

"TAXES: WHAT'S AT STAKE IN 2025"
by Kevin Brady

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James Lankford discusses the crisis at America's southern border.



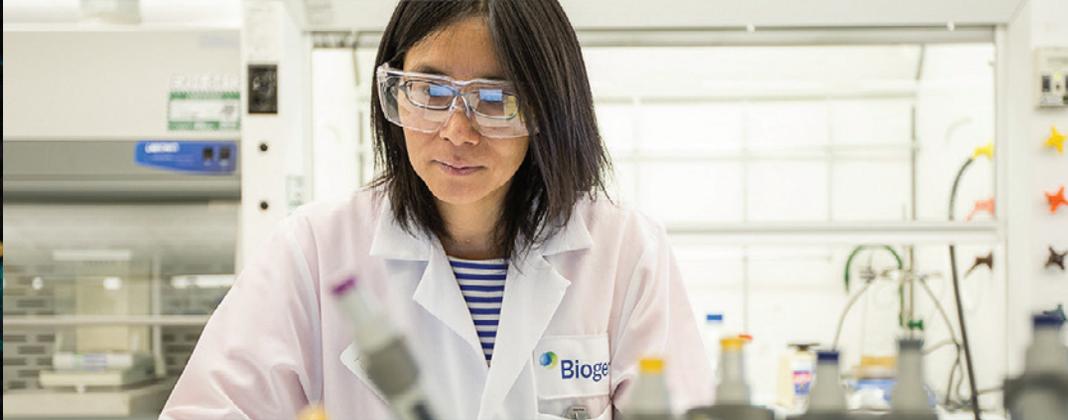
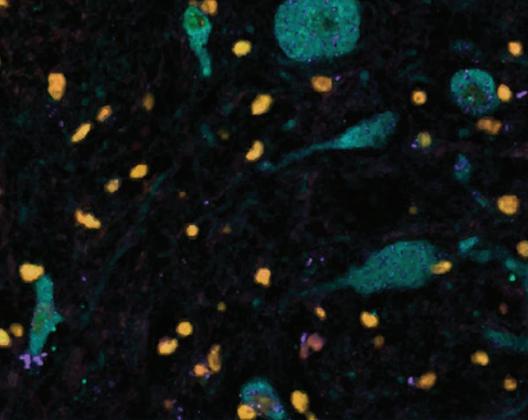
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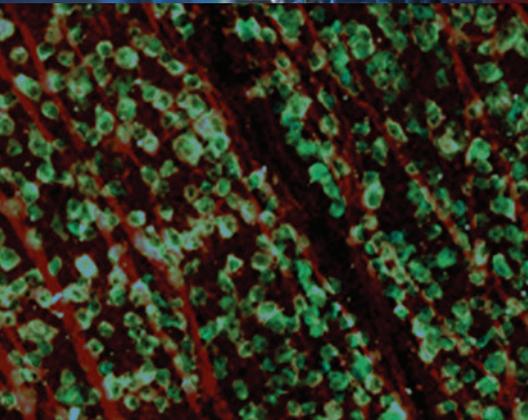
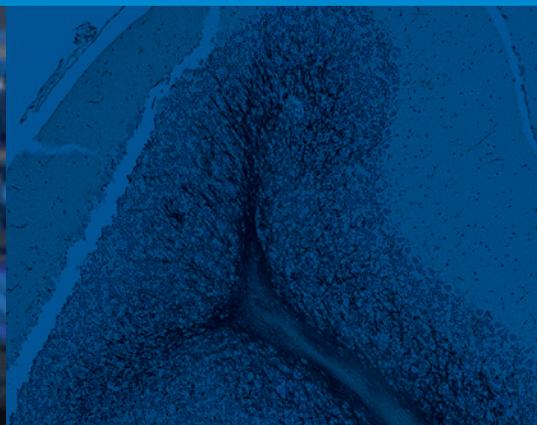
**BILL CASSIDY EXPLAINS WHY
It's Time to Refocus on
LATIN AMERICA**

**Plus:
The Emerging Threat of BRICS
by GREGORY ZERZAN**

**And:
Why Guyana is Poised to be the U.S.'s
Most Strategic Ally in the Americas
by WAZIM MOWLA**



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In this edition

With Congress coming off a contentious debate that saw it approve critical aid and military assistance for key American allies around the world, one leader in the United States Senate is saying it’s time for Congress to start paying more attention to some of our key allies closer to home. The leader is U.S. Sen. Bill Cassidy (R-LA), and the allies in question are in Latin America.

Over the past two decades, the Louisiana lawmaker argues, China has been making economic and military inroads in the region. From 2000 to 2020, for example, trade between China and Latin America grew from \$12 billion to \$315 billion — a 26-fold increase. By 2035, this trade volume is expected to exceed \$700 billion. To reverse this trend, Cassidy, along with three other lawmakers, has authored a bipartisan, bicameral plan that, he writes, “will strengthen ties across the Western Hemisphere and in so doing, confront the Chinese Communist Party’s growing global influence.” The plan is called *The America’s Act*. Cassidy outlines his plan in this latest edition of *The Ripon Forum*, and explains why it is so critical that the U.S. “create an alternative to unchecked Chinese growth” in this important part of the world.

One way that China is attempting to gain influence in Latin America and elsewhere around the globe is through its membership in BRICS, a coalition of nine nations that also includes Russia, India, Brazil, and South Africa. As former Bush Treasury official Gregory Zerzan reports in this latest edition, BRICS was established to be the equivalent of the G8 for developing countries. However, he writes: “while the G8 counts democracy, free markets, and the rule of law among its fundamental values, the BRICS feels no such obligation . . . The BRICS is founded on what might be deemed the Russia-China consensus, the fundamental premise of which is that the U.S. is too strong.”

One country in Latin America that is of increasing interest to both China and the United States is Guyana, where huge amounts of oil and gas have been discovered offshore. The discovery has made Guyana one of the world’s fastest growing economies and the world’s largest per capita producer of oil. While the United States currently has a good relationship with the country, Wazim Mowla of the Atlantic Council writes that U.S. engagement with the country has been “ad hoc, at best.” With Guyana on the rise and China’s influence in the region continuing to grow, Mowla argues that now is the time for Congress and the Administration to cement a bond between the two countries. “U.S. policymakers should establish a high-level economic and security dialogue with Guyana,” Mowla writes, “similar to ones the United States has with countries like Mexico, Colombia, and Guatemala, among others.” Mowla also recommends that a bipartisan congressional delegation travel to Guyana to “build lasting relationships with key political and economic influencers in the country.”

On the surface, building these kinds of relationships appears to be one of the goals of the Biden Administration. But as economist Simon A.B. Schropp writes in another essay for the *Forum*, this goal may be clouded by an approach to foreign relations that is uneven at best. “Common to these ventures,” Schropp writes of the Administration’s trade policy, “is Biden’s unwillingness to offer foreign countries additional access to the U.S. market. Rather, the Administration seeks to extract from partners non-binding commitments on environmental or labor standards or to sign off on mutual recognition of existing procedures or standards. All this is weak tea, because in refusing to give something to get something, the United States provides no incentive for partners to cooperate in a meaningful way.”

In other pieces for this latest edition, former Ways & Means Committee Chair Kevin Brady headlines a series of essays examining U.S. tax policy and how American families and businesses could be impacted if provisions of the 2017 *Tax Cuts and Jobs Act* are allowed to expire next year. In addition to Brady, who was an architect of the landmark law, others writing on this topic include former Ways & Means Committee Policy Director Alex Brill, Tax Foundation President Daniel Bunn, and Pinpoint Policy Executive Director Gordon Gray. U.S. Reps. Stephanie Bice (R-OK) and Chrissy Houlahan (D-PA) provide an update on the bipartisan effort they are leading on Capitol Hill to pass paid family leave legislation. Former General Chuck Wald promotes the many accomplishments of the PEPFAR program. GOP pollster Brent Buchanan explains why it is time for Congressional Republicans to deliver policy wins for their new working class base. And in our latest Ripon Profile, Oklahoma Senator James Lankford discusses the crisis at our southern border and why it is a national security crisis that must be immediately addressed.

We hope you enjoy this latest edition of *The Ripon Forum*, and, as always, encourage you to contact us with any questions or comments you may have.

Lou Zickar, Editor
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TAXES:

What's at Stake in 2025

by KEVIN BRADY

Major rewrites of the U.S. tax code occur once in a generation, yet in 2025 Congress and the White House are presented with an unusual opportunity to revisit America's tax policies as large parts of the 2017 *Tax Cuts & Jobs Act* expire at the end of that year.

For perspective, the need for a modern, pro-growth tax code had grown in urgency ahead of the 2017 effort. For example, America's corporate tax rate had fallen to among the worst in the world and dead last among our main foreign competitors.

As a result economic growth was slow, less than two percent, and paychecks were stagnant for a decade ahead of 2017. We regularly saw headquarters, manufacturing plants, and research facilities move overseas.

At the time, House leaders of the tax reform effort sought a new tax code "built for growth": of jobs, paychecks, and the economy. They wanted a tax code that was simpler, fairer and lowered taxes for the many while eliminating special provisions for the few.

Middle Class Tax Cuts

In 2025, a key decision will be whether to extend or make permanent key sections of the TCJA, including the current lower rates for individuals. TCJA cut taxes for families across the board producing an average \$2,000 tax cut for middle class families of four.

It doubled the standard deduction and indexed it for inflation — which protects more of the first dollars workers earn and simplified the tax code so that a record 90 percent of taxpayers today file without itemizing their taxes. And it doubled the Child Tax Credit to \$2,000, increased refundability, and expanded the income eligibility to millions more American families.

Small Businesses

Lawmakers must decide whether to extend the historic Small Business Tax Deduction of 20 percent for pass-through

businesses created to help Main Street keep more of what they earn and invest it back in their businesses. The 2017 reform also allowed businesses of all sizes to immediately write off more of the cost of new equipment, machinery, and software that spurs productivity of their workers.

Economic Growth

Economic growth will be at the forefront of the 2025 debate. The TCJA lowered the corporate tax rate to 21 percent and modernized the international tax code so U.S. businesses can compete and win anywhere in the world, especially here at home. And when they succeed, they are no longer punished for bringing those profits home from overseas to be invested in America.

As a result, U.S. economic growth quickly accelerated to 3.3 percent and household income grew more in 2019 than in all eight years previously — combined. Poverty dropped to 50-year lows, especially for people of color, women, and the low-skilled. Income inequality began to shrink for the first time in half a century, and incentives for new U.S. investment played a major role in America quickly recovering from the Covid pandemic and its supply chain challenges.

Lawmakers in both parties should be cautious about raising the corporate tax rate — which does not expire in 2025 — to 28 percent as some propose. The current TCJA rate immediately drove higher capital investment into America, brought \$1.5 trillion of stranded profits back to the U.S., and not a single U.S. headquarters has moved overseas since.

A 28 percent rate, coupled with state taxes, would drive America's rate to the second highest among our Organization for Economic Cooperation and Development (OECD)



In 2025, a key decision will be whether to extend or make permanent key sections of the TCJA, including the current lower rates for individuals.

competitors (higher than China), slow the U.S. economy, and shrink workers' paychecks. This places America at a serious disadvantage as other countries are aggressively seeking our jobs, manufacturing, research, and intellectual property.

Lawmakers should heed the Treasury Department, Congressional Budget Office, and Joint Committee on Taxation, all of whom have determined that workers bear a significant portion of the corporate income tax — more than half according to some economists. Based on Treasury's own research, raising the corporate tax to 28 percent would impose a \$500 billion tax increase on families making less than \$300,000 a year. The burden is even heavier for families making less than \$72,500, because the increase in the price of goods and services due to corporate taxes falls disproportionately on them.

Estate Tax, Deductions & International

Without Congressional action, the estate tax on family-owned farms and businesses returns to a punitive \$5 million exemption amount per spouse — exposing them to a crushing 40 percent tax rate and forcing them to sell all or parts of their family farm or business to pay the IRS.

Many exclusions and deductions, including the state and local tax deduction, the Alternative Minimum Tax, the paid

employer family and medical leave credit, and Opportunity Zones will also expire in 2025.

Congress will also wrestle with the international tax code which now faces new, complicated taxes levied by OECD competitors that will make America less competitive, impair existing bipartisan tax incentives, take a bite out of the U.S. tax base, and hamstring Congress's ability to write tax policy in the future.

American lawmakers should control America's tax policy — not our foreign competitors.

Much is at stake in 2025, with tax hikes that could top \$4 trillion over the next decade. While the makeup of Congress and the White House remains unknown, lawmakers in both parties are wise to be working now to identify bipartisan tax priorities for 2025 that benefit American workers, families, job creators, and the economy. **RF**

Kevin Brady represented the 8th Congressional District of Texas from 1997 to 2023 and served as Chairman of the House Ways and Means Committee from 2015 to 2019. As Chairman, he led the Committee's effort to deliver a detailed blueprint for comprehensive, pro-growth tax reform, which resulted in passage of the 2017 Tax Cuts and Jobs Act.

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Navigating the Upcoming Tax Cliff

*Can Republicans prevent a tax increase
without adding to the deficit?*

by ALEX BRILL

On December 22, 2017, President Donald Trump signed into law the *Tax Cuts and Jobs Act* (TCJA). The TCJA made important progress toward improving the U.S. tax code, but much of that bill is scheduled to expire at the end of 2025. This means that taxes are set to rise. A lot.

Enacted with only Republican support, the TCJA made dramatic changes to the U.S. tax code. It reduced the corporate tax rate from 35 percent to 21 percent and enacted a long-overdue international tax reform. Reforms to individual income tax policy included reducing most ordinary income tax rates, doubling the child tax credit, and nearly doubling the standard deduction.

The TCJA also included a number of reforms to broaden the tax base, including eliminating the personal and dependent exemptions, establishing tighter limits on the mortgage interest deduction, and putting a \$10,000 cap on the state and local tax (SALT) deduction.

The TCJA simplified the tax code for households by dramatically reducing the number of itemizers, from 46.9 million in 2017 to just 17.5 million in 2018. The corporate reforms made U.S. corporations more competitive globally, curtailed the trend of corporate inversions, and, in conjunction with other reforms, significantly boosted domestic investment in the United States. One recent study estimates that the TCJA will boost the domestic corporate capital stock by 7 percent and the global capital stock of U.S. firms even further. These boosts in investment will increase

overall output and, over time, lead to higher wages.

Next year, many TCJA provisions are set to expire. Virtually all individual income tax changes and a reduced effective tax rate on pass-through income (Section 199A) are scheduled to sunset on December 31, 2025. This is not the first time major tax legislation was enacted on a temporary basis. Major tax reforms in 2001 and 2003 were set to expire in 2010 before being extended to 2012 and then made permanent for households earning less than \$250,000 a year.

There will be pressure to extend these tax policies, but policymakers should be concerned about the fiscal burden of a straight TCJA extension. Should Congress extend the TCJA permanently, it would add almost \$4 trillion to the federal debt in the coming decade. This would come at a time when the fiscal outlook is bleak. Debt is already set to rise from 99 percent to 166 percent of GDP by 2054 without a TCJA extension.

Ultimately, lawmakers will face a host of options as they navigate this upcoming tax cliff, and those options will hinge on the outcome of the 2024 election.

Should President Biden win a second term and Republicans hold control of the Senate, House, or both, the fate of the TCJA will depend on a negotiation between the parties. Democrats will likely be interested in keeping provisions that benefit taxpayers earning below \$400,000 – quite

costly itself – but will also likely fight to both raise taxes on higher-income earners and corporations and expand tax relief to low-income households.



Alex Brill

Democrats will likely be interested in keeping provisions that benefit taxpayers earning below \$400,000, but will also likely fight to both raise taxes on higher-income earners and corporations.

While the 21 percent corporate tax rate and reforms to international tax policy are not scheduled to expire, nothing prevents Congress from raising the corporate rate or making other corporate reforms to offset the cost of extending other provisions. President Biden has proposed a 28 percent corporate rate and a “billionaire’s tax” on those with assets more than \$100 million.

If Republicans sweep, they will likely be interested in extending all provisions of the bill they wrote in 2017. It remains to be seen whether they would curtail the price tag by pursuing additional revenue-raising reforms. One source of potentially offsetting revenue to watch in this scenario is trade-related. Former President Trump has repeatedly suggested that he will impose significant new tariffs. Such a move could offset much of the revenue loss from extending the TCJA. Nevertheless, as a matter of economics, this strategy would be

detrimental. Prices would rise, exports would fall, and the U.S. would be a less desirable place to operate a global business.

A better approach? Embrace a fundamental tenet of tax reform: revenue neutrality. Keep those aspects of the expiring provisions that can be offset with additional reforms to broaden the tax base. Further curtailing the SALT deduction, slowing the growth of the standard deduction, and subjecting a portion of employer-provided health insurance to taxation are all sound policy reforms

If Republicans sweep, they will likely be interested in extending all provisions of the bill they wrote in 2017.

to consider. While this approach could prove politically challenging, such is the reality of achieving fiscally responsible, pro-growth tax reform. In other words, pursue TCJA 2.0. **RF**

Alex Brill is a senior fellow at the American Enterprise Institute. He previously served as the policy director and chief economist of the Ways and Means Committee.

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A Smart Way to Reduce Taxes and Promote Economic Growth

by DANIEL BUNN

U.S. tax policy is between a rock and a hard place. In less than two years, the majority of Americans are in for a rapid tax hike unless Congress acts. But eye-popping government debt and all-time-high deficits severely constrain lawmakers' options.

First, the rock: major portions of the 2017 *Tax Cuts and Jobs Act* (TCJA), which cut business and individual income taxes and reformed the international tax system, are set to expire at the end of 2025. Because the law reduced average tax burdens for all income levels, most people will feel the effects, either through less money in their pockets or fewer jobs to choose from — or both. For example, a single worker with no kids making \$75,000 per year would see a tax increase of \$1,700.

In 2022, the overall tax burden on an average single worker in the U.S. with \$70,170 in pre-tax income was \$21,380 — a 30.5 percent tax wedge. While the average tax burden in the U.S. has consistently remained below the Organization for Economic Cooperation and Development (OECD) average for over two decades (by 4 percentage points in 2022), the TCJA expirations would directly increase the tax wedge faced by most workers and put a serious dent in America's advantage.

Making the TCJA permanent would maintain America's advantage and increase GDP by 0.5 percent, employment by 686,000 full-time equivalent jobs, and after-tax incomes by 2.4 percent on average over the next decade.

Sounds great. Why can't Congress just do that? Because extending the entire reform would come with a \$3.7 trillion price tag — something the U.S. cannot afford. The federal government's debt is \$33 trillion and deficits just reached the highest in U.S. history (nearly \$2 trillion) outside of the pandemic years.

According to the International Monetary Fund (IMF), the U.S. federal government is among the most indebted governments in the world, and the problem is only getting worse because spending growth is outpacing revenue growth.

Rock, meet hard place.

So, what should Congress do to prevent an unwanted tax hike that will hurt the economy and people's pocketbooks without making the country's precarious fiscal situation worse?

Lawmakers must prioritize policies that come with the biggest "bang for the buck." In other words, what tax changes will come with the most economic growth for the lowest cost?

Some tax cuts create a larger economic boost than others. One metric is to compare the estimated change in long-run GDP to the estimated change in annual tax revenue in the final year of the budget window (a proxy for the ongoing, long-run cost of a policy change).

The most powerful provision under this metric is full expensing for business investment in equipment — meaning businesses can write off the cost of their investments in the year they are made — followed by expensing for research and development costs. By removing the penalties on investment, the U.S. would get more of it, thereby growing the U.S. economy.

Another metric is the way tax changes impact debt-to-GDP. A more pro-growth tax cut will increase debt-to-GDP to a smaller degree than a similarly sized but less efficient tax cut. For instance, the debt-to-GDP effect of lowering individual income tax rates and widening the tax brackets falls by about 40 percent dynamically (taking economic growth into account) compared to conventionally (excluding economic growth). The difference of a less pro-growth tax change, such as expanding the standard deduction, is just 1.4 percent.

On the other hand, the debt-to-GDP effect of full expensing *reverses*. The decreases in long-run revenue are very small compared to the increase in long-run economic output such that full expensing reduces the long-run debt-to-GDP ratio by 0.3 percentage points. Full expensing, therefore, is the most efficient way to use the tax code to boost economic growth.

The TCJA's expiration may be a threat to the U.S. economy, but it's also an opportunity: lawmakers have a chance to rewrite the tax code. But Congress must thread the needle, promoting growth and opportunity without worsening U.S. debt. The end of 2025 may seem like the distant future, but it is critical lawmakers start acting now. Our country's economic future — and American pocketbooks — depends on it. **RF**

Daniel Bunn is the President and CEO of the Tax Foundation, a nonpartisan tax policy think tank in Washington, D.C.



Daniel Bunn

Lawmakers must prioritize policies that come with the biggest "bang for the buck." In other words, what tax changes will come with the most economic growth for the lowest cost?



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1. U.S. Bureau of Economic Analysis, Q3 2023, all insurance carriers and related activities.
2. U.S. Bureau of Labor Statistics, 2022.



What a Pro-Family Tax Code Should Look Like

by GORDON GRAY

At root, taxes are supposed to fund the provision of public goods – the basic function of government. Even a quick glance at the Internal Revenue Code would put to rest the notion that it is merely an efficient source of federal revenue. Not hardly, and certainly not by accident. Indeed, the modern U.S. tax code reflects overlapping tax regimes that aim to satisfy inexorably irreconcilable goals: efficiency and fairness. At the center of this tension is the American family.

Our current tax system reflects an imperfect balance between efficiency – essentially how much cost the tax system imposes on the economy for a given amount of revenue – and distributional considerations. Our tax code variously applies regressive, progressive, consumption, capital, and income taxes. Taken as a whole, it is a somewhat incoherent approach to taxation, but one that is relatively immune to wholesale reimagining. The Tax Cuts and Jobs Act of 2017 (TCJA) was far and away the most ambitious tax reform effort in 30 years, but it nevertheless left the basic architecture of the tax code unchanged. What’s left for tax reformers in the near and medium term is striking the right balance between efficiency and fairness within the parameters of the existing system.

The individual income tax system is the most conspicuous element of the tax system, and indeed, what we traditionally consider to be family-oriented tax policy is typically a feature of the individual code. Perhaps the most visible such element is the Child Tax Credit (CTC). The CTC was first enacted in 1997 as a result of a growing bipartisan consensus to both eliminate from taxation some presumed costs of child-rearing as well as to provide income support for parents, particularly those with lower incomes. Like many government programs, the CTC has grown considerably over the years and has figured prominently in bipartisan tax measures over the past several decades. Indeed, the House of Representa-

tives recently passed an expansion of the credit to dovetail with the pending expiration of the individual reforms of the 2017 tax law. It is important to note that prior to the TCJA (and upon its potential expiration), the individual tax code included personal exemptions that also adjusted for family size.

The original formulation of the TCJA included a corporate tax rate of 20 percent. This version was amended to increase the child tax credit in exchange for a higher corporate tax rate. This trade-off reflects the false dichotomy between “pro-business” and “pro-family” tax policy that has been the happy rhetorical hunting ground of the political left, and increasingly in some corners of the political right.

A tax code that does not grapple with distributional considerations and public perceptions of its relative fairness is not stable in a representative democracy. But neither is a tax code that is so wildly antiquated as to ship domestic employers overseas, as was the case with business taxation prior to the 2017 law.

A tax code that does not grapple with distributional considerations and public perceptions of its relative fairness is not stable in a representative democracy.

The linkage between prosperity and a competitive tax code is a far more complicated story to tell than one of the given value of discrete tax provisions to its beneficiaries such as the CTC. It is in part for this reason that the U.S. tax code slowly grew

more porous, while topline rates climbed after the 1986 Tax Reform Act. It is also for this reason that progressives delight in reductive tax policy debates that attempt to pit U.S. employers against pro-family policy.

This dynamic poses two problems for American families. The first is the basic administrability of the tax code. As the tax code grows more complex, families’ costs in comply-



Gordan Gray

The modern U.S. tax code reflects overlapping tax regimes that aim to satisfy inexorably irreconcilable goals: efficiency and fairness. At the center of this tension is the American family.

ing with it also increase. The Biden Administration provided the IRS with nearly \$80 billion in new funding – but most of this funding will be devoted to tax enforcement. Separate and apart from the tax code itself, a pro-family tax agenda necessarily includes a tax authority that is trustworthy and competent. On this front, the IRS has a lot of work to do.

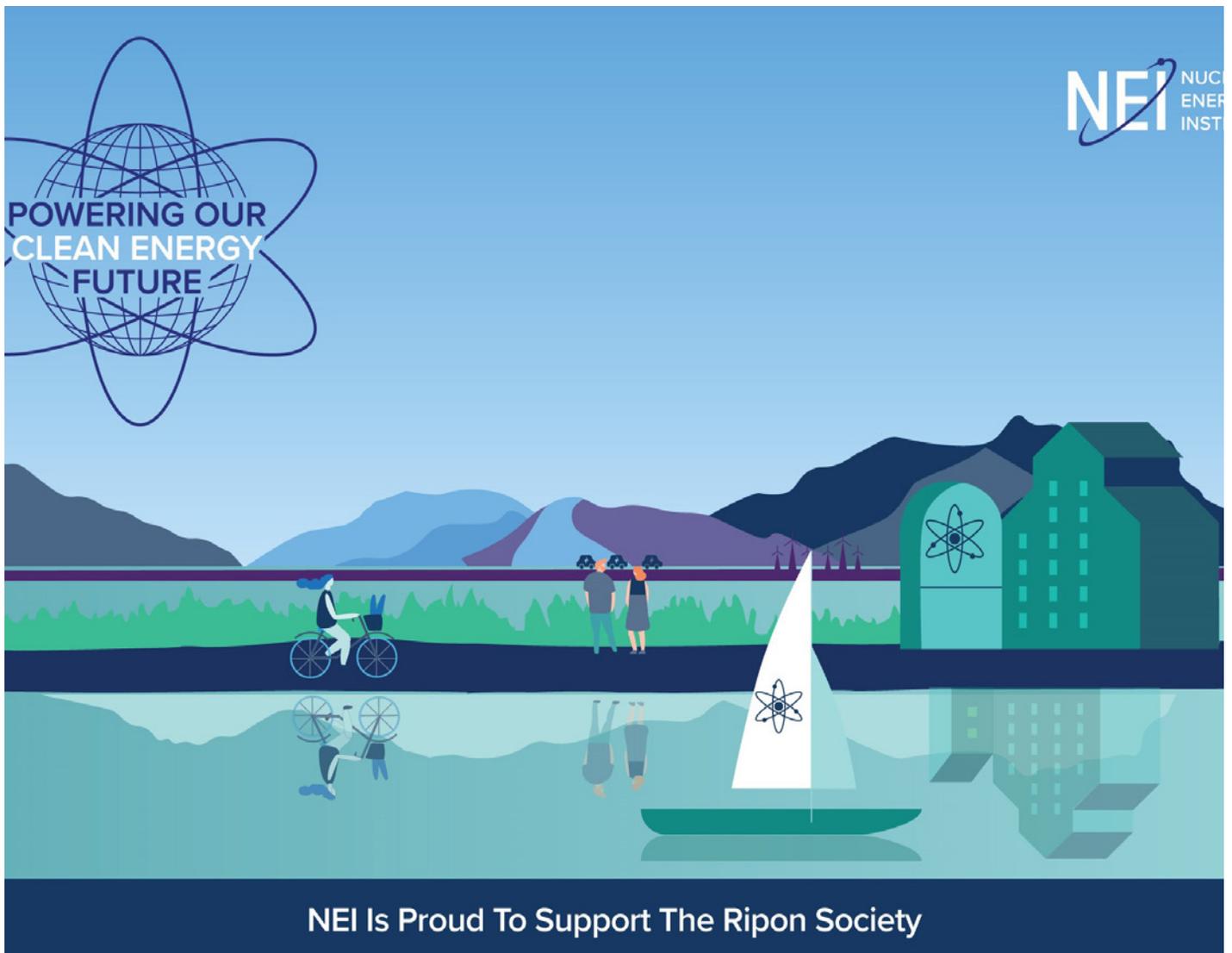
The second challenge is in striking the right balance in what the tax code can and should achieve. The United States is staring down an eventual debt crisis that inherently threatens the stability of the tax code. In a perfect world, policymakers could indulge in trade-off-free lawmaking, but our world is far from

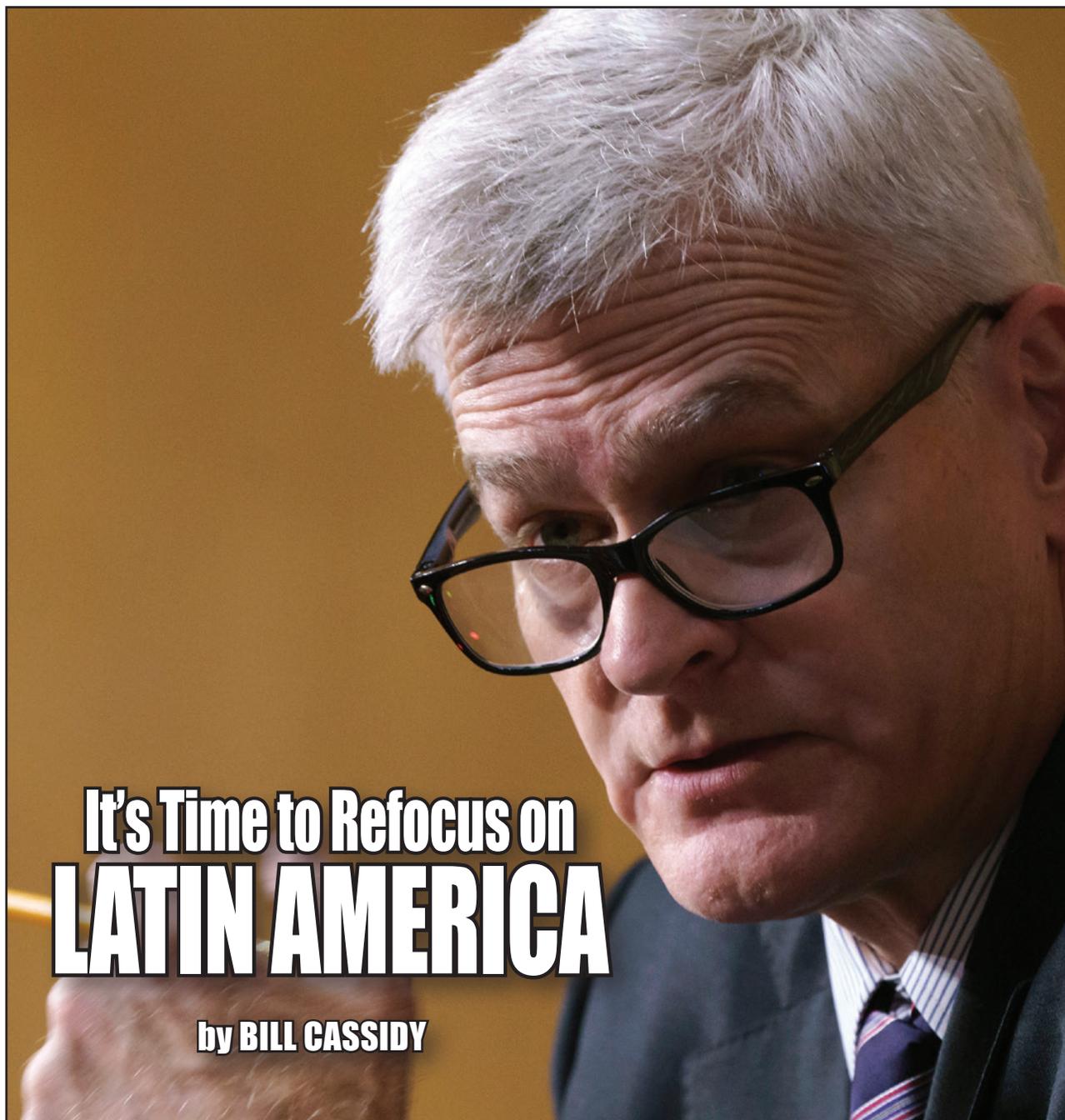
perfect. While policies such as the CTC are conspicuously targeted at families, ultimately, all taxes are eventually paid by the American people.

A tax code that does not grapple with distributional considerations and public perceptions of its relative fairness is not stable in a representative democracy.

Accordingly, while some policies may look to be more or less friendly to American families, we must consider the tax code as a whole and in the context of a global economy grappling with daunting budgetary challenges driven substantially by entitlement programs. **RF**

Gordon Gray is the executive director of Pinpoint Policy Institute. He previously served as vice president for economic policy at the American Action Forum, as well as a senior policy advisor to Senator Rob Portman.





It's Time to Refocus on LATIN AMERICA

by **BILL CASSIDY**

The United States has lost its focus when it comes to Latin America. There is economic instability across the region; jobs are moving to Asia, and China is making both military and economic inroads in countries that were closely aligned with the U.S. not long ago.

To reverse this, I and others have a proposal that will strengthen ties across the Western Hemisphere and, in so doing, confront the Chinese Communist Party's (CCP) growing global influence. *(see related chart on page 14)*

The U.S. is currently stuck in a cycle in which every new administration comes into office declaring they will focus on the hemisphere, typically reversing the previous

administration's policies, and then becoming distracted by world events. The result is an incoherent and inconsistent U.S. policy that ultimately neglects our hemisphere.

The Americas Act, which I introduced with Senator Michael Bennet (D-CO), Congresswoman María Salazar (R-FL-27), and Congressman Adriano Espaillat (D-NY-13), creates a manufacturing alternative to cheap Chinese production and promotes economic stability in the Western Hemisphere through strengthening trade and economic ties. It aims to build an ever-expanding and permanent trade partnership of Western Hemisphere countries.

There are four pillars to our proposal that each help

support the others. The first pillar is to address endemic corruption. *The Americas Act* does this through an E-governance system patterned after what other countries have successfully done. The system would ensure that businesses operating in our hemisphere are registered and paying taxes. Informal markets and businesses that rely on bribery to function ultimately inhibit foreign direct investment due to the increased risk. Encouraging companies to enter the formal economy not only reassures multinational investors and businesses but also increases the tax base for a country. This additional tax revenue can then be used to invest in human and physical capital, all of which promotes the next pillar.

The second pillar builds on this by expanding U.S. loan authority to allow higher-income countries in the hemisphere, like Chile, to benefit from U.S. loans that are typically reserved for developing countries. Currently, the U.S. has nothing to counter with when China approaches Latin American countries with blandishments of loans. With expanded authority, U.S.-financed programs offer an alternative to the debt diplomacy practiced by the CCP. The E-governance pillar and increased foreign direct investment lead to the next pillar, which is expanded trade opportunities.

A country's rise and fall is based upon the robustness of its trade. *The Americas Act* expands opportunities for countries looking to build stronger trade partnerships within the Western Hemisphere while reducing their reliance on Chinese manufacturing. It incentivizes companies to return to the U.S. and neighboring countries, bringing jobs back with them and creating new ones in the process.

The last pillar of *The Americas Act* is the investment in people-to-people partnerships. As there is more foreign direct investment with expanded trade opportunities, there will naturally be an incentive for more cultural exchange, such as the new American University of the Americas, investments in English language programs, and the expansion of non-immigrant visas for elderly and family

care. Bringing the populations of our countries closer together is foundational in building lasting partnerships.

All four of these pillars serve two key purposes: building a stronger, self-sufficient hemisphere and countering China.

There is a nexus between China's ability to fund its military and its economic growth through expansion of unfair trade. As China's economy has grown stronger, jobs have steadily moved to their shores, and it has increasingly capitalized on its trade imbalances with unsuspecting countries to acquire foreign exchange. That foreign exchange, in turn, enables them to strengthen their military.

Our legislation makes the U.S. competitive again by creating the only viable alternative to a Latin America ensnared by the CCP — a self-sufficient Western Hemisphere that is dedicated to economic prosperity, democracy, and the rule of law.

We have an opportunity to reset the collision course the U.S. and the CCP are gliding down. We have a group of lawmakers from both parties and from both chambers of Congress dedicated to reprioritizing Latin America and besting China. This is the reason that former House Select Committee on the CCP Chairman Mike Gallagher (R-WI-08) endorsed the bill.

The Americas Act's vision for our hemisphere is in stark contrast to the CCP's ambitions because it is rooted in the advancement of liberty and the expansion of

democracy. People are most free when they decide who leads them. And for democracy to flourish, there must be liberty and prosperity. *The Americas Act* promotes all three.

The U.S. has waited too long to start paying attention to our own neighborhood again. Attempts to thwart the CCP's expansion are only a part of the solution. We need to create an alternative to unchecked Chinese growth. A strong Western Hemisphere is part of the solution. **RF**

Bill Cassidy serves as the senior United States Senator from the State of Louisiana.



Chinese President Xi Jinping holds a welcoming ceremony for Uruguayan President Luis Alberto Lacalle Pou in the Northern Hall of the Great Hall of the People prior to their talks in Beijing, capital of China, Nov. 22, 2023.

China is making both military and economic inroads in countries that were closely aligned with the U.S. not long ago.

China's Growing Influence in Latin America

Key facts

- From 2000 to 2020, trade between China and Latin America grew from \$12 billion to \$315 billion — a 26-fold increase. Projections indicate that by 2035, this trade volume will exceed \$700 billion.
- China is the largest trading partner for South America. In Brazil, the largest and most populous nation in the region, trade with China surpasses trade with the United States by a ratio of more than two to one.
- China's investment in Latin America and the Caribbean through the Belt and Road Initiative is substantial, with 21 nations in the region currently committed to participation.
- Latin America holds approximately 50 percent of the world's known lithium reserves, and entities from the People's Republic of China control nearly two-thirds of global lithium processing and refining.
- The PRC has established a growing network of space facilities in Latin America, typically claiming civilian purposes. However, the involvement of the Peoples Liberation Army Strategic Support Force in almost all PRC space activities suggests these facilities likely possess undisclosed military capabilities.
- Since 2000, the PRC has successfully influenced six Western Hemisphere governments to switch recognition from the democratic Republic of China (Taiwan) to the PRC. This shift was a response to a combination of PRC incentives and pressure. The governments of the Commonwealth of Dominica, Costa Rica, the Dominican Republic, Panama, El Salvador, and most recently, Honduras, changed their stance.
- The PRC's exploitative and predatory behavior does not end there in its pursuit for Latin American resources. Chinese fishing fleets, subsidized by the Chinese Communist Party, illegally extract approximately USD 3 billion annually from the territorial waters of South American nations through illegal, unreported, and unregulated fishing.
- PRC-based technological infrastructure in key government and commercial sectors of Western Hemisphere nations create potential vulnerabilities to malign influence operations that run counter to the interests of the United States and its partners. For example, Chinese companies are currently engaged in significant energy sector projects in Argentina, Honduras, Ecuador, Colombia, and Peru. Notably, PRC-linked entities have recently obtained control over 57 percent of electrical transmission in Chile.

*Source: "The Expanding Leverage of the People's Republic of China in Latin America: Implications for US National Security and Global Order" — by Maj Gen Evan L. Pettus, USAF
Journal of Indo-Pacific Affairs, September-October 2023*

The Emerging Threat of BRICS

Led by Russia and China, this nine-nation coalition has one goal — to weaken the United States

by GREGORY ZERZAN

The BRICS is a coalition of nine (and likely growing) emerging market nations that, according to the group, have “values and common interests that underlie mutually beneficial cooperation and a shared vision for a better world.” The group takes its name from its founding members Brazil, Russia, India, China and South Africa and now includes the United Arab Emirates, Egypt, Ethiopia and Iran. By some estimates, BRICS accounts for 45 percent of the world’s population and over a quarter of world GDP. Despite its anodyne self-description, BRICS also represents a fundamental threat to the American economy.

BRICS took its inspiration from a 2001 paper by a Wall Street investment analyst, who wrote that “(i)n view of the expected continued relative growth of the BRICs, the opportunity should be taken to incorporate China and probably Brazil and Russia and possibly India” into the Group of Eight (G8) nations. The G8, consisting of France, Germany, Italy, Japan, the United Kingdom, the United States, Canada and the European Union, had been meeting in various iterations since the 1970s to help coordinate economic policy, especially in response to global crises. Among the G8’s core values are “confidence in democracy and a market-based economy,” as stated in its May 2023 “Leaders’ Communique.” The Group has expanded over time, even briefly including Russia as a member in 1998 until its invasion of Ukraine in 2014.

The idea of increased representation for developing economies was well received by the G8. China, India, Mexico, Brazil and South Africa were invited to participate in G8 meetings beginning in 2005. However, by 2009 the four founding BRICS nations were disenchanted enough with the leadership and priorities

of the G8 that they met to form their own group. In 2010 South Africa was added.

As this brief history makes clear, BRICS was created as a sort of mirror G8 purportedly championing the underrepresented, up-and-coming, developing world. However, while the G8 counts democracy, free markets, and the rule of law among its fundamental values, the BRICS feels no such obligation. The G8 was founded

on the “Washington consensus” that developed after World War II, which held that multilateral institutions committed to human rights and a rules-based world are the best way to create prosperity and ensure peace. The BRICS is founded on what might be deemed the Russia-China consensus, the fundamental premise of which is that the U.S. is too strong.

In light of this, it would be a mistake to view BRICS as primarily a threat to the G8. Completely aside from the principled and reasonable re-evaluation of America’s participation in various multinational organizations that the Republican Party is currently undertaking, BRICS is not about challenging multinational cooperation. The BRICS is focused on weakening the United States.

BRICS is actively seeking to expand lending throughout Asia, Africa, and South America through the creation of the New Development Bank, a multilateral bank created by the group in 2014. While serving as an alternative source of financing to the IMF and World Bank, which China in particular views as advancing American and western interests, the NDB provides leverage over developing countries which can facilitate commercial opportunities and the overseas placement of military capabilities.

BRICS is also seeking to develop an alternative



Gregory Zerzan

The BRICS is founded on what might be deemed the Russia-China consensus, the fundamental premise of which is that the U.S. is too strong.

currency or currencies that can replace the dominant role played in global trade by the dollar. This could occur through the creation of a new currency by BRICS, or by further encouraging the use of BRICS-member country currencies in international trade. This latter effort has already been successful in allowing Russia to continue to sell oil to India and China despite economic sanctions leveled in response to the Ukraine invasion; Vladimir Putin noted at the BRICS summit last August that “the objective, irreversible process of de-dollarization of our economic ties is gaining momentum.” Now that Iran, which shares with Russia the distinction of being both a major oil producer and among the most heavily sanctioned countries in the world, has joined BRICS, one can expect the market for non-dollar-denominated oil trading to grow further.

Some have dismissed the BRICS threat on the grounds that its members have different, and sometimes conflicting, interests. This misses the point; while

It would be a mistake to view BRICS as primarily a threat to the G8 ... The BRICS is focused on weakening the United States.

membership may change, BRICS will fundamentally remain a coalition of nations opposed to America’s role in the world. As of yet, not enough attention is being paid to this still emerging threat to our national interests.

There may come a day when America must take direct action to discourage BRICS membership. But today, fortunately, our weapons against the BRICS threat are also good things for America: limited government, reducing the debt, enacting pro-growth policies, encouraging individual liberty and the rule of law. By remaining true to our fundamental values, America can set an example for other countries to follow, which may be the best deterrent of all. **RF**

Gregory Zerzan is Chief Administrative Officer of enCore Energy Corp. He previously served as Principal Deputy Solicitor of the U.S. Department of the Interior under President Trump and Acting Assistant Secretary of the U.S. Treasury under President Bush.



Russian President Vladimir Putin, right, takes part in an extraordinary BRICS summit to discuss the Palestinian-Israeli conflict via videoconference as China’s President Xi Jinping is seen on the screen, at the Kremlin in Moscow, Russia, Tuesday, Nov. 21, 2023.

Why Guyana is Poised to be the U.S.'s Most Strategic Ally in the Americas

by WAZIM MOWLA

Guyana has been at the forefront of international headlines since ExxonMobil discovered significant offshore hydrocarbon resources in 2015. Since oil production began in 2019, Guyana has become one of the world's fastest growing economies. In 2023 alone, Guyana's economy grew by almost 40 percent. And 2024 will also see record-setting growth rates as the country becomes the world's largest per capita producer of oil next year, reaching production levels close to 900,000 barrels per day.

Guyana's global presence has, of course, drawn attention from the United States, with former and current Secretaries of State Mike Pompeo and Antony Blinken visiting the country over the past few years. What is clear is that Guyana is increasingly becoming a strategic outpost for U.S. interests across the Americas as the country cements its place as a regional leader. To remain so in the long term, U.S. policymakers and business leaders alike will need to make significant investments in the relationship with Guyana.

Guyana's economic outlook has taken off. The cashflow from oil production has stimulated economic opportunity for Guyana with investors from all over the world traveling to the country, seeking opportunities in energy, agriculture, tourism, and infrastructure, among others. Guyana has invested heavily in its sugar and rice industries, encouraged private sector growth and involvement in development objectives, and is undergoing massive upskilling initiatives, all with the intent of ameliorating any potential pitfalls stemming from the resource boom.

Economic diversification has translated into a stronger U.S.-Guyana relationship since President Irfaan

Ali was voted into office in 2020. The U.S. Embassy in Georgetown (Guyana's capital) plays an influential role, increasingly seen as a trustworthy partner by the public and private sectors. U.S. companies, which have poured into Guyana, are often the first choice among the local private sector and the government for joint ventures. And the U.S. Southern Command is working closely with the Guyana Defense Force to improve defense capabilities and humanitarian assistance training post-natural disasters.

Despite a strengthened relationship, engagement from the United States has been ad hoc, at best. While the U.S. Embassy has built a foundation for the relationship, this has not yet resonated in Washington. Sure, there is excitement about Guyana by policymakers aware of its hydrocarbon reserves, but that has not instilled confidence that the United States sees the strategic value in consistently supporting Guyana's development. Ad-hoc engagements satisfy short-term demand for attention — especially for smaller countries routinely on the outskirts of U.S. foreign policy — but limited continuity and consistency opens gaps for other actors to engage with Guyana. This is not to say that Guyana is not a strong U.S. ally, which actively shows that it prefers U.S. engagement vis a vis any other

globally. But naturally, a country with an increasingly attractive investment environment and market will bring new foreign actors to the table.

China is one example that tends to catch U.S. policymakers' attention. The Chinese National Offshore Oil Company (CNOOC) owns a 25 percent stake in the ExxonMobil-led consortium operating Guyana's Stabroek



Wazim Mowla

Guyana is increasingly becoming a strategic outpost for U.S. interests across the Americas as the country cements its place as a regional leader.

Block. And Guyana has worked with the Chinese private sector to finance large-scale infrastructure projects, from bridge expansions to new roads. However, these projects and this broader Chinese engagement are similar to that of the United States — one-off engagements and infrequent commitments, meaning that there has not been a better time for U.S. policymakers to consolidate its relations with Guyana for the long haul. China is a passive player in Guyana, and that likely will remain so over the next few years. Policymakers have a short window to capitalize on this moment, of course, with the understanding that Guyana’s engagement with the United States and China is never going to be zero-sum, instead a push-and-pull of negotiation with both partners.

Because of its unique mix of oil and gas production and its strong contribution to the improvement of the environment, Guyana is one country in the Americas that should be able to draw bipartisan support for its economic development. Yes, on the one hand, Guyana’s oil and gas market is attractive to pro-industry U.S. policymakers. But on the other hand, Guyana has a global track record of being a leader in forest conservation, biodiversity, and protection of indigenous and Amerindian communities — all of which should satisfy pro-environment lobbies. Even at peak production, Guyana will remain a carbon sink, as its forest sequesters up to 150 million tons of emissions annually.

At the same time, Guyana is a gateway into two areas of the Americas. Guyana is considered “Caribbean” based on its language, culture, and historical connections to the region. The Caribbean Community’s Secretariat — the main and most prominent organization for the region’s island states — sits in Georgetown. But Guyana is also situated at the tip of South America, bordering Suriname, Venezuela, and

Brazil. Therefore, for the United States, in terms of policy influence, trade and investment, and counter-narcotics and illegal operations, Guyana is geographically well-positioned to work with U.S. policymakers as a regional partner that can work towards a more secure and prosperous Western Hemisphere.

To capitalize on the relationship with Guyana, U.S. policymakers should establish a high-level economic and security dialogue with Guyana, similar to ones the United States has with countries like Mexico, Colombia, and Guatemala, among others. These dialogues facilitate routine conversations around shared interests. They also increase the depth of the relationship, moving beyond high-level diplomatic engagements, tending to incorporate actors across the business community, civil society, and subnational governments.

But engagement with Guyana cannot be partisan, which would inherently create discontinuity in the relationship. A bipartisan Congressional delegation should be encouraged to travel to Guyana, acting as a scoping mission for topics that can feed into a high-level dialogue and build lasting relationships with key political and economic influencers in the country.

If the United States is able to take a long-term, consistent approach to Guyana, it would cement what might become its most strategic ally in the Americas. Guyana will be

trending upward for the foreseeable future and is only at the early stages of its growth. Now is the time for the U.S.-Guyana relationship to be set up for the long haul. **RF**

Wazim Mowla is the associate director and fellow of the Caribbean Initiative at the Atlantic Council’s Adrienne Arsht Latin America Center



Despite a strengthened relationship, engagement from the United States has been ad-hoc, at best.

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Trade Policy Under Biden: A “New Consensus” without Agreement

by SIMON A.B. SCHROPP

After four years of President Donald Trump’s slash-and-burn trade policies, the bar for the incoming Biden Administration could hardly have been lower. Trump’s “America First” bravado was an ungainly amalgam of tax hikes (against foes and friends alike), bilateral power plays, and a retreat from international trade cooperation (Trump spurned the mega-regional Trans-Pacific Partnership, TPP, and paralyzed the World Trade Organization, WTO). Trump’s trade policies ruffled the feathers of many of America’s closest trade partners. They were also economically ineffective, failing to benefit even those sectors and locations that his tariffs were to supposed to protect. Notably, the Trump tariffs did not change China’s behavior one bit.

It came as no small surprise when Joe Biden, despite calling Trump’s trade actions “disastrous” and “reckless,” not only did not repudiate those policies, but actually amplified them. Whereas, compared to Trump, Biden’s version of economic nationalism is more carrots than sticks (commentators have called it “polite protectionism” or “pragmatic unilateralism”), it is no less fervent.

In a barely noticed but tremendously consequential speech in July 2023, National Security Advisor Jake Sullivan laid out the most coherent version of the Biden Administration’s economic ideology. Sullivan blamed hyper-globalization, trade liberalization, unfettered deregulation, and naïve beliefs in market efficiency for the most pressing challenges currently facing the United States – a hollowed out industrial manufacturing base, dramatic economic inequality, the rise of China, and the climate crisis. Drawing a sharp contrast to the “Washington consensus” – the 1990’s-era policy package championed by the U.S.

Treasury, the IMF, and the World Bank that, to many, is synonymous with deregulation and free trade – Sullivan declared that the Biden Administration stood for a “new Washington consensus.” This novel paradigm is aimed at achieving supply chain resilience, more equitable growth that benefits American workers, rapid decarbonization, and a containment of China’s military and economic

might. While few Americans would disagree that these are worthy goals, their implementation as proposed by Sullivan – which includes (1) a “modern American industrial strategy,” (2) selective partnerships with economic allies, and (3) various policies aimed at curbing the ascent of China – warrants scrutiny.

Let us start with Biden’s industrial policy. That strategy consists of a mix of muscular government interventions through direct subsidies and tax credits -- under the *CHIPS Act* and the *Inflation Reduction Act* (IRA) -- directed at industries deemed especially critical or strategic, mainly semiconductors and green technologies; “Buy America” provisions for government procurement; favorable loan terms; and protectionist policies, including continuation of many of the Trump-era tariffs, domestic content requirements, and trade defense measures.

While industrial policy, done right, can be useful, all indications are that Biden’s version is poised to cause significant domestic and international damage. This is not the place to offer a fulsome critique of the sizable risks to the domestic

economy brought about by Biden’s industrial policy package. Suffice it to say that it is costly (experts expect IRA subsidies to amount to \$1.2 trillion over the next decade – three times the initial forecast), which in and of itself is not fatal if the returns are right. However, they may not be: Biden’s policy package is harmful to non-



Simon A.B. Schropp

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subsidized firms and consumers, and is unlikely to create jobs (it merely shifts them from exporting to protected industries), let alone manufacturing jobs in middle America. It is furthermore unlikely to boost overall competitiveness beyond the initial spending bump.

Moreover, Biden's industrial policy also has negative international repercussions. First, many implementing actions are in apparent violation of the very trade principles that the United States once held dear. Second, since industrial policy is essentially self-dealing designed to draw investment, production, and raw materials away from other countries, this zero-sum logic will almost definitely provoke an international backlash. Powerful countries will retaliate and/or emulate. Emulating discriminatory U.S. industrial policies can easily trigger lose-lose subsidy wars that, in addition to the monetary costs, tend to stifle innovation and technological diffusion, a particular concern for the desired green energy transition. Poorer countries that cannot afford costly subsidy programs will see export markets and inward investment shrinking, and thus less developmental progress. This breeds mistrust and resentment against the United States and over the short or long haul will draw them towards other trade alliances.

Turning to Biden's strategy for cooperating with trade partners, consider what this strategy does not include: It neither entails aspirations to pursue traditional trade agreements (such as rejoining the TPP), nor a revitalization of the multilateral trading order (for example, Biden has continued Trump's blockage of WTO dispute settlement). Instead, the Biden Administration has championed sectoral partnerships and so-called "frameworks" (such as the Indo-Pacific Economic Framework for Prosperity, IPEF). Common to these ventures is Biden's unwillingness to offer foreign countries additional access to the U.S. market. Rather, the Administration seeks to extract from partners non-binding commitments on environmental or labor standards or to sign off on mutual recognition of existing procedures or standards. All this is weak tea, because in refusing to give something to get something, the United States provides no incentive for partners to cooperate in a meaningful way. Predictably, the last IPEF summit in November of 2023 collapsed, in no small part because developing countries were unwilling to give up comparative advantages (cheaper labor and laxer environmental rules) for nothing in return. Future agreements that the United States may get signed under the current mindset risk being purely transactional bargains that can be violated or revoked at

any time. How such "trade" deals are supposed to benefit U.S. workers, make supply chains more resilient, or result in decarbonization is anyone's guess.

Finally, on Biden's objective of slowing down China's economic and military ascent, it has been argued that China pursues aggressive economic policies and has flouted many international trade rules, in letter or in spirit. Yet the United States cannot take on China on its own without risking major economic blowback. To pursue Biden's China strategy effectively, the United States needs to deepen relations with key allies to marshal a united front against Chinese abuse of the international trading system. The United States and G7 partners have made some progress in coordinating export controls of military and dual-use goods, punishing forced labor, and going after China's aggressive export behavior, but more concerted efforts are needed.

At its core, the "new Washington consensus" of the Biden Administration is a challenge of five decades of economic orthodoxy and a rejection of the rules-based international economic order for which the United States fought so hard. It espouses a zero-sum logic where one country's gain is the other's loss, and where cooperation is ad hoc and transactional – if and when it suits U.S. interests. Given that stance, what is the incentive for third countries to cooperate with the United States? Which country is inclined to wholeheartedly consent to this "new consensus?"

Granted, international trade currently has a bad rep with U.S. audiences stretching from the nationalist right to the progressive left. Yet, instead of the pendulum swinging wildly towards neo-protectionism, future administrations may consider improving on the existing rules-based order – call it Washington consensus 2.0. What could such an updated WC2.0 look like?

Domestically, it would capture the gains of liberalized trade, while offering effective protection from the downsides of globalization. The focus thereby would be on workers, not jobs – by promoting job creation in distressed areas and improving transition assistance for those having lost their jobs to international competition. The Nordic countries and New Zealand teach us that an economy can be open and egalitarian at the same time. Next, WC2.0 would foster (WTO-compliant!) investment in infrastructure, R&D, education, and talent attraction, rather than betting on hand-picked industries. It would focus on technology *adoption*, not technology *production*: adoption and diffusion of the best available technologies

Whereas, compared to Trump, Biden's version of economic nationalism is more carrots than sticks (commentators have called it "polite protectionism" or "pragmatic unilateralism"), it is no less fervent.

(even if imported) is more likely to create long-lasting economic benefits and larger innovative breakthroughs than a government trying to pick winning technologies.

Internationally, WC2.0 would have the United States pursue more and deeper trade agreements with large memberships, such as TPP, since it is better to coordinate, not compete, with allies on public investments in high tech or decarbonization. Such trade agreements would adopt common technical standards on a global scale. They would also provide a veritable counterbalance to China's expansionism. Finally, under WC2.0 the United States would immediately revive WTO dispute settlement and reengage in (an, admittedly, overdue) WTO reform that squarely takes on rule flaunting by non-market economies. And if China, India, or any other WTO Member were to block meaningful WTO reform, the United States should rally the largest possible

coalition of the willing.

International trade is not going anywhere. The question is how and to what degree the United States will participate. Historically, expanding trade has delivered tremendous value to the U.S. economy. WC2.0 could help capture the gains of liberalized trade and make up for domestic losses. It could reacquaint Americans with an appreciation that trade rewards innovation, efficiency, and dynamic growth, that it makes the distributable pie larger for all, and that it advances U.S. security and economic interests in the long term.

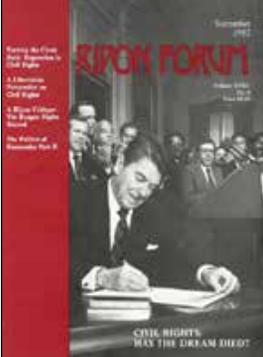
RF

At its core, the “new Washington consensus” of the Biden Administration is a challenge of five decades of economic orthodoxy and a rejection of the rules-based international economic order for which the United States fought so hard.

Dr. Simon A.B. Schropp is Managing Economist at Sidley Austin LLP. All opinions expressed in this contribution are the author's and reflect neither the view of his employer, nor its clients.











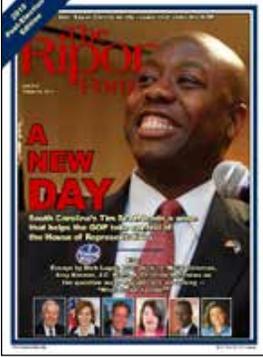
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Why 2024 could be the Year for Federal Paid Family Leave

by STEPHANIE BICE & CHRISSY HOULAHAN

Over thirty years ago, the Family and Medical Leave Act (FMLA) became law, granting workers the right to unpaid, job-protected time off. While a significant step forward, the United States remains one of only seven countries worldwide without some form of universal paid family and medical leave.

Paid family leave is a complex issue, requiring careful consideration and collaboration. That's why we, a Republican from Oklahoma and a Democrat from Pennsylvania, joined forces to establish the first-of-its-kind Paid Family Leave Working Group in January 2023. Comprising an equal balance of three Republicans and three Democrats, our Working Group is dedicated to finding solutions that benefit American families and businesses alike.

Our efforts began with a fact-finding mission to understand the diverse challenges faced by stakeholders from every perspective. Through a comprehensive six-part briefing series, we engaged with representatives from various industries, consulted states of all sizes, and listened to voices from businesses across the nation. These insights formed the basis of our policy framework, unveiled earlier this year.

Our legislative framework focuses on four core pillars: establishing a public-private partnership for paid leave pilot programs, coordinating and harmonizing paid leave benefits across states, implementing small employer pooling for paid leave insurance, and enhancing the 45S paid leave tax credits for small businesses and working families.

As we write this today, legislation is being drafted to enact

initiatives aligned with these pillars. This effort represents the culmination of our Working Group's year-long endeavor to propose durable, bipartisan solutions. However, it marks not the end, but rather the beginning of the most critical part of our journey. We must remain steadfast, as individuals, businesses, advocacy groups, and Members of Congress, in advancing this cause through the House, the Senate, and ultimately the White House. There will be challenges ahead, but we have a responsibility to American families to see this through to the end.

Access to paid family leave is transformative. It nurtures the well-being of families and bolsters the resilience of communities. When businesses provide these benefits, they foster stronger retention rates and cultivate a more dedicated and talented workforce. These are the outcomes we are striving towards to strengthen our families and our economy.

We are united in our resolve to usher in an era of federal paid family leave, where the prosperity and well-being of all Americans are upheld. Because at the end of the day, more paid family leave for more people is good for everyone. We hope you'll join us. **RF**

Representatives Stephanie Bice (R-OK) and Chrissy Houlahan (D-PA) are co-

chairs of the bipartisan Paid Family Leave Working Group. The House bipartisan Paid Family Leave Working Group was launched in January of 2023 to explore federal paid family leave policies. Supported by the Bipartisan Policy Center and other organizations, the working group's mission is to bring more paid leave to more Americans through enduring policy solutions.



Reps. Bice & Houlahan

Through a comprehensive six-part briefing series, we engaged with representatives from various industries, consulted states of all sizes, and listened to voices from businesses across the nation.

Republicans Should Maintain Bipartisan Support for PEPFAR

by CHARLES F. WALD

Last year marked the 20th anniversary of the President's Emergency Plan for AIDS Relief (PEPFAR), a milestone in global health initiated by President George W. Bush. This landmark legislation has saved over 25 million lives and prevented millions from contracting the virus, including 5.5 million babies.

PEPFAR, according to the Bipartisan Policy Center (BPC), also has supported life-saving HIV treatment for more than 20 million people, HIV testing for 71 million people, and other services for millions more. However, as we reflect on these achievements and applaud the recent yearlong extension of the program, we must ensure saving lives isn't derailed by partisan politics.

I have spent countless hours working on the ground in PEPFAR-funded countries and witnessing its impact in saving lives up close. In my role, I oversaw all U.S. military forces in 91 countries in Europe, Africa, Russia, Asia, and the Middle East, and in most of the Atlantic Ocean. I've spent my lifetime keeping America safe, and PEPFAR happily marries the national security interests of the United States with our humanitarian interests. By providing boots on the ground and key support to partner countries around the world, the United States forges both health and diplomatic ties. These connections not only allow us to help address other threats, such as Ebola and Covid, but also provide a positive alternative to China's growing influence in Africa.

As I've observed, and as the BPC has reported, PEPFAR's benefits extend far and wide. Countries with more PEPFAR-provided resources have better health

outcomes, healthier countries tend to be stronger economically, and PEPFAR has improved views around the world on American global leadership.

PEPFAR was enacted with near unanimous support in 2003. When President Bush proposed it, groups across the political spectrum fought for its enactment – grassroots organizations that provide health care to those in need around the world; religious groups that recognize the need to expand lifesaving care; pharmaceutical companies that provide access to HIV drugs; advocacy groups that support those living with or at risk for HIV/AIDS; and military leaders who recognize that HIV/AIDS reduces the readiness of partner governments. Up until 2023, the program received three, five-year extensions under several presidents and Congresses of both parties, giving the program the needed stability and resources needed to sustain and expand its efforts on a global scale.

Unfortunately, the overwhelming bipartisan support PEPFAR has received in the past has led to only a temporary one-year extension passed by the House in March, thanks in part to allegations that the program is funding abortion around the world. This assertion is false. In fact,

PEPFAR continues to follow the law of the land—known as the Hyde Amendment—that ensures our foreign assistance funds cannot be used to pay for the performance of abortion as either a method of family planning or to motivate or coerce any person to practice abortions. I stand with U.S. Global AIDS Coordinator Amb. John Nkengasong who recently stated, “PEPFAR has never, and will not ever use that platform in



Charles F. Wald

I've spent my lifetime keeping America safe, and PEPFAR happily marries the national security interests of the United States with our humanitarian interests.

supporting abortion.”

The spillover impact from PEPFAR interventions in the reductions in infant, child, and maternal mortality shows that the responsible stewardship of resources and the targeted investments of PEPFAR have yielded significant returns, with each dollar spent leveraged to save lives, strengthen communities, and promote stability. As President Bush has repeatedly stated about PEPFAR: “Seldom has history offered a greater opportunity to do so much for so many.”

Moreover, PEPFAR is continually supported by our military leaders for at least three reasons. First, PEPFAR investments help reduce the spread of HIV and, as such, reduce illness among partner countries’ troops. Second, PEPFAR and similar investments reduce our defense spending. For every dollar that the United States invests in foreign aid, including in health-related programs like PEPFAR, the U.S. European Command concluded, we save \$16 in unneeded troop deployments. And third, as noted in prior BPC reports on PEP-

FAR, these strategic health investments reduce conflict and promote the rule of law.

With all the proven benefits of PEPFAR, it really is no surprise that public polling abroad continues to find a relationship between American investments and

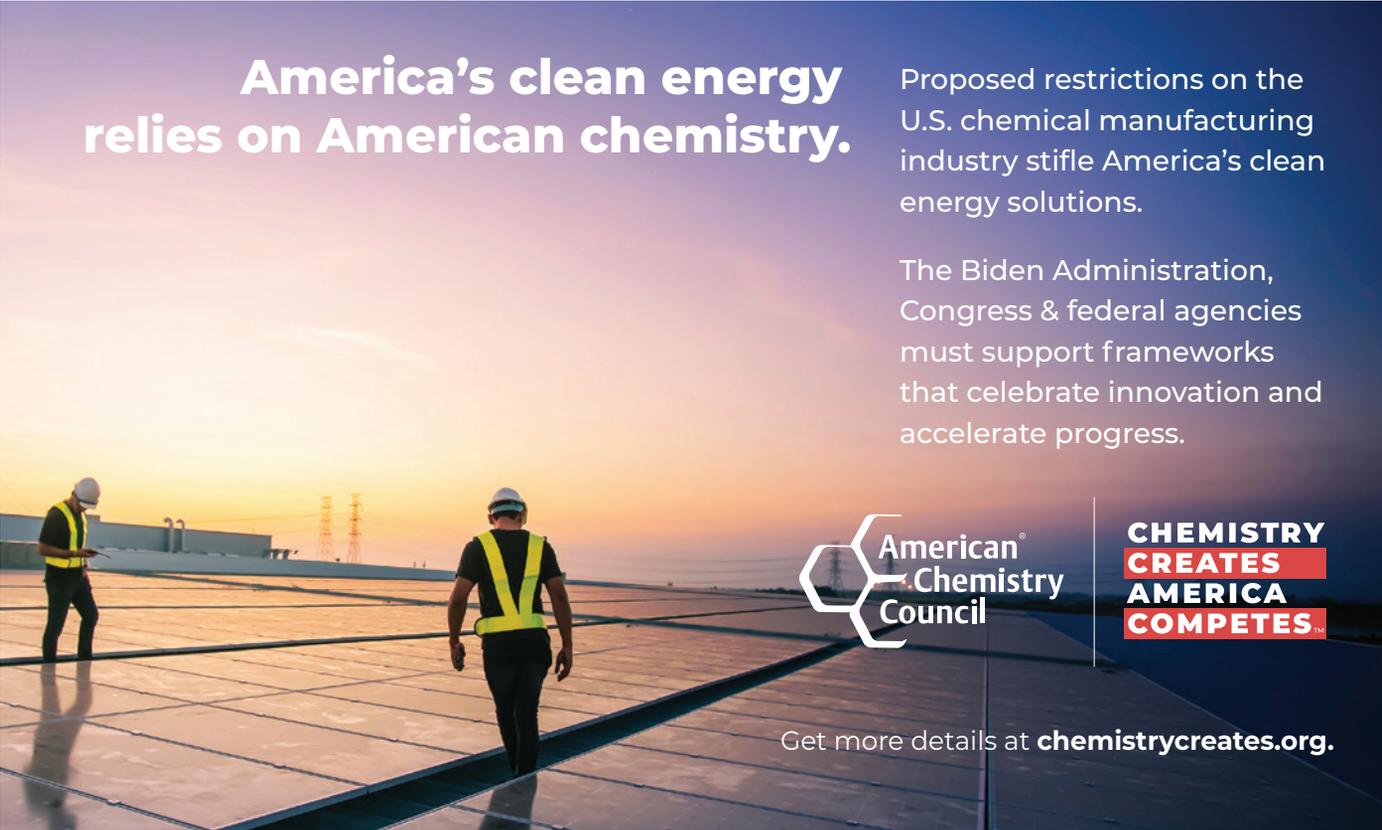
As President Bush has repeatedly stated about PEPFAR: “Seldom has history offered a greater opportunity to do so much for so many.”

strong perceptions of our nation’s leadership in the world. And here at home, I would argue that one can be pro-military, pro-national security, and pro-PEPFAR. It is essential that lawmakers use the next year to find bipartisan

consensus so we can continue the work of PEPFAR as a force for the greater good.

RF

Retired U.S. Air Force Gen. Charles F. “Chuck” Wald was deputy commander, Headquarters U.S. European Command, Stuttgart, Germany. USEUCOM is responsible for all U.S. forces operating across 91 countries in Europe, Africa, Russia, parts of Asia and the Middle East, and most of the Atlantic Ocean. He is a senior fellow of the Bipartisan Policy Center in Washington, D.C.



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Working Class Folks are the New Political Base and Republicans Have the Advantage

by BRENT BUCHANAN

With just months until the 2024 presidential election, data trends provide us with further proof that a huge shift is occurring across America's political constituencies. It's clear this realignment will be firmly cemented in our national politics and that both parties have been slow to match their policymaking with the political preferences of their respective bases.

It's no secret that working-class voters now gravitate toward the Republican Party, whereas the educated and more well-off are now the bedrock of today's Democratic Party – but this shift was accelerated with Trump's entrance into politics. Now, with the potential for Trump to serve one more term in office, it is up to congressional Republicans to get the legislative engines running if they are to win over America's working-class folks – a key voter group who still hold the keys to the Oval Office and congressional majorities.

2023 was revealed to be Congress' least productive year in over five decades with the fewest number of bills passed. Add to that an overly dramatized exiling of the House Speaker and threats to oust the current one, it's hard not to see why Congress has an approval rating of 15%.

Despite this, Republicans have the advantage and the opportunity to deliver for the non-college-educated voters living paycheck-to-paycheck. These are people uninterested in tax cuts for big businesses, the elusive stock market indicators, or wonky policy schemes that don't translate to a tangible impact on their tight pocketbooks. And it won't be enough for Trump and his Republican allies to lean on the pre-Covid tax cuts. Things have changed, that ship has sailed, and it's time for a broader vision.

Republicans' new voters are most concerned with the here and now of life. They need immediate relief from both the government and the private sector. They need more money in their pockets and flexibility to take care of their families and loved ones. They need congressional representatives that will deliver this, and they want a president strong enough to ensure

it gets done.

It can't get any simpler than that and the data backs it up. For example, in a January national poll, voters were asked if they support or oppose Congress enacting, "national legislation for paid family leave for qualifying reasons like newborn children, medical recovery, and caring for seriously ill loved ones."

Over 75 percent of people said they supported it. Even more impressive is the broad support from across the political spectrum in an era where it seems like the parties can't agree on anything.

Encouragingly, two bipartisan working groups in the House and Senate have come up with a policy framework that aims to increase paid leave through a variety of state-based and public-private partnership structures. Nobody expects these solutions to be in place by Election Day, but it would be a huge boon for Republicans if they could pass that kind of legislation to signal to non-college-educated voters that positive change is possible and on the way – especially if they elect a Republican to the White House.

In the current political landscape, Democrats arguably have more to gain than Republicans, but it's the GOP that has the momentum with this key voter group. With Trump solidifying his victory in the

Republican primary, now is the time to pivot from the policies they focused on for decades being the party of the upper class and refocus on things that make life better for the working-class – like paid family leave.

This election is too close for policymaking not to keep pace with the electoral environment. Republicans need to stop complaining about slim majorities and deliver on the policy front to gain a bigger advantage on the political one. If they can do that, voters may reward them again. **RF**



Brent Buchanan

Republicans need to stop complaining about slim majorities and deliver on the policy front to gain a bigger advantage on the political one.

Brent Buchanan is a pollster and president of Cygnal, the nation's fastest growing and most accurate Republican polling firm.



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Moore & Yakym Push to Get Federal Spending Under Control

WASHINGTON, DC —With millions of Americans filing their federal income taxes this month, The Ripon Society hosted a dinner discussion on April 15 with two Members of Congress who are pushing to reform the federal budget process and restore a sense of accountability to the way hard-earned taxpayer dollars are being spent.

The Members were Blake Moore and Rudy Yakym. Moore was elected in 2020 and represents the 1st District of Utah in the U.S. House of Representatives. Yakym was elected in 2022 and represents the 2nd District of Indiana in the House. Both serve on the House Budget Committee, and both also serve as Co-Chairs of the bipartisan What Works Caucus, which was launched last fall to ensure that federal taxpayer dollars are invested as effectively and efficiently as possible.

Moore kicked off the discussion by talking about the importance of reforming the way federal tax dollars are budgeted, and a bill he recently introduced to achieve that goal.

“We will not fix our fiscal problems in this country without fixing our budget process,” the Utah lawmaker stated. The *Comprehensive Congressional Budget Act* would force us to take into consideration the entirety of it. It would get rid of the Byrd Rule. It would get rid of budget reconciliation and force us to be adults and actually get involved.”

Moore introduced the *Comprehensive Congressional Budget Act* in January. The legislation would reform the federal budgeting system by:

- Allowing the House and Senate appropriations committees to continue managing discretionary spending;

- Requiring each committee with direct spending or revenue jurisdiction to submit line items for each spending or revenue account along with any proposed changes to the House and Senate appropriations committees;

- Requiring the House

remarks by commending his colleague for his efforts to reform the budget process, and by discussing the joint effort they are spearheading as Co-Chairs of the What Works Caucus to restore a sense of accountability in Washington when it comes to how hard-earned taxpayer dollars are being spent.

“Blake’s been a leader on this issue for quite some time, and it’s truly an honor to call him a colleague,” he began. “As co-founders of the What Works Caucus, part of what we believe is that the United States Congress obviously spends a lot of money, but we never actually take the time to go back and review it and ask, ‘Did that work?’ What are the criteria that we’re going to evaluate success by? And how are we going to think about the future success of something that we’re setting up today?”

“Once you establish a dollar in our federal system, it just seems like it is there forever, and we never actually evaluate it. So, we’re in the process of getting feedback on how we would evaluate it and what

are some of the things that we could do that would work from an evidence-based perspective to make our budget process better.”

Yakym, who was appointed last fall to serve as Chairman of a newly-created Budget Process Reform Task Force, concluded his remarks by saying that restoring a sense of accountability to the way tax dollars are being spent was a priority that was not only critically important, but long overdue.

“To think that we haven’t reformed our budget process in 50 years is just totally outrageous,” he declared. **RF**



“We will not fix our fiscal problems in this country without fixing our budget process.”

Blake Moore - Remarks to The Ripon Society, April 15, 2024

Appropriations Committee to compile the 12 appropriations bills and submissions from other committees and send the complete budget to the House floor; and,

- Repealing the budget reconciliation process and Byrd Rule, requiring Congress to manage direct spending and revenue in the same bill as appropriated spending.

“We need to be doing stuff when we’re not in the budget reconciliation phase,” Moore said. “We should be able to compromise and do good things. And I’m hopeful that we can get there.”

Yakym agreed, and began his

Ripon Profile

Name: James Lankford

Occupation: U.S. Senator for Oklahoma

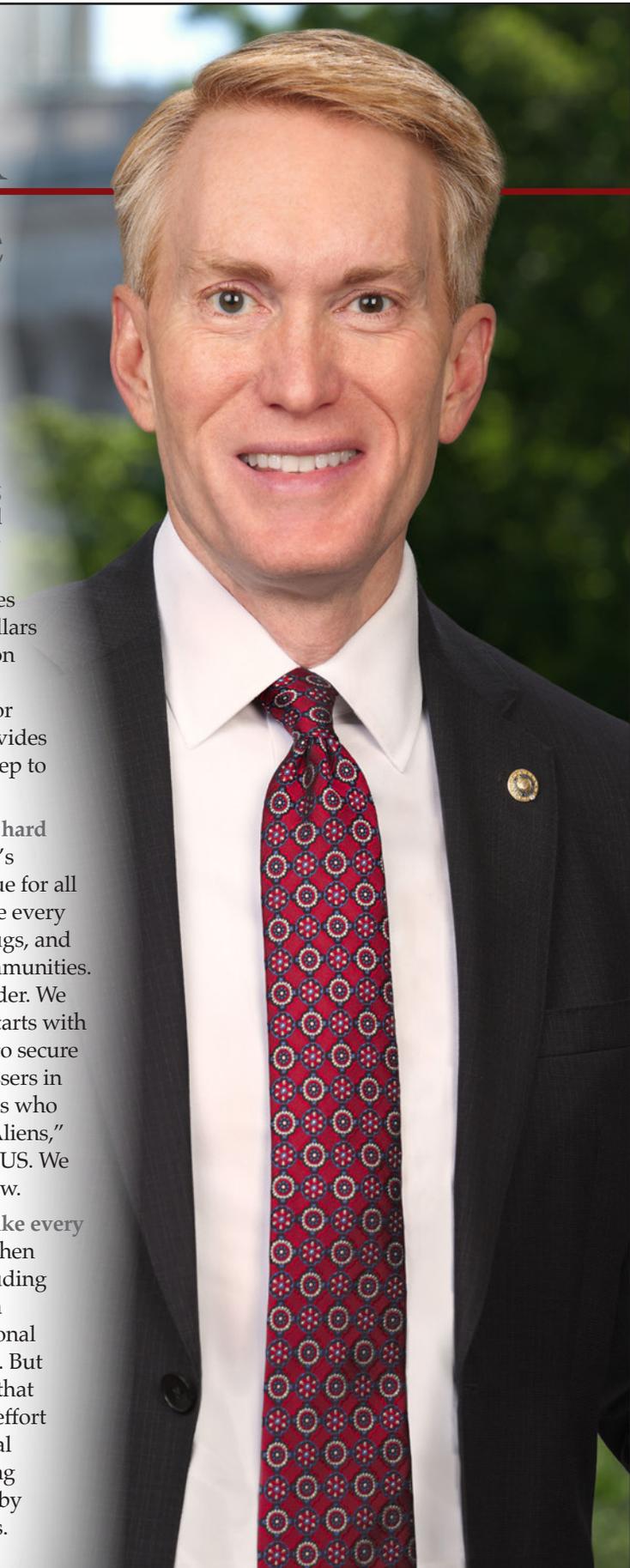
Book(s) you're recommending to friends:

The Bible, *Love Your Enemies* by Arthur Brooks

Most significant accomplishment(s) since coming to Congress: After years of work, Congress passed my Taxpayers Right-to-Know Act and in February of 2024, the Office of Management and Budget launched the Federal Program Inventory. This gives every American the ability to see how their tax dollars are spent and is a step to end waste and duplication in government. This is the first time an online tool has allowed anyone to quickly and easily search for information about every federal program that provides grants, loans, or direct payments. That is a huge step to address our national debt.

Challenge facing your state that you are working hard to address: This should come as no surprise, but it's securing our border. This is a national security issue for all Americans, because Biden's border crisis has made every state a border state with illegal crossers, illegal drugs, and contraband coming across the border into our communities. We need to go beyond throwing money at the border. We need real solutions to secure the border and that starts with President Biden using the authorities he has now to secure it. We are now close to 8 million illegal border crossers in three years. That includes thousands of individuals who have been identified by DHS as "Special Interest Aliens," someone who poses a national security risk to the US. We need to secure our border, and we need to do it now.

Excerpt from Federal Fumbles report that will make every taxpayer wince: There are a lot of earmarks that when Oklahomans hear about it make them wince, including federal tax dollars paying for million-dollar splash pads, ski jumps, drag shows in Ecuador, or a National Science Foundation study on butterflies in Europe. But what should really make anyone pause is the fact that we are \$34 trillion in debt, and there is no serious effort in Congress to turnaround our fiscal house. Federal Fumbles is a starting point to cut wasteful spending to address our fiscal realities. You can check it out by visiting www.lankford.senate.gov/about/fumbles.



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