most over represented states at the GOP convention constituted just 69 votes in the electoral college while the 17 most under represented states at the GOP convention constituted 321 electoral college votes. Four-fifths of all Hispanics are concentrated in the four states of Texas, California, New York and Florida and are the most under represented at the Republican convention. Blacks living outside of the South are almost entirely found in under represented states. Two-thirds of the nations Roman Catholics are concentrated in nine states and four-fifths of all Jewish voters are concentrated in seven states all of which fall in the under represented category.

MATTER OF FAIRNESS

The forgotten urban and suburban areas of the country and the underlying question of civil rights is not a matter of ideology but of fairness. Republican office holders from as diverse ideological backgrounds as Robert Taft, Thomas E. Dewey, Dwight D. Eisenhower and Ronald Reagan, have consistently denounced any system which does not adequately account for the nation's mi-

Colonel Remmel of Arkansas: "I want to say that you are...doing an injustice to all of the people of the south, all the members of our party . . . I simply want to enter a protest here against this proposition because it is unfair. We are disenfranchised by our Democratic opponents and here we are being disenfranchised in the house of our friends . . . is this great party of Lincoln going to add its own mandate of disenfranchisement to that of the Democrats in our country? I am standing here asking for the right to be a Republican in the southern states. . ."

norities. Former Congressman Mickey Edwards of Oklahoma recently observed, "the Republican Party is in a struggle for its soul. The issue is not one of political philosophy, but of political participation."

One would hope that the RNC, already criticized for its own lack of representation by population (Guam, for example, has the same RNC vote as California) and for its non-voting "auxiliaries," which in Rule 24 provides for a black-republican, Hispanic-republican, "heritage"-republican of Asian, southern and eastern European descent, and a Jewish-republican, would repudiate the effect of these archaic delegate rules and RNC auxiliaries. They should instead affirm the position of all who

carry the Republican banner into the election arena. Candidates need a party apparatus which brings voters together, rather than turning voters off.

Without substantive changes to Rules 19, 24 and 31, the current "inclusion" campaign will appear as nothing more than hollow rhetoric. Minority leaders cannot hope to convince their constituents that GOP participation is meaningful if they are pre-defined as non-voting "auxiliaries," characterized

as hyphenated Republicans, and skewed out of rightful representation by an at-large "bonus" delegate bias. Political parties must be racially and ethnically blind. The GOP cannot afford another convention that is more a liability than an asset.

Voters believe something is wrong with both major political parties. Re-emphasizing the rightful role of the congressional districts by the Republican party will be a practical and tangible demonstration that the GOP is serious about including, not excluding, Americans from its ranks.

It is essential that the party's office holders and seekers and all those members who care about its future speak out against these archaic rules. We must not remain "silent as the mummies of Egypt," but rather insist that the GOP return to the rules of the Party of Lincoln and the politics of participation. **R**

Arthur George is National Secretary of the Ripon Society and a member of the Ripon Society's National Executive Committee.

Days of an Ace

Days of Grace

*A Memoir by Arthur Ashe with
Arnold Rampersad*

Review by Andrew McLeod

When tens of thousands of Americans gathered on the national mall in August to commemorate the 1963 march on Washington, there was a widely reported call for new leadership in the civil rights movement.

Sadly, absent from this anniversary and opportunity for reflection on the state of black America, was one unique and resonant voice. It was that of Arthur Ashe, the tennis great who succumbed to AIDS in February.

Fortunately, Ashe is not easily silenced. *Days of Grace*, his very personal memoir composed in the months before he died, documents the reflections of a serious man with strong opinions. Through his success on the tennis court, he gained the prestige and position he later needed as an advocate for social change at home and abroad. Through his poignant account of a struggle against AIDS, a stigmatized and insufficiently understood disease, this book explores the issues of public disclosure and the rights of private individuals. It is a powerful story of Ashe's love for his wife and daughter, his dedication to genuine family values as well as a pointed commentary on the state of African Americans in this country.

Coauthored by Rampersad, a Princeton University literature professor whose earlier works include a biography of Harlem poet Langston Hughes, *Days of Grace* provides an overview of Ashe's remarkable playing career: competing as a youth in segregated Richmond; becoming the first black American - and one of the most successful Americans ever - to play for the United States in Davis Cup competition; winning 33 pro tournaments, including the men's singles at the U.S. Open,

Wimbledon, and the Australian Open; and assisting in the creation and leadership of the players' union.

The book focuses primarily on the years following the 1979 heart attack that ended Ashe's playing career during which he began to realize his physical fragility (a period that began with Ashe serving as captain, or coach, of the U.S. Davis Cup team, to which he devotes significant attention.) In 1983, he underwent his second heart bypass operation and contracted the AIDS virus through a blood transfusion (one of 13,000

Americans to receive HIV-contaminated blood before methods to detect it were developed in 1985.) Five years later, while a patient for brain surgery, it was discovered that he had AIDS. Then under the threat of disclosure by *USA Today* in April of '92, Ashe reluctantly acknowledged his illness publicly.

Ashe's account of his battle against AIDS is gripping and courageous. At times, it is difficult to believe that a dying man is able to discuss so dispassionately and informatively the disease that will take his life. He succeeds in educating his reader in many of the medical, social, and emotional aspects of AIDS.

However, as was his likely goal ("Race is for me a more onerous burden than AIDS," he declares,) the book's foremost strength is its

candid and sober examination of black America. A successful and highly recognizable member of that community, Ashe poses honest and essential questions about blacks' values, standards, and social condition. In doing so, he does not place blame nor promote the hackneyed notion of victimization among blacks, but instead stresses personal and community responsibility and accountability.

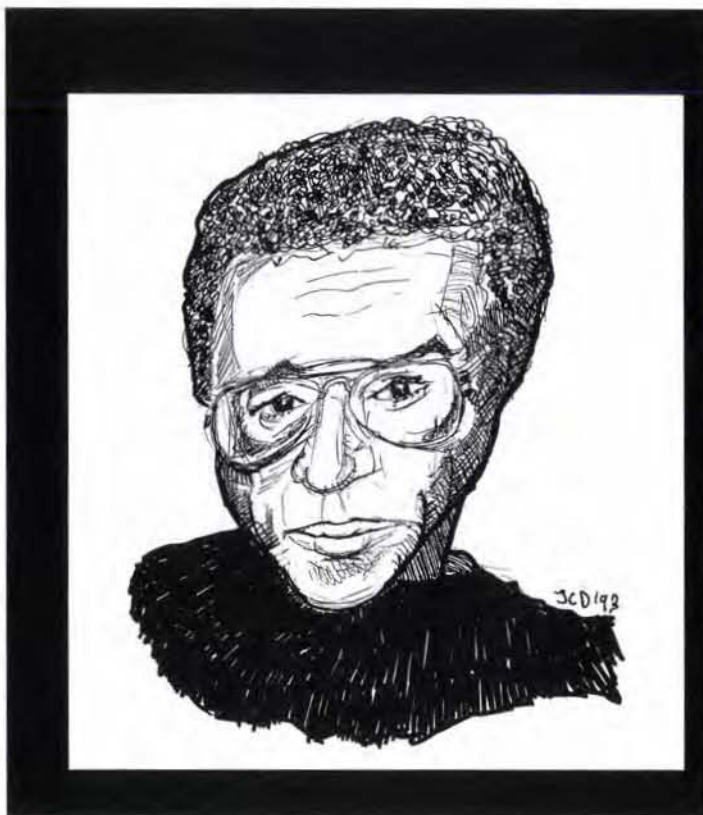
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He describes a decline in the moral authority of black American culture dating back forty years. (In addition to two previous autobiographical works, Ashe has authored a three-volume history of black athletes through World War II.) This disturbing trend in the black community is characterized by a decreased influence of family, education, religion and morality, and the "sense of superiority to those who would deny us our rights because of the color of our skin." Further, Ashe argues, this diminution of moral foundation is detectable in prevailing black attitudes opposing more stringent academic requirements for college athletes, favoring affirmative action ("an insult to the people it is intended to help,") advancing the notion of 'cultural bias' ("the phrase of choice for nationalistic blacks when their philosophy collides with the basic demands of education,") and tolerating the "increasingly dominant African American adolescent ethos of entitlement."

Ashe challenges those who ostensibly lead the black community, stating that "[the] very fact that we speak of 'leaders' and 'role models' as much as we do tells of our lack of power and organization...[we] blacks look for leadership in men and women of such youth and inexperience, as well as poverty of education and character, that it is no wonder that we sometimes seem rudderless." Along the way, he criticizes the legacy of Malcolm X and the public posturings of Georgetown basketball coach John Thompson and of preacher/provocateur Al Sharpton. Ashe admits to "racial embarrassment" when basketball great Wilt Chamberlain bragged about his 20,000 sexual conquests and when Magic Johnson confessed to 2,500 incidents of promiscuity and failed to frame his subsequent anti-AIDS message in either a religious or moral context.

Nonetheless, it is not possible to dismiss Arthur Ashe as merely a contrarian on matters of race or a "black conservative." For 25 years, he was outspoken in his support of efforts to ostracize South Africa and to end Apartheid. In the late 1970s, he considered running for Congress as a Democrat



against New York's "popular and effective" Bill Green. Ashe was an active participant in the 1984 presidential campaign of Jesse Jackson (though in the book he harshly judges some of Jackson's recent actions.) And having supported George Bush in 1988, Ashe became a strong Clinton supporter last year.

No, Arthur Ashe's is a steady, moderate, and constructive voice for and to black Americans - indeed, for and to all Americans.

Regrettably, such a voice is too often lacking on occasions such as last summer's march. Those who have outlived Ashe and who succeed him in confronting the current black orthodoxy - individuals such as Stephen Carter, Stanley Crouch, and Shelby Steele - do not fit the description of new black leaders held by most of those who congregated in Washington. Yet, it is precisely this 'new' thinking on race in America that may be advanced by *Days of Grace* and by the prominence of and respect for its author. If that occurs - if the likes of Carter, Crouch, and Steele are allowed to become part of the black mainstream - it will be, in part, a tribute to an extraordinary man who made the most of a life that was far too short. R

Andy McLeod is an assistant secretary for natural resources in the Administration of California Governor Pete Wilson.

Picking Winners and Losers: *How the Administration May Decide to Rank Companies* by Todd Malan

Picking winners and losers" is a common indictment of industrial policy. As reported in the *New York Times* in June, some senior officials of the Clinton Administration appear willing to embrace the concept and specifically pick which types of companies should be #1, #2 and #3 for the purposes of government policies and actions. First and favorite would be U.S. incorporated and based companies that produce here in America; second best would be U.S. incorporated but foreign owned companies that produce here and the last would be U.S. based companies that produce abroad.

The internal debate is widely believed to be an outgrowth of the academic colloquy in the media between

Labor Secretary Robert Reich and Council of Economic Advisors Chair, Laura Tyson in which both adhere to different philosophies, but agree that companies should be ranked. Those in the Administration that favor a non-discriminatory approach have yet to publicly enter the fray.

Advocates of a ranking policy perceive a need for the government to mandate a "return" when it provides benefits to private enterprise. This concern seems reasonable, but implementing these concerns into a "picking and choosing" policy is a quagmire that would prevent the Administration from concentrating on truly beneficial endeavors like NAFTA, reducing the size of government and complementing the Uru-

guay Round. The government is ill advised to rank companies or favor one class of company over another in order to guarantee a public benefit. It is simply unnecessary. Companies that do business in the United States, whether reporting to a headquarters here or abroad, all contribute a "return" to the U.S. economy. Assertions to the contrary are based on two principle myths. **MYTH #1: U.S. AFFILIATES ABROAD DON'T CONTRIBUTE TO THE U.S. ECONOMY.**

American companies' foreign affiliates return significant economic benefits back to the United States. Foreign affiliates of American owned companies penetrate foreign markets and generate a substantial amount of U.S. imports. In 1989, 92 percent of manufacturing affiliate sales went to non-U.S. markets -- 64 percent went to the local market and 28 percent to third country markets. U.S. manufacturing multinationals had \$200 billion of exports, accounting for 2.4 million jobs in 1990. Additionally, foreign subsidiaries of American companies generate substantial earnings for reinvestment and provide a huge boost to the U.S. balance of payments. These earnings might not exist if the companies did not have the flexibility to locate production where they are most competitive.



MYTH #2 FOREIGN FIRMS DON'T PROVIDE BENEFITS TO THE U.S.

Foreign based companies investing in the United States have a positive impact on our economy. In 1990, 4.7 million Americans worked for foreign-owned companies, accounting for 5.2 percent of total U.S. employment. This represents an increase of 7 percent over 1989 and compares favorably to the 1 percent growth rate for all U.S. business in the same period. U.S. affiliates of foreign owned firms promote employment in the high wage, high skill manufacturing sector. For example in 1990, 39.9 percent of foreign affiliate's employment in America was in manufacturing, accounting for 11 percent of total U.S. manufacturing employment, according to the Bureau of Labor Statistics. Additionally, foreign affiliates in the U.S. spent heavily on research and development and, in 1987, contributed 7.6 percent of gross output to R and D.

Proponents of ranking also ignore the reaction that such a policy may provoke among our trading partners. The idea of ranking corporations will be copied by other nations, and will harm our economic interests abroad. Ironically, this policy undermines the United States's long held advocacy of the "national treatment" principle, rooted in the desire to ensure that American owned companies do not face discrimination abroad. Around the world, the U.S. has traditionally sought equal treatment for U.S. business and the removal of local content and performance requirements. Why do we now want to adopt these predominantly third world policies?

The States are the world's largest investor abroad, holder of the largest stock of inbound foreign investment, and the world's largest exporter. The U.S. has an enormous interest in non-discriminatory trade and open investment policies that maximize corporate freedom and allow companies to react quickly to the demands of global competition. International trade and investment is not a zero-sum game. The Administration should consider the implication of a corporate ranking or benefits-test policy and recognize its faults and potential for damage. Simply put, all three classes of companies benefit the U.S.. The Administration would be better advised to reaffirm the U.S.'s commitment to "national treatment" and concentrate on eliminating barriers to American trade and investment abroad. R

Todd M. Malan was formally a member of the Congressional Affairs staff of the United States Trade Representative under Ambassador Carla Hills. Malan is currently Manager of Government Relations for the European-American Chamber of Commerce in Washington, D.C. The views expressed are his own.

NAFTA:

It's more than just a sucking noise

by Rep. Fred Grandy

Time is quickly running out on our best chance for real economic stimulus, which has now presented itself in the form of the North American Free Trade Agreement.

With congressional votes about two months away, NAFTA probably lacks the majority of votes needed to pass in the House. Support is fading in both the Senate and the House and NAFTA's opponents have taken full advantage of this opportunity. They have seized this momentum to spew misinformation and scare off potential supporters.

White House leadership is the game right now. If President Clinton cares as much about NAFTA as he did about his tax package, the treaty will pass. Although the pact began as George Bush's agreement, it is clearly now Bill Clinton's and Mickey Kantor's.

President Clinton's speech at his September NAFTA kick-off was masterful. He has to maintain this momentum and take advantage of his role. He must use the bully pulpit to make his case to the American people while utilizing the talents of the U.S. Trade Representative, the Secretary of Commerce and even the Secretary of State.

But securing the necessary support will be tricky. The president is counting on more votes from Republicans than from Democrats, because it has been the Republicans who have been leading the charge. While it's heartening to join Mr. Clinton in a bipartisan crusade, it would be nice if he brought more of his troops to the battlefield.

The consequences of a NAFTA defeat are potentially grave. Without the passage of this treaty, President Salina's government will probably topple in December's election, pushing Mexico back toward a command economy. Our stance will also influence free traders' fortunes in Canada's October elections.

NAFTA, signed by the leaders of the United States, Canada and Mexico in December 1992, would open Canadian

Grandy says "yes" to NAFTA

Continued from previous page

and Mexican doors wider to our goods and services. NAFTA tears down Mexican tariffs, which are two and one-half times higher than our own. Despite these limitations, Mexico is already the fastest growing market for U.S. agricultural exports.

For example in my home state of Iowa, and in the United States overall, Mexico is already the fastest growing market for high value agriculture, such as red meat, dairy products and soybean meal. If Mexico is just exploiting low wage labor, as some NAFTA critics charge, who's eating all the steak down there?

NAFTA also rates as the strongest environmental treaty ever signed, calling for a tri-lateral enforcement body with the power to levy fines up to \$20 million. Boosting Mexico's economy will also allow Mexico to route revenues toward environmental problems and economic development, thereby promoting improved environmental industry standards and providing job opportunities. As for immigration, as President Salinas has said, either Mexico gets jobs or America gets Mexicans.

Meanwhile, free trade opponents have convinced many Americans that NAFTA will cost U.S. jobs, when just the opposite is true. U.S. exports to Mexico have tripled since 1987, creating 40,000 new jobs.

Despite this evidence, Ross Perot continues to chant his mantra that the Mexican minimum wage is 58 cents an hour, and that NAFTA will produce a "giant sucking sound" of jobs going south of the border.

Actually, the Mexican minimum wage is several times that amount, including a 61.8 percent of the package paid in mandated benefits. The "giant sucking sound" produced by NAFTA will be exports going to Mexico, creating American jobs in the wake.

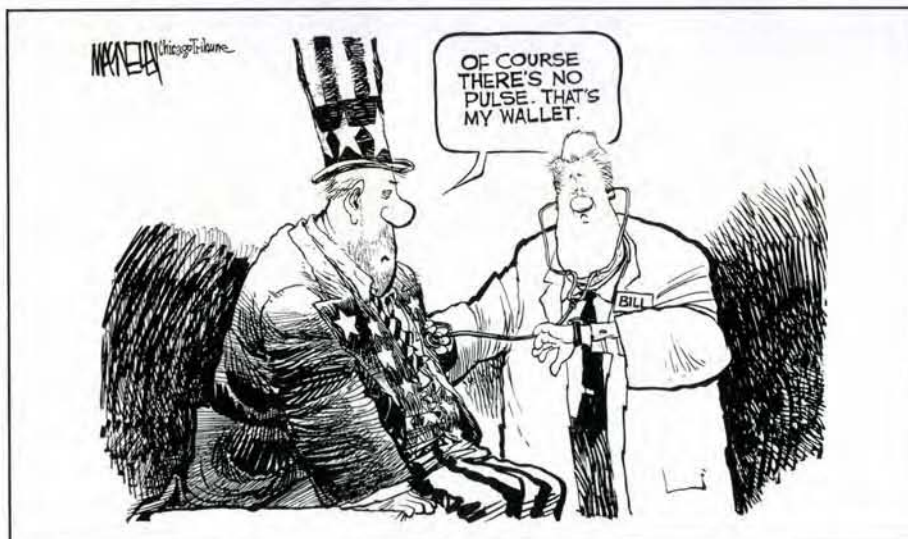
But some U.S. industries will lose jobs under NAFTA, such as apparel in the East. But many of those jobs have already moved to low-labor markets in Southeast Asia. NAFTA would draw some of those firms, mainly to Mexico, to source their inventory in the United States. That produces jobs in this country. Obviously, a firm in Taiwan will not buy fabric in Ohio.

On the international scene, if we create a larger market for American goods and services and we enfranchise Mexico, the deal will pressure Europe and Japan to open their markets. For example, NAFTA's North American content requirements will force Japanese auto makers to buy North American parts, instead of patronizing only Japanese cartels. Needless to say, our far east and European competitors are justifiably worried that closer ties between the United States and Mexico will impede their ability to dump products in our markets.

If we fail to pass this treaty, our creditability is shot. If we can't work with our neighboring countries who can we work with and who will work with us? Mexico may have to form a partnership with another nation and as Mexico goes, so goes most of South and Central America. If we cannot pass a tariff agreement between three adjacent countries as ours, how can we participate in a world organized treaty like the General Agreement on Tariffs and Trade?

The President of Mexico put it quite well. "I don't want to be the best nation in the Third World," he said. "I want to be a rising nation in the First World." It would be a terrible irony if because we couldn't get our political act together, there was a North American trading bloc that didn't include the United States.

R



Congressman Fred Grandy represents the 5th district of Iowa.

**Write to us
with your
comments.**

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227 Massachusetts
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Washington, D.C.
20002

In Memoriam:

Congressman Paul B. Henry

With deep sadness, The Ripon Society mourns the passing of **Congressman Paul B. Henry** of Grand Rapids Michigan. A Ripon Congressional Advisory board member, Paul Henry was a moderate Republican who upheld the ideals of limited government, civil rights and environmental conservation. With his father who founded *Christianity Today* with Billy Graham, Congressman Henry wrote numerous articles about the relationship between religious values and politics and worked hard to employ those principles throughout his career. Representative Henry, who received his undergraduate degree from Wheaton College in Wheaton, Illinois and his M.A. and Ph.D. from Duke University in North Carolina, was touted as a leader in Michigan politics and admired for his commitment to thoughtful policy regardless of its political affiliation.

Before his legislative career, Paul Henry was a professor at Calvin College in Grand Rapids, Michigan and a Peace Corps volunteer from 1963 to 1965. Congressman Henry will long be remembered by the Ripon Society for his scholarly approach, great sense of humor, and love of life. Our prayers go out to his family.

Notice

The Ripon Society would like everyone who now receives the *Forum* to keep getting it. We would also like to send the *Forum* to any new people who would like it. But due to financial constraints, the Society cannot provide the magazine to those of you who now receive it for free. Therefore, if you receive the *Forum* and would like to keep receiving it, please send your subscription dues of \$18 a year.

Because we are in the process of updating our computer systems, we would also appreciate knowing of any new people who would like to receive the *Forum*. So drop us a line. We want to hear from you.

The Editors

Urban Deceit

Subsidies and taxes get you
nowhere, fast.

by Brian H. Hook

" Today, the
federal
government has
a national debt of
\$4.1 trillion,
leaving us
without the
resources to fund
a 26th Urban
Marshall Plan.
There are
reasons to doubt
such aid would
help."

The 1992 election revealed an electorate dissatisfied with President Bush and the federal government's general inattention to domestic affairs. Of the host of domestic issues, few are more significant than the spiraling decline of urban America.

Last year's L.A. riots brought the urban economic blight, afflicting most of our large cities, to the forefront of public attention. While the country's economy appears to be improving, pockets of America are islands of hopelessness which we ignore at our peril.

An abundance of statistics documents the somber condition of our cities. Since 1965, the U.S. population has risen by 60 million and 15 of our largest cities have lost nearly four million people. The Chicago area has lost 10,000 manufacturing jobs annually for the past 15 years. St. Louis has lost more than two of every five jobs it had in 1965. Cleveland had nearly one million residents in 1950. Today, it is half that number.

While the problem appears entrenched, think tanks like the Eisenhower Commission and the Cato Institute have reached sharply different conclusions on how to solve it.

For example, the Eisenhower Commission concluded that the failure of our cities can be tied to the "federal disinvestment of the 1980s." As a remedy to urban ills, the commission prescribes a ten year investment of \$300 billion for youth programs as well as additional funding to "reconstruct" American cities for housing and infrastructure.

Echoing the call for action, the U.S. Conference of Mayors is asking for \$35 billion in new federal funds, for what they call a "Marshall Plan for the cities."

According to Stephen Moore of the Cato Institute, the federal government has already funded the equivalent of some 25 Marshall plans to help our cities. "Since 1965 the federal government has spent an estimated

\$2.5 trillion on the War on Poverty and urban aid," Moore said. "Economist Walter Williams has calculated that that is enough money to purchase all the assets of the *Fortune* 500 companies plus all of the farmland in the United States."

The original Marshall Plan was intended to provide a massive infusion of federal aid to war torn European countries on the condition that they take immediate steps to create stable market economies. Today, the federal government has a national debt of \$4.1 trillion, leaving us without the resources to fund a 26th Urban Marshall Plan. There are reasons to doubt such aid would help.

The salient difference between the ten highest-growth and ten lowest-growth cities in the country is fiscal policy. The low-growth cities over the last 25 years have displayed consistent patterns of higher per capita spending and taxes than the high growth cities.

For example, recent studies indicate that in 1990 a typical family of four living in one of the shrinking cities paid \$1,000 per year more in taxes than they would have living in one of the high-growth cities probably due to the fact bureaucracies in shrinking cities are twice as large as those of growth cities. On average, the growth cities had 99 city employees per 10,000 residents; the low growth cities had 235. For every \$1.00 of per capita expenditures in the highest-growth cities, the shrinking cities spend \$1.71. Not surprisingly, low-growth cities are much more likely to impose a local income tax than are high-growth cities.

More simply, statistics show cities and states cannot tax their way to prosperity. To underline the point, the New York City Comptroller's office issued a study concluding that each \$100 million increase in taxes leads to a loss of 10,800 jobs. Undisciplined spending coupled with high taxes is not just a consequence of urban decline, it is a cause.

Clearly, a new approach to the tax and spend theory of economic development is needed.

At the Federal level, the challenge for legislators is to recognize that when the powers of government are specific and limited - - or as James Madison put it, "few and defined" - - taxes remain low. In so doing, a framework is provided for governors and mayors to make their own decisions and to allow businesses the freedom to grow absent of unreasonable, burdensome federal regulations.

At the local and state level, it is necessary to re-evaluate how local governments can best serve the public. Outside of providing for essential services, privatization should be the goal.

Examples of successful joint private/public operations are plentiful. In 1990, Chicago Mayor Richard M. Daley privatized parking ticket collections and saved taxpayers \$12 million. The city of Phoenix has saved \$16.2 million by making its sanitation department bid for trash collection services alongside the independents. Studies show that costs to the taxpayer are reduced 20 to 50 percent by competitively contracting out municipal services to the private sector.

Consider the philosophy of the Mayor of Indianapolis, Stephen Goldsmith, who is gaining a national reputation for having the most ambitious privatization program of any large city in the United States. "The old idea that just because we in government are responsible for delivering a given public service means we actually have to perform that service ourselves is outdated," Goldsmith said. "It makes no sense. Government as the provider of services and government as the unit responsible for causing services to be provided are two separate things."

Driving this change is a private sector advisory commission created by Goldsmith that is examining everything the city does and asking two questions. First, should government even be involved in providing the service? If no, the commission recommends that the city get out. If the answer is yes, a second question: How can the service be improved through competition from the private sector? In his first 18 months in office, Goldsmith has saved the city over \$10 million by asking these two fundamental but



enormously important questions.

For too long, the sincerity and compassion of the federal government has been measured by the size of its aid packages to its city and state bureaucracies. There is, however, a nagging feeling of doubt whether the money we are paying in taxes is serving its alleged purposes. Where are the Great Societies promised to us almost thirty years ago? Today, the Great Society is neither great nor a society - - namely, a true society that embraces civic and personal responsibility, and respect for legitimate authority.

The solutions to reversing urban decline do not come easily. However, so much of what ails our cities - drug use, crime, broken families, welfare abuse, to name just a few - is tied directly to an absence of economic opportunity. The single worst thing that a government can do for its citizenry is construct burgeoning bureaucracies that create an unfriendly environment for businesses through draconian tax structures.

Privatization is not a panacea to urban decline, but it is a reasonable first step consistent with one of the first principles of democracy which is that government should not do anything which individuals can more efficiently do themselves. The mayors who recently marched on Washington to scavenge billions more from the federal trough would do well to reflect on the fact that no government in the history of civilization has ever created sustained, real, economic growth. The answer is less government spending, not more. **R**

Brian Hook is a graduate student in the philosophy department at Boston University.

"Privatization is not a panacea to urban decline, but it is a reasonable first step consistent with one of the first principles of democracy which is that government should not do anything which individuals can more efficiently do themselves."

The Lighter Side



McNelly Chicago Tribune

The Mess in Somalia



Facts & Findings

PC POLICE ON LOOSE IN BAY STATE

As reported in REASON magazine, Linda Gallagher of Cohasset, Mass. wanted to protect her children from the speeding traffic on her street. After requesting a "Slow Children" sign from city officials, she was told there was a problem. It seems that state law forbids such signs for fear they will offend the mentally retarded. Cohasset residents are now awaiting the delivery of signs that read simply "Children."

FAT CAT CHAT

It has been recently reported that President Clinton is looking for more opportunities to informally chat with foreign leaders. White House aides say that the President might employ this touchy feely methodology at the *Pacific Rim Conference* scheduled next month. Veteran diplomats are understandably wary of this breach of formality and say that such dignitaries are used to predictable script rehearsed staff written speeches. Such leave of protocol could require some serious gaffe control.

GOP RACES HEAT UP

From the Floor of the House of Representatives to Arizona, GOP candidates are vying for November 1994 nominations. Here in Washington, the race for the new House Minority Leader has already heated up due to the announced retirement of Rep. Bob Michel of Illinois. Although the election date isn't until December of

'94, Georgia Rep. Newt Gingrich launched his campaign early and declared himself the winner. Texas Rep. Tom Delay, Pennsylvania Rep. Bob Walker, and Florida Rep. Bill McCollum have all said that they are interested in Gingrich's old job as House Whip if he does, indeed, secure the position as House Leader.

The two leading GOP contenders to succeed the late Michigan Rep. Paul Henry are State Senator Vernon Ehlers and State Rep. Kenneth Sikkema. Elsewhere, Arizona Rep. Jon Kyl and businessman Al Banks have announced their candidacies for the right to represent the GOP in search of an Arizona Senate seat vacated by Keating Five member, Sen. Dennis DeConcini. Californians can expect to watch Rep. Chris Cox seek House re-election while Rep. Michael Huffington will go for the GOP Senate nomination to challenge Sen. Dianne Feinstein. He will compete against former Rep. Bill Dannemeyer and attorney Katherine Squires. Finally, rumors abound that freshman Minnesota Rep. Rod Grams and will run for the GOP nomination to replace retiring Sen. Dave Durenberger. Second term Minn. Rep. Jim Ramstad said that he will not run.

BULLETIN BOARD

As Fall begins, the GOP actively continues to expand its horizons. On September 28th, at the Washington Hill Hotel, GOP chairman Haley Barbour launched the National Policy Forum. Forum President Michael E. Baroody welcomed Republicans who came to support the latest effort to bolster GOP

strength and unity. The Forum exists to exchange Republican ideas and to reach out to grassroots Republicans. The Forum, besides serving as a sounding board for ideas, will publish a journal entitled, **Commonsense: A Journal of Thought and Opinion**. Interested individuals should contact the Forum at 2291 1/2 Pennsylvania Ave., SE, Washington, D.C. 20003 or call 202-544-2900.

On the weekend of October 23rd, The California Republican League held their annual Lincoln Conference and Dinner in San Diego, CA. Speakers included California Reps. Mike Huffington, Chris Cox, Bill Thomas and Rep. Jim Leach of Iowa and Calif. Governor Pete Wilson. Attendees discussed issues such as school choice, immigration and health care as well as campaign strategies on "Talking to the Media-Getting Your Message Across" and "Building Power Houses for Mainstream Republicans." For more information on the conference, write to CRL at P.O. Box 720173, San Diego, CA 92172.

The Republican Organizing Committee will run a five state convention in St. Louis Park, MN entitled "Return to Relevance: A Conference for Republicans" from November 12 - 14. The goal of the conference is to bring together Republicans from the Midwest to combine talent, enthusiasm and expertise to Republican politics. For more information, contact Dave Krogseng at (612) 946-5875 or write ROC, P.O. Box 80671, Minneapolis, MN 55408.

If you would like to announce your event in WNQ, please write to the Ripon Society at 227 Mass. Ave, N.E. # 201, Washington, D.C. 20002.

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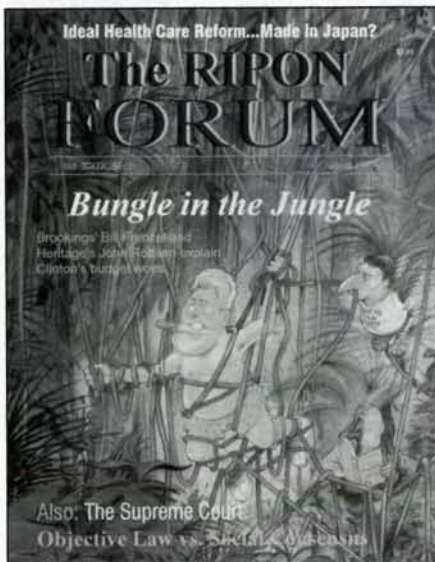
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