

INSIDE:
CENTRAL EUROPE

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RIPON

forum

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**ALL TOO QUIET ON THE HOME FRONT
IT'S TIME TO FIGHT TO SAVE AMERICA'S CITIES**



EDITOR'S COLUMN

The problems facing America's cities are indeed intricate, yet they are not issues which a nation that has been a showcase for democratic capitalism can afford to ignore. Violent crime, drug abuse, housing problems, poor health care and educational inadequacies are among the many challenges facing those who reside in U.S. cities.

In this issue, we continue the Ripon Society tradition of placing a priority on confronting such problems. While our answers are not complete, and we wish they were, the topics discussed include neighborhood economic development, public housing, urban health care and local infrastructure.

Ripon Chairman Bill Clinger, for example, addresses the need to strengthen the financial base of local jurisdictions. According to Clinger, Congress has impeded the ability of local governments to maintain and develop public works programs over the last five years. Among his solutions is that state and local governments must be given easier access to debt markets.

New York Congressman Bill Green also analyzes the root causes of America's housing problems. And a **Ripon Forum** policy analysis examines the recent housing bill, endorses a strategy for neighborhood economic development and proposes a seven-point plan for inner-city health needs.

This issue of the **Forum** also focuses on the changes in Central Europe. In a special interview, U.S. Ambassador to Czechoslovakia Shirley Temple Black discusses the changes underway in the Czech and Slovak Federal Republic. She also presents the need for Congress to pass a second package to help Central Europe. According to Black, "SEED II" will be important in helping attract new private investment.

An analysis of Czechoslovakia's ethnic, economic and environmental tensions is also presented. The conclusion is that the next several years will require the Czech and Slovak people to possess a strong will. But like in the United States, the underlying motivation is for self-determination. In Czechoslovakia that belief recently overthrew a totalitarian state.

— Bill McKenzie

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A Conversation with Shirley Temple Black



Ambassador Shirley Temple Black

Five days before George Bush arrived in Prague on November 17, the **Ripon Forum** was afforded a chance to visit with the United States Ambassador to Czechoslovakia, Shirley Temple Black. In her residence in Prague, she spoke with **Forum** editor Bill McKenzie for over an hour about the dynamics of change in her new post.

According to *Black*, the Czechoslovakian people are prepared to "tighten their belts" in order to undergo real economic reform. She also contends that the country's ethnic tensions are not insurmountable.

Czechoslovakia is not the former actress' first diplomatic posting. During Gerald Ford's administration, she served as the U.S. representative to Ghana and during Richard Nixon's presidency she served as a delegate to the United Nations.

The residence Ambassador Black, her husband Charles and their boxer dog Gorby occupy was the home of Czechoslovakian Jews who fled the country when the Nazis entered in 1939. A 50-plus room mansion, the Blacks have chosen to live in just a set of rooms they affectionately refer to as "Ramada Inn East." And the kitchen? McDonald's, of course.

Ripon Forum: Now that we sit here one year after the miracle of upheaval in Eastern Europe, a primary problem that remains is the strong nationalism found among many Eastern European peoples. Tensions, for instance, exist between Czechs and Slovaks. Can these differences be absorbed by democratic processes?

Ambassador Black: First of all you are now in "Central Europe," which they like to be known as a part of here in Czechoslovakia. The Czechs and Slovaks come from different heritages, and they've had oppression during their entire history. The only time they've had any democracy was from 1918 — 1938.

During that time, they did such a magnificent job of creating beautiful works of art and music that this was called the "Switzerland of Central Europe." Then they had the Nazi period, followed by the Communist push and after that the Warsaw Pact invasion in 1968. So this is the first time they've been able to breathe more freely and talk about the problems they've had inside for all these years.

But it's very important that the Czechs and Slovaks work together as a country. The United States is for a united Czech and Slovak Federal Republic; that's our official position.

I also find that the emigres in our country feel more strongly about separate Czech and Slovak nations than people here. When the brave emigres left, it was usually in 1938 or 1948 or 1968. Many of them seem to see their

country from that very sad time.

But the Czechs and Slovaks will work out their problems. I don't find the tensions go as deep as the press generally contends.

Ripon Forum: So you believe that the ethnic tensions can be maintained within present institutional boundaries?

Ambassador Black: Yes.

Ripon Forum: Next year is going to be a particularly important year for Czechoslovakia. Government subsidies will be eliminated or reduced and economic growth is likely to be limited. What is your prediction for the next year?

Ambassador Black: I don't see anything but crystal in my crystal ball. So I don't think I can predict what's going to happen.

I do think, though, that the Czech and Slovak people have been ready for belt-tightening, ready to move to a market economy and ready to have prices go up and experience some unemployment. The government, however, has been very cautious; they're moving very slowly. There also have been very many differences in opinion about how to achieve the move to a market economy.

Before the last election, there was some disagreement between the minister of finance, Vaclav Klaus, and the former deputy prime minister, Valtr Komarek. Komarek preferred to go slow and had more of a socialist attitude about change. Klaus, who is very con-

servative, is for the shock treatment.

Komarek is now out, and Klaus is now minister of finance. He also heads up the Civic Forum organization. So his opinions are winning, and the shock treatment will be carried out. It will be felt more after January 1, when the new laws go into effect.

Havel is not an economist, but he is a very brilliant man. He has good people around him, and asks why each move is being taken.

If I had been the leader, rightly or wrongly, I probably would have introduced the shock treatment last February. It could have been in place for a while and been blamed on the old government. The longer you go without things really changing, the more both the old and the new can be blamed.

Ripon Forum: Where does President Havel fall on this continuum?

Ambassador Black: He doesn't want anybody to get hurt. He has been for not putting any burdens on the public and he now realizes that it is going to have to hurt some. He now is talking about privatization.

Havel is not an economist, but he is a very brilliant man. He has good people around him, and asks why each move is being taken.

Ripon Forum: Let me read you this quote about Havel from the *New York Times*: "The theatrical touch by the playwright-president contributes to the sense that people running the newly liberated countries are far from professionals." What is your assessment of his government?

Ambassador Black: I think they're doing very well. First, they've done very well to have the revolution. And Havel has country-wide support. He is the moral leader of the country and is very trusted.

Sometimes I think that those who are not "professionals" as such do a very good job. They don't know a lot of the mistakes that can be made.

But they'll be better off once they get an infrastructure set up. This means improving telecommunications, developing accounting systems, training managers and drafting constitutions. Some drafts of a constitution were actually started by people in jail. I've met a couple of people who said they had been working on it from jail for several years.

Ripon Forum: I wandered upon a large rally of trade unionists yesterday, and the speakers were complaining that too many former Communists remain in positions of management. Is this true?

Ambassador Black: It's down a couple of layers in the government that Communists are still in place. They like to work. (Laughter) And they are well-trained. I know that President Havel doesn't feel that the country could work well without some of the Communists in the government. As long as they are not slowing it down, they will remain until other people are trained to take their place.

Ripon Forum: Does there seem to be some degree of cooperation between the old and new?

Ambassador Black: A lot of people are leaving the Communist Party. That includes Prime Minister Calfa, who left the party last January. Alexander Dubcek, the president of the parliament, also is not in a party.

The people say they don't want communism even with a human face. But some of the Communists still have to be worked with.

Ripon Forum: How deeply ideological was the communism here?

Ambassador Black: Pretty deep, but a lot of people also had to join the Communist Party to get a job.

Ripon Forum: It's much easier to think in terms of passing a legislative package to deal with emerging democracies than to rally private aid. But few people disagree that private sector aid is especially needed in Central Europe. How does the West go about focusing its attention on this need?

Ambassador Black: The attention is focused. What we don't have but need is SEED II, which is the Support for East European Democracies Act that is hung up in the Congress. SEED I was for Poland and Hungary, and SEED II would include Czechoslovakia. We'd like to see SEED II freed from the congressional hold. It's very much needed.

The International Monetary Fund and World Bank are all here. And Czechoslovakia would like to join the European Community. They probably will within a number of years. They'd even like to join NATO.

Sometimes I think that those who are not "professionals" as such do a very good job. They don't know a lot of the mistakes that can be made.

Ripon Forum: Let me rephrase the question. Is the private aid sufficient, at least for the moment?

Ambassador Black: It's not until we get SEED II. A lot of people from our government have been here. Although there will not be an Agency for International Development program, a lot of help is coming through AID for such things as environmental and legal assistance.

Ripon Forum: How else can the private sector participate in Czechoslovakia's renaissance?

Ambassador Black: Of the average 100 inquiries a week that our Foreign Service commercial officer receives, a lot are "fishing expeditions." But a lot are also serious efforts. Those who will do the best will come in for long-term joint ventures.

Czechoslovakia is not ready to buy from our country those necessities, such as breakfast cereals, which will make their life nicer. They don't have the hard currency for that. But they are willing to engage in joint ventures with companies which make the breakfast cereals. And they could make automobiles or airplane engines in joint ventures. They also need good western hotels. There's

talk of airport expansion. Some day this will be a big hub.

Ripon Forum: Are there other special needs that we in the West need to know about?

SEED I was for Poland and Hungary, and SEED II would include Czechoslovakia. We'd like to see SEED II freed from the congressional hold. It's very much needed.

Ambassador Black: The worst problems are air and water pollution. Forests have been destroyed, and statues on the Charles Bridge in Prague are completely black.

Most of the environmental problems are a function of the coal and fuel. I've driven from Germany to Czechoslovakia and said it's no longer an Iron Curtain but a "Pollution Curtain." When you cross the border you get into this funny brown-black smog.

Ripon Forum: What steps are being taken to curtail these environmental problems?

Ambassador Black: Number one should be coal pelletizing machines, which would squeeze the moisture and ash out of the soft brown coal and burn it more cleanly. Number two should be catalytic converters on cars and trucks. And number three should be unleaded fuel.

All of these measures are expensive. The coal pelletizing machines would probably be the least expensive.

Ripon Forum: Why has coal been burned so inefficiently?

Ambassador Black: It happened in all these countries. I'm told there's an area between the Czechoslovakian and Polish border which looks like the surface of the moon. It's supposedly all black.

President Havel has written of some of these coal-mining areas and said that the Communist state gave the families

television sets to occupy their time. That's very nice, he said, but the children's eyes were so full of pus they couldn't see the television shows. I read another report of an area where 10,000 breathing masks are being distributed to children, with other masks coming later for adults.

We're looking for ways to help. The Environmental Protection Agency is very interested to help in any way it can.

Ripon Forum: What role did the Church play here? In Poland, it played such a strong role in the country's liberation.

Ambassador Black: It played a different role here. In 70 percent of the Slovak lands, the population is Catholic. Cardinal Tomasek, who is head of the church, is 91 years old and about to retire. But he's been a very strong force. He told me *before* the revolution that he was pleased there was a surge back to religion, particularly adult baptisms.

Cardinal Tomasek also has suffered a great deal. For 25 years, he was virtually under house arrest. The breakthrough came when he delivered a special televised address and made reference to the Civic Forum or some opposition movement. The message got through to the whole country, and there was no way the Communists could turn off that program.

Ripon Forum: Yesterday protesters were also talking about state control of radio and television channels. That struck me as ironic since President Havel is a playwright and seems more likely to be more sympathetic to what we would term "First Amendment freedoms." Is the state ownership of communication channels going to change soon?

Ambassador Black: I can't predict, but a new media law is being considered.

Ripon Forum: What effect is the Persian Gulf crisis having here?

Ambassador Black: It has already cost Czechoslovakia \$1.1 billion. They are going to need assistance about how to buy oil. Iraq owes this country \$350 million, which they were expecting to

get back in oil. But some accommodations have been made in a pretty-hard nosed session with the Soviets, so they will only be 20 percent short of last year.

Ripon Forum: I know you don't like making predictions, so let me see if I can word this correctly. Czechoslovakia is very interested in joining the European Community. But what kind of model is this country heading towards? Will it be more social democratic by, say, 1995? Or will it be more radically free market in its orientation?

Ambassador Black: I don't have a clue. (Laughter)

The worst problems are air and water pollution. Forests have been destroyed, and statues on the Charles Bridge in Prague are completely black.

Ripon Forum: Does President Havel have a model?

Ambassador Black: They just want to be a part of the European Community. And I don't know how long it will take before they will become members, but I think they will be.

Ripon Forum: What is it like being in a country which just exploded?

Ambassador Black: I'm first delighted that President Bush asked me to take this job. He found me on a business trip in Seattle and I accepted right on the spot. Usually I like to wait to make such decisions, but I knew I wanted to do this.

I had been here in 1968 when the Soviets invaded. In fact, I was on my way to meet with Alexander Dubcek, who was then general secretary. I called his office to confirm the appointment, but after a long intermission the voice on the other end said that Mr. Dubcek was tied up. I always wondered whether he was literally tied up. So when I arrived back as ambassador 21 years later, and Mr. Dubcek was back in leadership, I asked him whether that was the case.

He looked at the floor, and I was afraid that I had offended him. But he then said, yes, that he had been literally tied up at that moment.

I've driven from Germany to Czechoslovakia and said it's no longer an Iron Curtain but a "Pollution Curtain." When you cross the border you get into this funny brown-black smog.

Ripon Forum: How is it being a woman leader in a former Eastern bloc country?

Ambassador Black: It was pretty interesting at the beginning. The Communist leadership treated me nicely and gave me access. President Husak was whom I presented my credentials to, and when I talked to him after the presenta-

tion he said he and his late wife had enjoyed my old films. He said he wanted me to present my credentials promptly because he wanted to see how I turned out.

One gentleman did tell me that he didn't like what I had said on Voice of America about the government and people of Czechoslovakia not recovering from the invasion of 1968. I said you haven't, and he responded that when you're here longer you will see that we have. I told him that I had seen the uprising myself in 1968 and would never change my opinion. He told me that I was wrong and turned on his heels and left. I said I looked forward to another unpleasant conversation.

That gentleman, by the way, was head of ideology during 1968 and was among those who had invited the Soviets in then. He is no longer in power. ■

What Others Are Doing in Central Europe

Many private initiatives are now taking place throughout Central Europe, some of which are being coordinated by the Bush administration's Citizen's Democracy Corps.

Over the last two years, for example, the Sabre Foundation has created private foundations in Poland, the Ukraine and Hungary to receive books from U.S. publishers. Sabre's Scientific Assistance Project has resulted in orders of over 130,000 books in 1990 alone. Among the various requests are orders for economic, medical, English and technical books.

*If interested in learning more about this attempt to support professionals, entrepreneurs, students and teachers, please contact: **The Sabre Foundation**, P.O. Box 483, Somerville MA 02144, or phone 617-494-8252.*

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A RIPON FORUM POLICY ANALYSIS: The Need For Urban Reform

The sense that George Bush is not leading the country on domestic issues is unfortunately not without merit. The president himself even recently admitted that he prefers international affairs to domestic policy.

But that lack of intense interest—even with the threatening Persian Gulf crisis at hand—does not excuse the president and his administration from focusing on pressing domestic needs, many of which center around the nation's cities. In this Forum report, an analysis of existing urban policies is presented, as well as recommendations for the future. In particular, the policy examination focuses on housing, neighborhood development and health care, each of which is essential to the improvement of American urban life.

* * * * *

HOUSING POLICY

The closing of the 101st Congress certainly did not provide the American people with their finest hour, but a few results of the 101st Congress deserve praise. An example is the recently-passed housing bill, whose importance lies not so much in its dollar amount — \$27.47 billion for fiscal year 1991 and \$29.3 billion for fiscal year 1992 — but rather for what it demonstrates about the merits of wedding creativity to social concern. Two primary components of the housing bill — financial assistance for tenant management of public housing and aid for not-for-profit housing development — are good examples of innovation.

While each of these concepts are now becoming widely known in urban policy circles, the new housing bill marks the first time such alternatives have been seriously attempted. And the money comes from Housing and Urban Development Secretary Jack Kemp's

The housing bill demonstrates what can happen when market principles are merged with social compassion. By promoting property rights as a means to combat poverty, the administration can provide a new twist in the war on poverty.

major housing initiative, Home Ownership for People Everywhere.

In fiscal year 1991, for instance, the HOPE program allots \$36 million for aid to non-profit housing development and \$129 million for low-income tenant management assistance. In fiscal year 1992, those figures increase to \$195 million and \$580 million, respectively.

The non-profit initiative is of note because it focuses on decentralized means to stimulate low-income housing development. To some degree, such efforts are now occurring and the Bush plan should assist them.

Consider the work of James Rouse, founder of the Rouse Corporation, a major real estate development firm. In an interview last year in **The Other Side Magazine**, Rouse, chairman of the Enterprise Foundation, emphasized the importance of "bottom-up" development. According to the Maryland business executive, "[The process] is working from the neighborhood up rather than from the government down."

Put specifically, Rouse's Enterprise Foundation provides technical assistance to neighborhood groups which acquire, rehabilitate and manage property.

While the foundation's aim is mighty — providing affordable housing for all poor Americans within the next generation — it now works with over 100 non-profit groups in more than 30 cities.

Another example of a non-profit housing development enterprise the Bush initiative could assist is Manna, Inc. in Washington, D.C. Like James Rouse and the Enterprise Foundation, Manna director Jim Dickerson speaks of empowering low-income individuals to buy into "the Great American Dream."

Manna's first step is to purchase and rehabilitate dilapidated housing. Funds come from low-interest bank loans and various federal local government subsidies. Money is also loaned to Manna by churches, foundations and individual investors, and is repaid at zero to six percent interest.

After rehabilitation, Manna helps prospective low-income buyers find money for their limited-equity investment. Through connections with local banks and government programs, such as the District of Columbia's Housing Purchase Assistance Program, Manna is able to secure low-interest or interest-free loans for individuals.

The final step is particularly essential: preparing prospective purchasers for home-ownership. The non-profit organization sponsors "Homebuyers," a program which trains future homeowners in financial and managerial responsibilities. The results are often positive. As Dickerson says of his clients: "They know what it is like to be homeless...and they are determined."

The administration's plans to assist public housing tenants purchase their units is likewise an attempt to instill pride in ownership. Specifically, the HOPE program offers financial and

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The 1990 Elections: Ratifying Managerialism

The oddity in this year's elections is that many if not most prognosticators forecasted a rise of anti-incumbent sentiment. And not without reason were those predictions cast. The budget debacle of the last six months merely reflects the culture of indecision that surrounds much of American policymaking.

Yet surprisingly, most voters chose not to unseat their incumbents. Only Minnesota Republican Senator Rudy Boschwitz lost a major statewide race to an unlikely challenger, Carleton College professor Paul Wellstone.

SOCIAL FAIRNESS AND ECONOMIC COMMON SENSE

Instead, the primary signal voters sent was a preference for managerial politics. The orientation of that brand of politics is for social fairness and economic common sense.

Consider Pete Wilson, the moderate Republican gubernatorial victor in California. Wilson is a long-time proponent of environmental stewardship and women's rights. But the new governor is also a former San Diego mayor. As such, he knows much about balancing budgets and managing economic affairs.

That sense of realism affected his gubernatorial campaign — and seemed to pay off. Wilson, for instance, opposed California's recent "Big Green" initiative, while his opponent, former San Francisco Mayor Dianne Feinstein, did not.

The measure would have radically attacked the state's undeniable pollution problems. But like the mainstream of California voters, which rejected the initiative by 2 — 1, Wilson viewed "Big Green" as a serious threat to jobholders.

Does this mean Wilson is a knee-jerk opponent of all environmental policies? No, not at all. In fact, quite the contrary. The incumbent senator has opposed

The Bush—has—no—coat-tails theory breaks down when you consider that the president also campaigned in Illinois, Michigan, Maine, Ohio and Minnesota. And like California and Massachusetts, those states elected Republican governors with a managerial orientation.

off-shore oil drilling and he pledged during the campaign to create a California Environmental Protection Agency.

Similarly, Wilson struck a balanced tone on tax policy. In a campaign season when "anti-taxism" was rampant, Wilson, like his opponent Feinstein, refused to rule out a tax increase to eliminate California's current budget deficit of between \$500 million and \$4 billion.

As Morton Kondracke of **The New Republic** reports, Wilson is also serious about taking a whack at California's zany budget process. Eighty-nine percent of the state's spending priorities are established by voter initiatives, entitlements and court orders.

To counter this, Wilson wants to return more power to the governorship and state legislature. This move would give elected representatives more control over the state's budget process and perhaps lead to reform without high new taxes.

Across the country in Massachusetts, GOP gubernatorial victor and Riponer William Weld also campaigned on behalf of social fairness and economic common sense. That the liberal **Boston Globe** endorsed the Republican Weld is

a signal that the new governor is no Reaganite.

Weld, for example, favors abortion rights and received endorsements from black leaders. He also is known for being sympathetic to environmental interests.

But neither is the former U.S. attorney a Michael Dukakis clone. Weld campaigned strongly for a tax-cut ballot initiative that would have required the state's next governor to cut Massachusetts' budget by \$1.2 billion in the first six months of 1991 and by another \$2.4 billion in 1992.

While the measure had some dubious elements, and eventually failed, Weld's fiscal conservatism was quite evident. In fact, the new governor is now out to streamline the Massachusetts Medicaid program and the state's employee pension plans.

Neither action will be popular, of course. But just as at the national level, where entitlement programs and handsome federal and military pension plans are a cause of the large U.S. budget deficit, Massachusetts' budget problems require systemic reform. Weld's plans will be an experiment in just that.

BUSH COATTAILS

Overall on this election, George Bush was criticized for having short coattails. After all, his home state of Texas lost its Republican governorship to a liberal Democrat. And Florida's Bob Martinez, the incumbent GOP governor, lost the governorship to Lawton Chiles, a former Democratic senator. Both states are electorally rich and were the sites of frequent Bush visits.

True, but in both Texas and Florida personalities played a central role in the defeat of Republican candidates. Bob Martinez botched a tax increase plan, and Texas GOP gubernatorial nominee Clayton Williams proved to be his own worst enemy. Williams' gaffes will be

of legend for years to come.

The Bush-has-no-coattails theory breaks down, however, when you consider that the president also campaigned in Illinois, Michigan, Maine, Ohio and Minnesota. And like California and Massachusetts, those states elected Republican governors with a managerial orientation.

So the conclusion one can draw, especially when you factor in that Republicans lost less than a dozen House seats, is that the public now prefers the politics of the center. Like the president's support for some new taxes, real spending restraint and shared international responsibilities, the voters seem to want problems solved, not just debated by the ideological extremes.

CAMPAIGN FINANCE REFORM

The election results, however, should not lull the White House into assuming that the status quo is acceptable on the domestic front. While we present some urban solutions elsewhere in this magazine, now is also the

time to push forward an initiative that could truly improve American politics: campaign finance reform.

The corrosive relationship that has developed between so many members of Congress and political action committees is simply snapping the creativity out of political decisionmaking and jeopardizing principled judgments. While astute politicians can and do hold their own with interest-group leaders, and a good argument can be made that PACs somehow represent each of us, the need for reform is inescapable.

The best way to begin reforming money-driven politics is simple: change campaign finance laws. New regulations could curtail the time politicians and/or their staffs now put into asking lobbyists for money. And reforms would lessen the complex lobbyist-elected official relationship. Only then could a greater sense of the national good be developed.

In our view, any successful campaign finance plan must limit donations by political action committees, stress low-rate media buys and/or free media time, focus on the role political parties should

play and control out-of-state contributions. A combination of these and other measures could avoid the more difficult but perhaps inevitable proposition of public financing of congressional campaigns.

It is also quite clear that the manner in which Congress makes key decisions demands serious review. Various task forces were required during the 1980s to resolve such prominent issues as Social Security reform and Central American policy. Yet these bipartisan, outside commissions only reflect Congress' inability to absorb major demands.

What's required is a thorough review of the legislature's existing committee structure. Why, for example, does the House of Representatives need 170-plus subcommittees? Doesn't that only impede policymaking?

Democracy's demands will always prohibit political institutions from functioning as efficiently as private organizations. But the present ineffectiveness should not be excused. It's time for reorganization. ■

CIVIL RIGHTS LEGISLATION

"No longer the party of Lincoln," reads the headline in the October 27 London *Economist*. This transatlantic perspective of George Bush's veto of the recent civil rights bill is indeed disturbing. In the words of the *Economist*, "the veto marks a defeat for those who wanted the Republicans to be a racially inclusive party."

Unfortunately, a president with extraordinarily high approval ratings among black Americans now becomes only the third President in U.S. history to veto a civil rights bill. The others: Ronald Reagan and Andrew Johnson — whose vetoes were overridden.

David Duke's arrival in the Senate gallery to applaud the Senate's sustaining the veto by one vote dramatized the dangers of playing politics with the fundamental issue of human rights. Prior to the veto, the president's instincts toward moderation and political compromise brought civil rights legislation clearly within reach, but in the end, relying on his attorney general and White House counsel, the president rejected the compromise and resorted to rhetorical sym-

bols, calling the legislation a "quotas" bill. It was sad, indeed, that the president's advisors and other interested parties couldn't produce a refined compromise that would satisfy the many legislators of both parties who eagerly sought a bill the president would sign. The press, presumably consisting mostly of nonlawyers, quickly recognized that the veto had nothing to do with the language of the bill. The bill expressly stated: "Nothing...in this act shall be construed to require an employer to adopt hiring quotas on the basis of race, color, religion, sex or national origin." Rather, the veto reflected a persistent strain within the Republican Party to cater to an affirmative action backlash. In the heat of the election season, the damage has been done, but it cannot — it must not — be irreversible.

As the leader of the party of Lincoln, the president should send up a new civil rights bill as his first priority for the new session of Congress. Such legislation should return employment law to its state before the six 1989 rulings of the Supreme Court, during which period few businesses complained about the need to establish hiring quotas. The

president's bill should:

- * Allow individuals to challenge hiring and promotion practices that result in disproportionately few women or minorities, even if the discrimination is unintentional and caused by practices such as irrelevant aptitude or physical strength tests, that are not necessary for the specific job to be performed;

- * Extend to women, religious and ethnic minorities legal remedies that are now available only for race discrimination;

- * Provide for compensatory and, in certain egregious cases, limited punitive damages in intentional discrimination cases.

The achievement of America's promise of equality of opportunity for all our citizens, regardless of race, sex, national origin, or sexual preference is far from complete. Recent Supreme Court decisions have represented a significant step backward in the march toward this promise. Legislation is urgently needed to overrule these decisions and redirect this nation on the path toward justice. As the leader of the party of Lincoln, the president should take the initiative. ■

continued from page 7

technical assistance to resident management corporations, resident councils, public and Indian housing authorities, cooperative associations and non-profit organizations. The aim is to enable tenants to purchase and manage their own units.

The administration could establish a neighborhood development pilot program of, say, \$500 million. One thousand distressed communities could be targeted nationwide, and each area could be allotted \$500,000.

Although the Bush administration cannot claim sole credit for the housing bill, the plan should allow the administration to demonstrate what can happen when market principles are merged with socially compassionate goals. By promoting property rights as a means to combat poverty, for example, the administration can open a new front in the war on poverty.

NEIGHBORHOOD ECONOMIC DEVELOPMENT

Another concept this administration should consider is neighborhood economic development, which reflects the Republican Party's belief in empowering individuals, not bureaucracies.

Like many recent social policy developments, state governments are also providing guidance. Consider New Jersey's Urban Development Corporation.

The New Jersey UDC is the brainchild of progressive Republican former Governor Tom Kean, a friend of both Mr. Bush and Mr. Kemp. The New Jersey economic development organization was created in 1985, and again utilizes market principles to advance social goals.

In 1989, for instance, the corporation financed 18 projects in 10 targeted cities. The result was more than \$250

million in new construction or rehabilitation. Moreover, 7,000 new jobs will be created, most of which will be available to local residents.

To obtain a grant, a local neighborhood group of more than 10 individuals must first be formed. As Philip Rowan, the corporation's executive director, says, the new organization must also be a for-profit corporation, not a non-profit entity.

This means a business plan must be submitted before the corporation's board of directors can decide whether or not to provide a loan. If financing is secured, the money is then drawn from a \$30 million state-financed pool of funds.

Successful projects include the Old Trenton Development Corporation's renovation of a vacant store into a community for-profit laundromat. The Hispanic-run neighborhood group realized that no such services existed in its area, so a \$155,000 low-interest loan was sought and obtained. (As the New Jersey Urban Development Corporation reports, the small-scale project created three new jobs and will contribute \$4,000 annually to Trenton.)

Another good example of the Urban Development Corporation's attempt to apply market principles to larger public problems is found in North Camden, New Jersey. Currently no supermarkets exist in the city's depressed Linden Street Corridor. But UDC financing has already assisted the North Camden Neighborhood Development Corporation in determining that a 35,000 square foot supermarket, as well as a shopping center, would be feasible. The city of North Camden is thus developing a new "mini-master plan" for the area, which will include land for a supermarket.

On a larger scale, the New Jersey UDC has provided \$3 million to a Jersey City group which is now constructing a 42-story building. The new office tower, New Jersey's tallest, will house Merrill Lynch and Company, as well as other tenants.

More important, the UDC-sponsored project will result in over 4,600 new jobs and 600 construction jobs over the next two years. The property will also provide New Jersey with over \$1.3 million in new revenues.

So what does this all mean? That the Bush administration should sponsor — and thereby relieve some of its domes-

The defining characteristic of the Bush administration should be its attempt to apply private sector principles to public problems. Sponsoring for-profit neighborhood development corporations is a step in that direction.

tic woes — a national neighborhood development program. Fiscal conservatives should not be alarmed either. The costs would be minimal, and it should be recalled that the New Jersey program does not provide grants, but rather loans.

To start such a plan, the administration could establish a pilot program of, say, \$500 million. One thousand distressed communities could be targeted nationwide, and each area could be allotted \$500,000. (Or perhaps 2,000 areas could be targeted and \$250,000 provided.) Neighborhood development corporations would be spawned, and instead of handing out unattached money the profit motive would instill accountability.

The defining characteristic of the Bush administration should be its attempt to apply private sector principles to public problems. Sponsoring for-profit neighborhood development corporations is a step in that direction. The result would also be politically positive: the nation could see that this president does not intend to abdicate his domestic responsibilities.

URBAN HEALTH CARE

In the national debate about universal access to health care, the special problems facing urban communities, and particularly the inner cities, are given little attention. But these problems are severe and increasing.

By most measures, the disparity between the health and health care of inner city residents and the nation as a whole is increasing. Inner city residents are faring more poorly in terms of longevity, infant mortality, rates of cancer, strokes and other major diseases, epidemics, criminal brutality, accidental death, drug dependency and access

to the health care system. While many of our cities contain some of the finest medical institutions in the world, they also contain neighborhoods in which the quality of life is plummeting, health care professionals are departing and local health support institutions are closing their doors.

So the problems are urgent and cannot await the development of a national consensus on universal access to health care. The special health care needs of the poor are integrally related to the deterioration of inner city life, which is reflected in homelessness and housing shortages, epidemics of drug abuse and crime, and declining education and meaningful job training.

Unfortunately, Medicare and Medicaid do not reach many of the poor. But even when financing is available, there are other barriers to disease prevention and health maintenance, such as transportation, language, discrimination against the poor or minorities, inadequate consumer information, and lack of accessible providers. No other advanced nation has allowed such a shameful crisis to occur. Consider, for example, that:

- * Over 17 million Americans live in medically underserved areas.
- * There is a severe and growing shortage of doctors and other health care professionals in the inner cities, especially office-based primary care physicians. This places a great burden on hospital emergency rooms, some of which are closing to avoid the increasing demand for uncompensated care.
- * Community health centers and other health care facilities in underserved areas face several financial and personnel constraints due to tightening of Medicare and Medicaid reimbursement policies, reduced federal grants and the difficulty of attracting and retaining personnel. Many are closing their doors.
- * High-risk pregnant women and infants are among the most vulnerable populations. Thousands of babies are born without a fair start in life.

All of these needs point to the fact that the special health care priorities of the

The federal government must support the local institutions that recognize the interrelated problems facing inner-city residents and can provide streamlined, efficient services in support of inner-city families and individuals from birth to death.

inner cities must be addressed as a part of an integrated urban strategy. The Bush administration should thus implement a seven-point program to strengthen local primary health care delivery systems in the nation's inner cities. Such a program should:

- * (1) Ensure that primary care services are physically accessible to inner city populations, utilizing a combination of Medicare/Medicaid reimbursement and tax incentives, targeted grants and demonstration programs and incentives for health professionals to practice in the inner cities;
- * (2) Provide for coordination of health care services and referrals through a case management system that includes related services, such as nutrition counseling, income assistance and welfare support, day care, prenatal, postnatal and family planning counseling, education and job training services, and housing assistance;
- * (3) Provide health care services through school-based health care centers and public housing projects in undeserved neighborhoods;
- * (4) Support health care outreach services to encourage prevention and early entry into the health care system through the utilization of volunteers, the provision of free transportation, and the involvement of health care professionals who are sensitive to cultural and language barriers;
- * (5) Implement fully the scholar-

ship and financial assistance provisions for the training of minority health care professionals contained in the "Disadvantaged Minority Health Improvement Act of 1990;"

- * (6) Revitalize and expand the National Health Service Corps, which provides scholarship or loan repayments to medical students who agree to serve in underserved areas. This program, which almost disappeared during the Reagan years, should be substantially expanded, and Corps members should be integrated effectively into neighborhood primary care facilities and broader case management support services;
- * (7) Initiate incremental reforms to Medicaid to provide basic primary care coverage for inner city populations below the poverty line. (In 1987, Medicaid assisted only 42 percent of those with incomes below the poverty line.)

The health of the nation's inner city residents is directly related to the safety and quality of their environment, the home in which they live, the educational and working opportunities available to them, their access to culturally-relevant information about disease prevention and health maintenance, and their ability to obtain appropriate and timely health care services. The federal government must support the local institutions that recognize the interrelated nature of the problems facing inner city residents and can provide streamlined, efficient services in support of inner-city families and individuals from birth to death. ■

**WHAT'S AHEAD IN THE
RIPON FORUM**

- More on Central Europe
- The 1991 Congress
- Interviews and Profiles

The Voice of Moderate Republicans

The Ripon Forum regularly runs replies from the Ripon Society's Congressional Advisory Board. In this issue, we present the idea which some of our members are now strongly promoting or about which they are concerned. This feature should alert our readers to the thinking of key moderate Republicans.

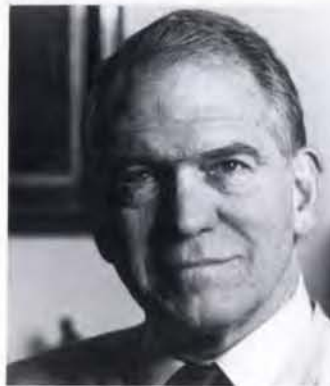


Senator Arlen Specter

SENATOR ARLEN SPECTER

The United States' response to the Iraqi invasion of Kuwait once again draws into sharp focus the constitutional conflict between Congress' power to declare war and the president's authority as commander-in-chief. On the one hand, the chief executive must be able to move quick to respond quickly to hostile military action. On the other, our nation's experience in Vietnam illuminates equally important concerns about conducting an undeclared and unpopular war. These concerns are mirrored in the War Powers Resolution, in which Congress asserts that it will no longer shirk its constitutional duty as it did in passing the Gulf of Tonkin Resolution in the Vietnam War. The resolution tries to address the question by setting up a mechanism for addressing the constitutional conflict. Ultimately, however, the initiative remains with Congress and the president to invoke the resolution when and where it should be invoked. Seen in this light, the War Powers Resolution does not involve the constitutional clash; indeed, its own constitutionality is subject to question.

Rather, it highlights the critical need for our nation to begin a political debate on the respective duties of Congress and the president in conducting foreign policy.



Representative Hamilton Fish, Jr.

REPRESENTATIVE HAMILTON FISH, JR.

Civil rights and human rights are among my chief concerns and have been since I first entered Congress 22 years ago. This year I was the principal Republican sponsor of the Civil Rights Act of 1990, which sought to reverse several Supreme Court decisions that have made it harder for women and minorities to challenge workplace discrimination. While the bill passed Congress, it was vetoed by President Bush. We will try again next year.

REPRESENTATIVE BILL FRENZEL

For the last decade my number one priority has been deficit reduction. During this growth period, the levels of red ink have kept on rising. Our deficit will exceed \$4 trillion by the middle of 1993.

Because our savings rate is among the lowest in the world, we must import capital to fund both our public deficit and our private growth. As the dollar falls, and investments elsewhere, like Europe or the Far East, become more attractive, it will be more difficult and expensive to attract foreign capital.

Unless we can get the deficit down,



Representative Bill Frenzel

private borrowers and consumers will be crowded out, or up. Being the largest debtor in the world has already hurt, and the pain will get worse.

That's why I supported the Budget Resolution and Reconciliation Bill even though there were more taxes in it than I thought necessary. The bill is not a panacea, but it is a step in the right direction.



Representative Constance A. Morella

REPRESENTATIVE CONSTANCE A. MORELLA

Domestic violence, a brutal crime, persists in our society because our judicial system has done little to remedy the situation. For many victims of domestic violence, the courts have become their adversaries rather than their allies. This session Congress passed my Concurrent Resolution 172, which urges judges to consider evidence of

spousal abuse when making child custody decisions. But lawyers, judges and court personnel need to be trained about domestic violence, about its criminality, and about its consequences on our children and our society. It's time to end judicial negligence and indifference. Providing training funds through the State Justice Institute would be an important step.



Representative Thomas Petri

REPRESENTATIVE THOMAS E. PETRI

During the next Congress I will be putting a lot of effort into my Income Dependent Education Assistance Act (IDEA). Under the IDEA program, every post-secondary student will be eligible for loans which would be paid back at rates based on the student's income after graduation. Those who earn high incomes would pay at higher rates than those with low post-school incomes. Loan payments would be sent to the Internal Revenue Service along with the borrower's income taxes. Since repayment would be based on current income, IDEA loans would be automatically re-scheduled if the borrower lost his or her job, or missed work due to illness, periods of child rearing or other causes. For the average student, IDEA loans would be at least as attractive as the current Stafford loans, yet the IDEA program would save billions of dollars by eliminating the current program's four main sources of waste — its high cost of capital, enormous default costs, large administration costs and misplaced subsidies.

REPRESENTATIVE BILL GREEN

As the senior Republican on the House Appropriations subcommittee that funds NASA, I have been actively involved in NASA funding issues



Representative Bill Green

over the past decade. "Mission to Planet Earth," a series of geosynchronous and polar orbiting platforms designed to record environmental changes on earth, continues to be my top priority at NASA. This program can provide us with the data that we need to make critical — and expensive — decisions on how to deal with global climate change.



Representative Tom Tauke

REPRESENTATIVE TOM TAUKE

Consider three women who, along with their husbands, paid identical Social Security taxes before retiring in 1987. They receive equal Social Security benefits, right?

Wrong.

The Social Security system discriminates against millions of American women.

Launched in the depths of Depression-era America, the Social Security program was designed for a male-dominated workforce and non-employed spouse-dependents. But while times have changed, the Social

Security formula has not. As a result, women today are actually penalized for a wide range of life and work situations.

I have introduced legislation, "The Social Security Equity Act," now before Congress that would help correct penalties jeopardizing women whose wage-earnings are interrupted for child care or elder care. It also would offer fairer treatment for divorced women, disabled women and widows.

It's time that the Social Security system, which has served older Americans so well, is modified to reflect the changing American family and the changing role of women in the workplace.



Representative Nancy Johnson

REPRESENTATIVE NANCY JOHNSON

Our nation is facing a crisis in its health care system. If we, as legislators and citizens, do not find the political will to discuss and resolve its problems, medical care will continue to become increasingly expensive as poor citizens, especially children, will have more and more difficulty obtaining effective medical care. As co-chair of the Republican Health Care Task Force, I have been working with other members to design a plan that will reform our current system. If fully implemented, the plan will increase access to health care, reduce escalating health care costs and improve health care quality. The plan will achieve these goals by reforming the insurance market and medical malpractice system, equalizing the federal subsidy of health benefits and implementing substantial reforms to Medicaid. ■

Place To Live: Congress Weighs An Increased Commitment To Housing

by Bill Green

After a dozen years of increased emphasis on subsidizing families in existing housing, questions are arising as to whether the federal government should not reverse its declining support for new housing production.

Advocates of an increased federal role in housing note increased homelessness and a marked upturn in the average age of those making initial home purchases to justify their case.

Simultaneously, pressures are increasing on the federal government to respond to a variety of domestic needs, from health care and education to day care and environmental protection. The 1990 Housing Act proposes some dramatic changes in government housing policy, and we shall anxiously watch their progress.

Yet the federal budget deficit and the growing interest payments required to service its accumulation already threaten current commitments. An effective federal response to housing problems will require that we diagnose carefully the causes of both our housing and fiscal strains.

An active federal role in housing production began with the creation of the Federal Housing Administration in 1934 to insure home mortgages — and subsequently apartment mortgages — and the creation of the federal public housing program in 1937 to subsidize the debt service on housing built by local housing authorities.

Subsequent federal programs have provided direct loans at subsidized interest rates and have subsidized land costs, interest rates on private mortgages, public housing operating costs or rents generally. In addition, the

housing portion of welfare payments is a significant flow of federal dollars into housing. At various times development of low and moderate income housing has been accorded special tax treatment. The largest federal housing subsidy of all is the homeowner's deduction for real estate taxes and mortgage interest.

An effective federal response to housing problems will require that we diagnose carefully the causes of both our housing and fiscal strains.

The federal government entered the housing business to create decent housing and eliminate slums. Census data from the 1930s shows that almost half of the occupied housing units in the country either lacked full indoor plumbing or were so badly deteriorated as to be a serious threat to their occupants' health or safety.

The best estimate today is that the comparable number is about six percent — a trend that led housing economists beginning in the 1970s to assert the affordability, rather than adequacy of supply, was the major housing problem, at least in urban areas.

Coincidentally, in 1974, Congress for the first time required that appropriations bills lay out the full budget authority commitment for subsidized housing programs. Previously, the appropriation was stated in terms only of annual contract authority. Since the contracts ran for periods of up to 40 years, the new larger numbers that started appearing in appropriations bills for the Department of Housing and Urban Development startled many.

Those two occurrences resulted in a marked change in the size and nature of the federal housing programs. The total

number of its units brought under subsidy each year declined, and an increasing number of those units were subsidized through provision of Section 8 certificates or vouchers to rent existing units, at roughly half the cost per household per year of subsidizing households in new housing.

In the Ford years, funds were appropriated for 400,000 units of Section 8 housing each year. The allocation between new construction (including substantial rehabilitation) and existing housing — determined by local housing plans included in community development block grant applications — ran roughly two to one in favor of new construction. In fiscal year 1988 only 82,771 incremental units were brought under subsidy and only 17,520 of those were new construction.

Four factors have cast doubt on the conclusion that the problem of availability of decently housing has been solved:

Vacancy rates: While national rental vacancy rates are adequate, housing markets are by nature local; a vacancy rate of 18.3 per cent in Houston is of little consequence to an apartment seeker in New York City, where the vacancy rate is 2.4 per cent (the figures cited are for 1989, the last made available by HUD). Vacancy rates are at or below five per cent in nine of the 25 largest metropolitan areas.

Homelessness: Increased—or at least increasingly visible—homelessness has raised questions about the size of the homeless population, its composition and the cause of its plight. Homeless advocates blame the decline in the federal housing programs; in contrast, a Manhattan Institute study found that the factor that correlates best with the existence of substantial homelessness in a community is the existence of rent control.

The results of a 26-city survey released in December 1987 by the Conference of Mayors are reasonably typi-

cal. The survey found that 49 percent of the homeless population of the cities surveyed consisted of single adult men, 14 percent of single adult women, four percent of unaccompanied youths, and 33 percent of families with children. It also found that 35 percent are substance abusers and 23 percent are seriously mentally ill. Interestingly, it also found that 22 percent are employed in either full or part-time jobs.

Since the federal housing programs have been focused heavily on families and the elderly, Section 8 reductions have little effect on the single homeless. The case as to the family homelessness is more controversial. Most would be eligible for subsidized housing. On the other hand, the homeless problem generally is thought to have started growing in 1978, yet because of the long lead times involved in the production of subsidized housing, the slackening of new units coming out of the pipeline did not occur until well past the date. Indeed, one study showed 28 percent more units under subsidy at the end of the Reagan years than at their start.

The McKinney Homeless Act, passed by Congress in 1987, appears from the wide variety of programs it authorized, to acknowledge that homelessness is not purely a housing problem.

Decline in homeownership: After increasing for several decades, homeownership has declined somewhat, from 65.6 percent of all households in 1980 to 64 percent in 1987. The average age of initial homeownership has risen from 26 to 31.

Units coming off subsidy: For the first time since the start of federal housing subsidies, substantial numbers of subsidized units may come out from under subsidy by prepayment of mortgages, by mortgage defaults, or by the ending of the term of the subsidy contract. A recent study funded by the Ford Foundation and the National Corporation for Housing Partnerships concluded that 523,000 units in one program will default or prepay within the next 15 years unless action is taken. In addition, the Section 8 existing housing program, with its 15-year subsidies, was authorized in 1974 so that some households will soon start to lose their subsidies. This year, our Appropriations Subcommittee provided more than \$7 billion to cover extension of those subsidies.

The 1990 housing bill recently signed by President Bush attempts to strike a balance by allowing prepayment in very limited circumstances while also providing protection for tenants in tight rental markets or with special needs.

Underlying many of those problems is what appears to be a significant shift in the nature of many housing markets in the United States. Except for subsidized housing, lower income households in the past typically have obtained standard housing through the "pass-down" phenomenon: as housing got older it became less valuable and sold or rented for less, thus becoming affordable to households that could not afford new housing.

The "pass-down" approach seems to be running into trouble for a variety of reasons:

—Housing prices have increased much more rapidly than incomes. For example, the price of a single family home has gone up 371 percent in the last 20 years. That contrasts to 160 percent for a hamburger, 193 percent for gasoline, 129 percent for a new car, 72 percent for a woman's dress — and to the 235 percent increase in private non-farm wages.

—Population growth and a reduction in average household size (which requires more units to house the same number of people) has increased demand.

—Gentrification — perhaps a result at least in part of reduced household size and the outer limits being reached that most people are willing to commute — has resulted in upgrading of units that otherwise would have become available to lower income households.

In addition, larger societal issues — growth of the welfare population, teenage parenthood and domestic violence — all affect the housing system. Inadequate income maintenance benefits were cited by 11 of the 26 cities surveyed in the Conference of Mayors survey. For example, New York City's welfare housing allowance is generally regarded as substantially below the cost of operating and maintaining an apartment.

One means of addressing this problem that seems to be faring better these days is public housing. This year, the annual appropriations bill included 10,000 new public housing units, the largest number in a decade. The amount for public

housing operating subsidies, the fund that actually runs the projects, was set at a record high of \$2.1 billion.

However, there has been increasing interest in a thinner subsidy to try to generate housing production at lower cost than deep subsidy programs. A section of the 1983 Housing Act was designed to produce housing for lower middle-income households and \$80 billion has been provided during the past three years.

Numerous state programs have adopted the same "thin subsidy" philosophy, using tax exempt bonds to lower mortgage costs somewhat for homebuyers or renters. But that approach was restricted considerably by recent tax reform legislation and has been at issue as the House Ways and Means and Senate Finance Committees consider "technical corrections" tax bills.

Regardless of the particular program, any increased commitment to housing faces daunting fiscal constraints and competition from other domestic claims. The Veterans, HUD and Independent Agencies Appropriations Subcommittee that allocates funds for housing, of which I am the senior Republican member, is a microcosm of that agonizing strain.

Under the 1974 Budget and Impoundment Control Act, our subcommittee is allocated an annual sum out of which we must appropriate funds for housing, urban development, the Environmental Protection Agency, NASA, the Department of Veteran Affairs, the National Science Foundation and a host of smaller agencies. Advocates for each of those programs make strong cases for increased resources to deal with pressing national needs.

A new Congress and President Bush will have to weigh those claims on resources. If we do not commit new funds to those needs, we shall be forced to continue to pit space exploration against housing, environmental protection against basic scientific research. But from where would new funds come — what new source or existing program? Even if there were to be a tax increase, deficit reduction is perceived as its basic purpose.

If the nation is to meet its housing needs, it must first meet the need for clear fiscal priorities. ■

Turning Off The Faucet

by Bill Clinger

Imagine that you've just been elected mayor of a small city. Your campaign was run on the promise to attract new industry, create new jobs and help improve the city's delivery of public services. And now that you're in office, you begin to plan for its implementation. The critical question, of course, is how to pay for these improvements.

The first thing you do is call the general counsel, the public works director and the city finance director and get a rundown on options. By the time they finish outlining all the programs available, together with the mandates which they impose on local government, the state's restriction on local initiatives and diminishing federal assistance, you're on the phone with the press secretary, trying to devise a way to renege gracefully on your campaign promises.

WELCOME TO THE 1990s

Local governments play a very active role in the public-works arena. They are figuratively on the front lines (and literally in the trenches), dominating the provisions and management of local roads (roughly 76 percent of all roads are local), water supply, wastewater treatment, solid waste disposal, storm-water facilities and mass transit.

During the last five years, Congress has demonstrated its lack of clear vision regarding local government's role by passing legislation that has hurt — not helped — their ability to take greater responsibility for the management and construction of public works. Congress' effort to cut back on federal spending has had the unfortunate effect of discouraging public and private investment in public works. At the same time, on the tax side we've passed legislation that has hampered local governments' ability to fill the void. To add further in-

sult, Congress has imposed stricter and more expensive performance standards on localities, especially in the areas of environmental controls, again without providing the necessary financial assistance.

FRAGILE FOUNDATIONS

The National Council on Public Works Improvements has stated that total public spending on infrastructure has dropped from 3.6 percent of the gross of the national product in 1960 to 2.6 percent in 1985. Spending on operations and maintenance has remained fairly constant during this period, while capital spending dropped from 2.3 percent of GNP to 1.1 percent today. Perhaps the most chilling assessment comes from their report "Fragile Foundations" which said, "Overall investment in public works has slowed in the last two decades in relation to the demands of growth and environmental concerns. We have worn through the cushion of excess capacity built into earlier investments. In effect, we are now drawing down past investments without making commensurate investments of our own."

"Fragile Foundations" provides a credible and necessary assessment of our country's ability to meet present and future demands on our inventory of public works. Without attempting to be alarmist, the Council recommends that spending levels by all levels of government be doubled. It does not endeavor to calculate specific amounts of funding needed to meet future needs — a highly speculative exercise at best — nor does it propose sweeping legislative changes.

What "Fragile Foundations" does best, though, is take a system-by-system approach to our public-works inventory, highlighting major weaknesses and attempting to offer pragmatic solutions. Their report goes a long way toward helping the unfamiliar reader better understand the federal-state-local alliance that gave rise to our current system, the principles that underlie

how the responsibility is somewhat haphazardly divided among the players, the financing mechanisms used to build our public works in the past, the importance of maintenance, and the need for better research and development.

1986 TAX REFORM ACT

The 1986 Tax Act imposed a number of new IRS reporting requirements on localities using tax-exempt bond financing that, in the main, have made the use of debt financing a more cumbersome and less attractive tool.

The authors of these provisions were attempting to end certain abuses (e.g., municipal security frauds) that were occurring in the tax-exempt markets. A number of leading experts in the field have argued that the new provisions are so far-reaching that many communities are — in effect — being punished for the misdeeds of a few. I agree, and that's why we need to reform these unfortunate restrictions.

The restrictions took a three-pronged approach. First, they contain provisions affecting what localities can and cannot do in issuing bonds and in holding and spending the funds. Perhaps the most onerous section prohibits issuers of tax-exempt debt from earning arbitrage profits. Most communities can accept this. What they have difficulty with is that they must now keep a set of books for each issue that, among other things, tabulates investment earnings, tracks payouts for the project, and through these and other bookkeeping exercises, prove they have not earned excessive (arbitrage) earnings. The cost incurred by the locality to demonstrate compliance can be prohibitive, especially since many communities do not have that kind of expertise in-house and must hire consultants to do the computations.

The second fundamental change placed new restrictions on investors of tax-exempt bonds. The net effect has been to decrease the bond's attractiveness, thus diminishing the market and increasing the cost of issuance for commodities.

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

Third, the 1986 Tax Act eliminated incentives to privatize certain types of public services. Until recently, communities began to look to privatization as a means of public demand for services at considerably reduced cost and risk. By stretching out investment tax credits, communities will be far less successful in "selling" services to an outside vendor.

Through these and other actions, Congress must take some blame for the reduced investment in our nation's infrastructure. This trend needs to be reversed if we are to rely on local governments to meet future growth, as we must given the overriding imperative to reduce the federal deficit. The demand on waste water, highways and local roads, water supply and solid waste disposal will strain local and state budgets to the limit. If we are unable to help pay for these vital systems directly, we can at least restore incentives to local governments through the tax code.

A NEW AGENDA

We are now faced with sharply increasing demand on our public works that — ironically — is matched by a diminishing level of federal investment. More and more, Congress is shifting responsibility onto state and local governments to meet our national agen-

das. If we are serious about relying on localities as partners, we must give them the tools with which to work, instead of holding them hostage through the imposition of fines and penalties for failure to act.

First, tax laws must be changed to give local and state governments easier access to debt markets. Necessary restraints should be restrained to prohibit market abuses without penalizing all issuers.

Second, if we are indeed a partner, the federal government should continue to have a major financial presence — a clearly defined presence that does not promise all things to all people but targets those areas of traditional federal responsibility.

Congress could stretch the value of its investment by establishing a program that works to induce state and local governments to initiate and manage the development and maintenance of public works. Yet we must recognize that a number of communities still suffer from a cycle of slow growth/no growth that will require a much larger share of federal assistance, and provisions must be made to provide them with the means to break out of this slump. Rural communities far from urban centers are especially threatened and merit a larger federal presence.

Third, we should recognize the need to

allow a greater degree of local variance from certain of our national uniform standards. What Washington views as desirable may, in many small communities, be regarded as highly expensive, impractical and unnecessary. Local governments must be given more flexibility in meeting those standards.

Finally, research and development must be enhanced significantly. Local governments are innately conservative and very often rely on proven techniques in the design and construction of public works. New — but perhaps risky — innovations are often ignored, thus depriving our communities of the opportunity of developing more cost effective measures.

The U.S. Department of Commerce has estimated that industry's use of infrastructure will increase by at least 30 percent over the next ten years.

Without a sound infrastructure, we cannot guarantee future prosperity. Without adequate transportation, water quality, solid waste and waste water disposal facilities, we cannot achieve long term growth, and as a consequence, we will slip as a nation in the global economy. Congress must take the lead in bringing order out of an increasingly chaotic situation by treating infrastructure as a national resource. ■

A Newer World: The Progressive Republican Vision of America

*Edited by
Representative Jim Leach
and
William McKenzie*

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The Gulf Crisis

by Clifford W. Brown, Jr.

At a time when critics of President Bush's Persian Gulf policy are beginning to make themselves heard, those of us who strongly support that policy should step forth and say so. It is perhaps more appropriate for me to write in support of the president than it would be for other Ripon members because my Republican credentials, if they exist at all, are tarnished beyond recognition, so this can hardly be called a partisan statement of support.

Why is the president to be commended strongly for his actions to date, and why is it important for Americans of all parties (and of no party) to stand with him as we reach the climactic events of this momentous year?

First, let us not forget President Bush's extraordinary, indeed unprecedented accomplishments of the recent past: 1) the U.N. resolutions; 2) the more general lining up of Arab, European, Soviet and Third World support for his policies; 3) the successful imposition of the tightest peace-time economic embargo in modern times; and 4) the military build-up itself — a major logistic feat of arms, over which he and his chosen deputies have presided.

Second, let us also not forget the exemplary way in which he has conducted his office during the crisis. Early on, he has stated his policy objectives concisely and without rhetoric. He has kept the public informed about the details of the build-up, (as well as our allies and associates overseas). He has focused on the intrinsic objectives of his policies, and has been willing to suffer politically for the sake of those objectives. In short, the president is conducting the foreign policy of the country in a manner that presidents are supposed to.

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Bush has understood, as many of his predecessors have not, that deeds speak louder than symbols to men like Hussein.

Third, President Bush has shown a much greater appreciation of strategic realities than have many recent presidents. Flooding the Gulf with real force, he has understood, as many of his predecessors have not, that deeds speak louder than symbols to men like Hussein. And, in this regard, he has clearly understood, as again most of his predecessors since Eisenhower have not, that when one decides to commit force, one must do so with resources fully adequate to the task.

And to descend to a minor, but revealing point, it was absolutely correct for him to refuse to budge from Kennebunkport last summer: Churchill once said he would not alter his living habits to suit Hitler; Bush did not alter his to suit Hussein. This, too, I expect, sent the right message.

And the credit for all of this, though no doubt many deserve credit, is due principally to the president himself, who has so far stood like a rock in a situation that calls for doing just that. One gets the very strong impression that our Gulf policy is the product of presidential decision, not of vectored negotiations among staffers, and this is constitutionally how it should be.

The president's principal policy objective is the complete and unconditional withdrawal of Hussein from Kuwait, and he has stated in the strongest of terms that the Iraqis will leave or be forced out by whatever means: "this is not a threat; this is not a boast; this is the way it is going to be."

In taking this stand, he is absolutely correct, both in terms of what it says about his method of dealing with Hussein: no negotiations short of Hussein's complete withdrawal.

WHY AMERICA MUST ACT IN THE GULF

Why is the objective of moving Hussein from Kuwait important enough to risk the lives of thousands of Americans? Reversing aggression is certainly an important reason, probably the most important, and genuinely uppermost in the president's mind.

There is no question that it was aggression: the act was indisputably overt. A recognized sovereign state was totally occupied and brutally "annexed" by the aggressor. There were no remotely valid pretexts. Not to respond is to sanction aggression; not to reverse aggression is to permit the aggressor to reap the fruits of what we and the international community believe to be impermissible behavior. I believe that the president has moved first of all both to right a wrong and to prevent a second wrong from occurring — the invasion of Saudi Arabia. This is as it should be.

But we have not in the past acted to reverse all acts of aggression, and certainly not with the degree of commitment that exists here. Why is this situation different?

However we look at it, the answer does involve oil, and legitimately so.

Put bluntly: Hussein, with the added oil resources this aggression would give him, will become a world-class danger. Not only will he himself control a large percentage of the world's oil supply, but if his movement into Kuwait is not decisively reversed, he will be able to exercise an influence over the other oil states in the Gulf that will make him a decisive player in oil far beyond even his own vastly enhanced holdings.

And this must not be. We are dealing with a brutal person, and we should have known this long before the events of August. Not only was his rise to power soaked in blood, and his tenure in office equally bloody, but he has re-introduced gas warfare to the world, used it genocidally against citizens of his own country, as well against the Iranians, and apparently attempted to acquire nuclear weapons.

He is bad news anyway you look at it, and this has been known for years. We had no business playing games with him in the past, but leaving that aside, we certainly have no business playing games with him in the future — which we will be forced to do if he is not driven out of Kuwait, and if he dominates the region's oil.

Why is this situation different? However we look at it, the answer does involve oil, and legitimately so.

I am not suggesting that America is obligated to right every wrong in the world, or that we should combat every evil. But when the danger is great and the evil sufficient, it is legitimate to act.

We fought Hitler rightfully, and not only because he was evil, but because he was a huge threat. The fact that Hitler came to power in one of the leading countries in the world did not make him more evil, but it did make him more dangerous.

If Hussein comes to dominate Middle East oil, he will have two basic options: first, he could use oil as an instrument of blackmail (it would not be the first time this has been done — and by far less dangerous people than Hussein).

But it is more likely — and far more dangerous — that he will *not* use oil as an instrument of blackmail, but instead sell it in vast quantities to accumulate revenues to finance his bloody practices, and advance his goal of regional hegemony — which, given his record, will not be altogether pleasant for decent people who live anywhere in the region.

So to say we are there to protect the oil companies is wrong — Hussein would probably be more than happy to deal with the oil companies and sell them all the oil they want to buy — in fact, we are there to stop this very thing from happening, because a dangerous man with vastly more resources will be vastly more dangerous — ultimately to us as well as to our friends in the Gulf and more generally in the region.

It is also legitimate for President Bush to invoke dreams of a new world order and an enhanced role in the U.N. in sup-

port of his actions, and to remind us that those actions to date have recently nearly unanimous global support. In both these respects, this is not another Vietnam.

Critics have pointed out correctly that Kuwait is not a democracy based on the consent of the governed, nor is Saudi Arabia, nor are the other states of the Gulf we are there to protect. One could respond that neither was the Ethiopia invaded by Mussolini in 1935, nor the China invaded by Japan in 1937, nor the Poland invaded by Hitler in 1939.

The more relevant point, however, is that peoples, no matter what their form of government, usually don't like to be forced by foreign powers, and I rather suspect that the citizens of Kuwait had a much better time of it under the Emir, than they have recently under Hussein. The fleeing refugees certainly seem to think so.

Those who are concerned about the doctrine of consent and the lack of it in the Emir's Kuwait (and theirs is a fully legitimate concern), should, however, be equally concerned that the occupation did not take place by consent either, that there is no evidence that the Kuwaitis wanted it when it happened, and that in no meaningful way are they consenting to its continuation.

Finally, let me simply add, that as Americans, we should not be ashamed to stand up for common decency in this world and Hussein is the antithesis of everything decent. We cannot eliminate evil in this world, but we can try to arrange things so that decent people can still survive — and still remain decent people.

METHOD TO THE MADNESS

If this president's objectives are worthy of support, what of his methods? To date, they have been magnificently correct. Clearly the embargo was an important first step: it sent a message, it was an instrument to isolate the aggressor, and it may weaken Hussein, both militarily and politically. But the embargo clearly has been only a first step, which, by itself, is probably insufficient. Embargoes seldom work. The military build-up in the Gulf is a second message, and a far more powerful one.

Furthermore, President Bush correctly resisted what must have been an enormous temptation to retaliate with air

strikes against Iraq in the early days of the crisis. These would have not crippled Hussein, would have left him in

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control of Kuwait, and might have severely undermined our own diplomatic position.

It was apparently recognized that it is far easier to get an antagonist to do what you want him to do when you have the physical means of compelling him to do so than it is in situations where you threaten other kinds of tit-for-tat retaliatory action if he fails to comply with your request.

It is highly improbable that bombing, even massive bombing, of Iraq would have produced the negotiating results required, because Hussein would have been willing to pay that price to keep Kuwait. In fact, it might have been more a symbol of weakness and frustration than of strength and power.

Building the ability physically to remove Hussein from Kuwait was the correct course of action — and itself will prove a far greater instrument of negotiation. Furthermore, as was the case three decades ago in Cuba, Hussein is being given the opportunity to leave without bloodshed, which is of importance to us and our allies, though presumably not to him.

I think we may take it as a given that the president is prepared to send our forces into Kuwait, drive Hussein out and take all the consequences should it come to this — that is the real meaning of the buildup — and because the president seems prepared to do this, he just might succeed in getting Hussein out without bloodshed.

This quiet, constantly growing, continuing accumulation of potentially offensive force opposite him must have a far greater influence on Hussein's calculations than any words that might be spoken.

I believe that if we present a very firm

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A Nation With the Soul of A Church

"Under God: Religion and American Politics" by Garry Wills, New York : Simon and Schuster, 1990.

by Alfred W. Tate

G.K. Chesterton once described the United States as "a nation with the soul of a church." Given the perennial perplexity with which Americans view the question of the proper place of religion in our public life, this assertion seems at first absurd. If, on second thought, it seems to say something both true and important about our national character, what that might be remains elusive.

The Latin root of the word "religion" means "to bind," and religion performs two inextricably related "binding" functions for us. First, by providing answers to the question of life's ultimate meaning, it makes a coherent whole of our fragmentary experience and thus gives us the sense of being integrated selves. Second, by giving corporate expression to these answers, religion draws together in community individuals who share a belief in them. If politics is understood as the way in which a community is organized and the process through which it functions, then the import of Chesterton's observation becomes more clear. So, too, does the meaning of Edmund Burke's assertion that "religion is the basis of civil society."

Implicit in these aphorisms is the truism that every political entity, every human group, no matter how large or small, no matter how formally or informally organized, is founded upon and takes its shape and direction from the shared religious beliefs of its members. That is to say, religion supplies the content and motivation for which politics provides the forms and processes.

In all this the United States is like any other human community, but two other factors — when taken in combination — set us radically apart. The first is that we

have decided that political power resides most with "the people" and that the legitimacy of our government thus consists in the consent of the governed. The second is the explicit rejection of a national religion.

What we share with every other human community in history is that for us, as for all other "bodies politic," every serious political debate will ineluctably be finally resolvable to appeals to the authority of religious convictions. What makes us different is that the absence of an established religion means that whatever authority these convictions carry must be conveyed through persuasion and not coercion.

*We may be convinced
God is on our side in any
political debate, but as
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law.*

Abraham Lincoln is the most profound and representative theologian/politician the Republic has produced. In his "Second Inaugural Address" he pointed directly to the inherent strength and weakness of our system this difference creates. "The war came," he said, and

Both [sides] read the same Bible and pray to the same God, and each invokes His aid against the other ... The prayer of both could not be answered. That of neither has been answered fully. The Almighty has His own purposes.

Lincoln saw clearly what many contemporary commentators on politics in America do not. The motive of political action is always ultimately religious in nature, and the absolute authority

religious convictions carry brings with it the temptation to use any means in their imposition. But in our system political action must be prescribed by the laws decreed by the majority. We may be convinced God is on our side in any political debate, but as long as the Constitution remains intact we must express that conviction within the bounds of the law.

This confinement of the expression of the Absolute within the relativity of the law is both the source of our greatness as a nation and as our Civil War showed most vividly, of a tension that constantly threatens to undo us.

Garry Wills' "Under God: Religion and American Politics" is a study of the role religion — and the motives it inspires and the tensions it creates — played in the 1988 presidential campaign. It is thus yet another in the seemingly endless stream of analyses of that national travail which have poured off the presses in the two years since it ended. That being said, it is also the most important commentary on the last national race yet published, the one to read whether you are going to read only one or are intent on reading them all.

Wills begins by examining Gary Hart's campaign and introduces his explication of Hart's fall by pointing to the escapades of the televangelists Jim Bakker and Jimmy Swaggart. Swaggart, it will be recalled, admitted to charges of perverse voyeurism with a New Orleans prostitute and yet after admitting and repenting all was welcomed back into the fold by his flock. By way of contrast, Hart was alleged to have had normal sex with a consenting adult woman, his wife said she didn't care, but his career was ended.

The difference in the two cases, Wills points out, is that Swaggart could place his offense within a moral framework he shared with his followers. Far from discrediting him as those outside that framework expected it would, Swaggart's fall confirmed for his fol-

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lowers both the truth of his message and his place among them as its bearer. The denials and then differing explanations Hart offered for what he said were at most peccadillos, on the other hand, revealed he was bereft of any moral framework whatsoever.

In this sense Wills believes Hart to be in many ways the apotheosis of the modern politician. The product of an upbringing in the conservative Christian Nazarene sect and a graduate of the sect's Bethany College in Oklahoma, Hart came of age during a period of extraordinary rapid moral change. Like many if not most Americans, Hart could not bridge the gap between the simple pieties of his beginnings on the one hand, and the temptations and possibilities of the brave new world in which now he found himself on the other.

Wills concludes, with a nod towards Ronald Reagan, that Americans tend to choose their leaders more for their stability than their brilliance. We want men and women who are predictable, not erratic, who reflect and represent rather than challenge and enlighten. While we are thus perhaps too quick to forgive sinner, what we find hard to forgive is a sense of sinlessness because it betrays a lack of that inner compass which gives direction to life. "It was not moralism that did in Hart," Wills says, "but morality, or the quest for it. He had not defined himself as a responsible agent."

In this light, the secularism of Michael Dukakis was more noticeable in 1988, Wills maintains, because the other candidates made such open appeals to religion. In expanding on this observation, he offers a fascinating account of why the different contestants aligned themselves as they did and why the Bush camp was able to get away with what it did in the course of the race.

At the left edge of the spectrum, Jesse Jackson had to prove his credibility by bringing his core constituents into the political process by convincing them acting within "the system" was worthwhile. In this way, Wills says, an "extreme" candidate tends to legitimize traditional political authority. Simply by seeking to participate in the system and share in its rewards, such a candidate endorses the system and discourages action outside it.

At the other end of the political

spectrum, Pat Robertson found himself in precisely the same position. Just as Jackson could not allow his attacks on the power structure to be perceived as an attack against whites, so Robertson had to temper his attacks on crime, the schools and teenage illegitimacy to avoid the appearance they were aimed

Garry Wills' "Under God: Religion and American Politics" is a study of the role religion — and the motives it inspires and the tensions it creates — played in the 1988 presidential campaign.

at blacks. In the meantime, while both were being so careful to be diplomatic on the subject of race, the Bush campaign launched its blatantly racist ads featuring the convicted black rapist, Willie Horton.

Further, Wills points out, because of their position on the fringes, neither Jackson nor Robertson could attack "the government" as the source of the problems they hoped to be elected to solve. "Here is the paradox," he writes, "at the heart of so many others:

While the 'outside' candidates had to show respect for the political system in their bid to be admitted inside, the incumbents were free to attack 'government' with a relish not at all lessened by the fact that they were the government they excoriated.

This phenomenon has become a staple of contemporary politics, whether it is Ronald Reagan calling America God's country while lamenting that its government is the source of all evil, or a multi-term member of Congress indulging in "Congress-bashing" in the pursuit of reelection.

Contemporary politicians have succumbed to the temptation to ignore complex and intractable societal problems regarding which the mainstream parties differ only in degree and attempt to overcome voter apathy not through reasoned debate but appeals to passion. The result Wills calls the "politics of contentless fervor," and we need not read anyone's lips to determine

whether Republicans have indulged in this practice nor look farther than the recent budget debacle to see the consequences.

The book suffers from being a collection of occasional pieces written for the most part during Wills' coverage of the campaign. As a result, its structure is somewhat forced and the quality of the pieces varies. All, however, will reward a careful reading.

Among its contents will be found a flattering portrait of Jesse Jackson and a devastating one of Pat Robertson. The reader will be introduced to Robert Thieme of Houston, whose "tape ministry" has found its way into the homes of Dan Quayle's parents and in-laws, and to Francis Schaeffer, the guru from whom much of the evangelical movement draws its inspiration.

The section headed "Politics and Abortion" contains a critique of Mario Cuomo's position on abortion that is thoughtful, coherent and consistent and all the more worth considering because Wills is himself a Catholic. In the section entitled "Politics and Pornography," Wills distinguishes between censure and censorship in a way that makes clear why so much of what was said by both sides in the debate over funding for the National Endowment of the Arts was beside the point if not simply silly.

This is an important book by one of, if not the, most important commentators currently observing our national life. Wills is vastly learned in the intellectual traditions that have shaped western thought and studies of Jefferson and Madison particularly equip him to discuss the place of religion in our system of governance. He brings his learning to bear with an incisive but by no means heavy touch. His writing is clear and, on even the most arcane tidbit of political minutia, entertaining. Perhaps most valuable is his integrity and independence of mind.

Writers must become very tired of being criticized for not having written the book a particular reader expected. This is not the structural and historical study of the central role religion plays in our politics which Wills is so well equipped to undertake. But this timely and insightful book of reportage and analysis is a wonderful resource for all concerned with the health of our political process. ■

A Prague Fall

by William P. McKenzie

When George Bush and Vaclav Havel spoke before at least 200,000 people in Prague's Wenceslas Square on November 17, the simple triumph of the spirit was yet again evident. Such comments often sound trite, especially in a mature democracy like ours. But consider that just exactly one year before the state police had crushed a student-led rally in this same historic square (where a Czech dissident also burned himself alive in 1968), and the free gathering of so many Czech and Slovak people — as well as the presence of an American president — provides a testimonial by which only few cannot be moved.

The simple desire to be free, of course, is the central ingredient which finally led to the overthrow of this nation's formerly repressive and statist regime. Not surprisingly, that desire was given birth to by the threats and inefficiencies of the imposing state.

Also not surprisingly, the spiritual dimension will be the primary determinant in whether or not the Czech and Slovak peoples overcome their considerable challenges. Forty-four years of Communist domination, plus seven years of Nazi occupation, have left the nation with deep-seated troubles.

ETHNIC TENSIONS

Curiously, however, the most pressing current issue is not a function of the state's long rule but rather an outgrowth of Czechoslovakia's competing ethnic heritages. The Czech and Slovak republics now form the nation of Czechoslovakia. But Slovakia, which consists of close to four million Slovaks and 600,000 Hungarians, desires greater self-determination.

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A thirst for increased autonomy is understandable once one has tasted freedom. And the fierceness of the Slovak desire for independence was quite evident in President Bush's visit to Wenceslas Square.

As a near-endless stream of people gathered on that cold fall day, Slovak supporters worked their way through the growing crowd. Their march coincided with songs of the American South being played from the square's

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loudspeakers. The irony of Slovaks marching to anthems from the breakaway Confederacy was not lost on American observers.

The real irony in the ethnic situation, however, is that Czechoslovakian President Vaclav Havel, whose career has been led in opposition to his nation's government, must now maintain the union. The former dissident rebel is placed in the unusual position of having to deal firmly with other freedom-seeking rebels.

To some degree, the national parliament's mid-November decision to grant greater decisionmaking authority to each republic's local parliament will relieve some of the ethnic tensions. The sharing of authority by the national parliament is an important, although not final step.

ECONOMIC PROBLEMS

Czechoslovakia, of course, has more than ethnic confrontations ahead. Like many former Eastern bloc nations, it is in economic disarray and the stagnation is a direct function of a centralized economy.

While job security and low prices exist, so, too, is the nation characterized by energy inefficiencies (Czechoslovakia spends 90 percent more than any Western European nation on its energy component of production); scarce goods (household consumption here is half that of an average French family); and outmoded forms of production (the average Czechoslovakian factory employs 15,000 people).

Ninety-seven percent of the nation's assets are also still in the preserve of the government. The nation's biggest economic demand is thus to privatize assets, which is essential to developing a competitive economy.

Finance Minister Vaclav Klaus recently introduced a plan to do just that. Klaus' aim is to sell coupons to the general public, the possession of which will allow the bearer the right to buy shares in, say, a collective farm.

And how do apparently-poor workers purchase such coupons? According to Ivan Rynda, a member of Parliament and of Havel's governing Civic Forum, more than a few Czechoslovakians have squirreled away money, in part because the money was never spent on needed but unproduced goods. Still other Czechoslovakians have profited on the black market, while the remainder will be able to borrow money from the government at reduced interest.

Worker ownership, however, is more feasible in smaller more service-oriented operations. Purchasing control of a restaurant is simpler than controlling a steel mill, for example.

So like Hungary and Poland, Czechoslovakia is in search of foreign investment. And while some American companies are waiting for greater changes to occur, such as the adoption of property right laws, Western Europeans are already jumping in.

The once declining Palace Hotel in Prague, for instance, was purchased by an Austrian investor in 1985 for the incomprehensibly low sum of \$30,000. After renovation, the beautiful hotel in the central city should be worth at least 100 times that amount.

To be sure, Czechoslovakia's economic woes will not be solved by renovated hotels. Joint ventures in light and new industries are required. So, too, is increased trade needed with the U.S. In 1989, for example, U.S.—Czech trade equaled only \$150 million. This stands in contrast to the \$7 billion — \$8.5 billion exchanged between West Germany and Czechoslovakia. (Perhaps the recent granting by the U.S. of Most Favored Nation status to Czechoslovakia could improve this situation.)

In the meantime, before the results of serious reforms are known, Czechoslovakia is bound to encounter more economic shocks. Dislocation is inevitable in an economy which has long propped up such antiquated industries as steel production.

A psychological barrier also exists in the development of capitalism. As Ivan Rynda, the young parliamentarian, says, many Czechoslovakians still remain hostile toward the idea of business. Somewhat sheepishly he admits that under the old Marxist state, making money was viewed as being close to an immoral act. (This phenomenon is put differently but succinctly by CIGNA's Central European-based Finley Middleton: "Kids did not have paper routes here.")

A development that could lessen the fear of economic change is the nation's new social insurance fund. Although only 17,000 people have been laid off this year, instead of the expected 30,000 workers, greater industry spinoffs will surely lead to larger layoffs.

The new Czechoslovakian social insurance system could help cushion this blow. An unemployed worker who meets the system's qualifications, for instance, will now be able to receive the equivalent of \$120 per month. That may not sound like much, but consider that, according to PlanEcon Associates of Washington D.C., the average Czechoslovakian salary is only \$194 per month.

ENVIRONMENTAL POLLUTION

Czechoslovakia's considerable environmental problems also pose a dilemma for the nation's economy. Simply put, state-subsidies for coal and oil provide few incentives for industries to burn energy efficiently.

The result is the previously-described high energy component of production.

Czechoslovakia, of course, has more than ethnic confrontations ahead. Like many former Eastern bloc nations, it is in economic disarray and the stagnation is a direct function of a centralized economy.

To lessen this component, or to put it another way, lower the energy use per unit of income, energy subsidies must be curtailed. Only then will energy costs rise and incentives be provided to burn fuel efficiently. New technologies alone will not solve the problem.

Not surprisingly, the health aspects of such inefficient energy use are also serious. Although Czechoslovakia and The Netherlands have the same gross domestic product, sulfur dioxide levels are five times greater in Czechoslovakia. Likewise, carbon dioxide levels are seriously high.

U.S. Ambassador to Czechoslovakia Shirley Temple Black jokes that there is no longer an Iron Curtain but rather a "Pollution Curtain." That comment is not so far off the mark. During Prague's winter, a brown-black smog often encircles the city. Much of it is created by the burning of soft brown coal.

Air is not the only contaminated part of the environment either. Water pollution is also a factor in Czechoslovakia, as well as in many other parts of Central Europe. Three billion dollars will be needed, for instance, to clean up the Elbe River, which runs through old East Germany and Czechoslovakia.

The question is, are Czechoslovakians prepared to pay the price for the necessary reforms? Yes, very definitely, Ivan Rynda says. In an interview in the spirited offices of the Civic Forum, he tells a visitor that a recent poll indicates that 70 percent of the Czechoslovakian people are prepared to tighten their belt.

This better be the case, as some economic reforms are already beginning, or will be in place after the new year. Klaus' coupon plan, for instance, will go into effect next year and will assist in the privatization of various businesses. Likewise, and related to the

coupon plan, a Czechoslovakian stock exchange is now being planned.

And as of November 1, a property redistribution scheme became law. The plan allows anyone who owned private property or a small business before 1959, when the Communists finally nationalized assets, to reclaim their property. While the "restitution act" is a legal nightmare, it also promotes the notion of ownership of private property.

Another law likely to create conflict but ultimately promote private ownership is the "small-scale privatization act." Under this plan, some commercial businesses will be exempt from the restitution act and be auctioned directly to the highest bidder.

The fear is that only black marketers or communist agents who hoarded money would best be able to meet the demand of the auction plan: full payment within seven days. Yet, as Rynda has pointed out, others have also saved money within the country, and the plan is seen as an attempt to expedite private ownership.

Prices will be allowed to rise next year too, which will surely test the fabric of Czechoslovakians used to cheap buys. But with a currency that stops at their border, Czechoslovakians have little alternative but to develop an accurate pricing system. Only then may a more competitive trading position be realized.

Regarding the environment, the federal parliament will be at work next year on clean air and clean water bills. Jaroslav Prokop, an adviser to the environment minister, claims that education initiatives are now being developed to promote ecological awareness within and outside the government. And Rynda, a trained scientist, says that political forces are developing to work environmental considerations into all new pieces of legislation.

As these reforms begin, and Czechoslovakia enters an interim period, the length of which no one can know, a sense of determination must carry the country. But people like Rynda and Civic Forum member Martin Bursik speak passionately of a sense of duty. As Rynda says, "We are not doing this for the present generation, but for the one to come next." That motivation, which ultimately overthrew a communist regime, should not be underestimated. ■

Racing To See You, Mr. President

Dear Mr. President:

In case you're still wondering who those four distinctly-looking Americans were just beyond your sealed-in, bullet-proof and I hope warm platform a few Saturdays ago in Prague, the answer is — and I'm sure you saw us in that intimate crowd of, say, 200,000 — we weren't Secret Service agents, advance types or Embassy people. Just regular sorts who decided that hearing you speak on the anniversary of Prague's independence would be eventful. (Okay, so a few people were strong-armed into going.)

Breaking away from the Ripon Educational Fund's Transatlantic Conference in Vienna, four of us rented a car to return to Prague, where we had already spent a few days. Since you couldn't be with us, and were hopefully enjoying better conditions (than we did you have to pay \$42 for a tank of gas in who-knows-where rural Czechoslovakia at midnite Saturday night? I doubt it.), herewith are a few notes:

6:00 a.m. — Leave Hotel de France in Vienna. Thought: Is this really worth it? Early answer: No.

You'd agree with me, I'm sure, if you too had just turned the wrong way down a one way Viennese street and come up directly on the back of a moving trolley car. What else to do but gun it, right, and worry about what that conductor thought about the small Ford coupe turning right in front of his left. Real make-my-day kind of stuff, but don't worry, we make it back to the highway and are soon rolling through the lovely Austrian hillside.

7:30 a.m. — All's well. Now crossing Czech border. Primary thought is that given your preference for prudence, you'd probably also wonder why the Czech border guards insist that men and women use the same bathroom. Or did I go the wrong way again? All I know is that nature's calling is a stronger factor than prudence. You'd probably agree.

9 a.m. — Zipping down narrow two-lane roads through rural Czech villages. Workers clad in blue workcoats begin wandering down streets. Saturday must still be a workday here.

If I may, Mr. President, a bit of advice: forget about our infrastructure repair. I used to worry about it too, but not after trying to ferret out the back roads of Czechoslovakia. The Beltway looks like a road paved with gold compared to these highways. Tell Darman not to worry about spending down the Highway Trust Funds. Keep the money for the deficit.

Also, why were we worrying about all those Soviet tanks racing into Western Europe? No way they could make it down these roads.

10:30 a.m. — Stop for coffee (if that's what you call it) at roadside stand. No Stuckey's here. Neither does the term WASP have much meaning. Suddenly we all feel very aware of being in a foreign culture. Very serious looking people. But who wouldn't be after 50 years of communist or Nazi rule?

11:00 a.m. — Prague — There indeed is a God. We must find the Diplomat Hotel to pick up our VIP tickets (more about that definition later). But how do you find a hotel in a city of 1.3 million people when it is not listed on a city map?

We expect big trouble, except the only sign adorning the central Prague expressway points the way to, yes, the Diplomat Hotel. Following the set of inimitable set of twists and turns we end up 20 minutes later at the hotel. Total time from Vienna to Prague, in case you and Mrs. Bush ever want to try it out after you leave the White House, four hours and thirty minutes.

Here you should be proud of our Embassy's organizational skills. We walk into the will-call area expecting mayhem and millions of people. But no. Smiling American Embassy officials say they've been waiting for us. Although they're only three tickets for the four of us, a kind official calls his Embassy office to arrange for a fourth, which unfortunately was his souvenir copy.

1:00 p.m. — Wenceslas Square — Here's where being president pays off. Those VIP tickets I referred to earlier are not, exactly, well, exclusive. It seems that at least 50,000 people hold these passes and we are all trying to crowd our way through four lethal detectors. (Hopefully security-mania is not our major democratic export). Some mild shoving, one woman screams when the crowd crams her up against a glass window. Can't say that I blame her.

3:00 p.m. — Where are you? It's getting pretty cold out here and we thought the ceremony began at 1:30. What can I say? I hope that you and Secretary Baker are being pleasantly fed somewhere.

Standing next to a Czech gentleman from the town of Pilsen is very moving, however. He is clutching tiny Czech and American flags and has a look of almost disbelief. Just one year ago to the day state police beat protestors in this very square. And just a few feet away, a memorial stands to a Czech dissident who immolated himself here in 1968 in protest of the Soviet crackdown.

The crowd is now getting unbelievably large. Estimates will range up to 200,000, but I would say the number is much closer to twice that amount. Looking back down Wenceslas Square, all one sees are flags, banners and people. Folk singers are playing anthems from the "Velvet Revolution." Strangely, many songs are also being played from the American South. It seems that our Confederate music was very popular here because of its rebel flair.

4:00 p.m. — Finally you show. But claustrophobia has gotten the best of me, so I have left the other three near the platform and walked to a less crowded area. Thank goodness you are tall and have a high forehead. Standing upon my tiptoes, I can make you out. President Havel is a little bit difficult to see.

It's a bizarre feeling seeing your president in a foreign country, particularly one which was a communist state only one year ago. As you speak I wander down a side boulevard where people of all ages are listening intently. Perhaps most ironic is watching people from the state tour agency, Cedok, hang out from the windows of their building. They smile broadly. As you know, it was often hypothesized that Eastern bloc tour guides were secret informers. Today we all celebrate freedom.

Wenceslas Square is filled with posters of you and President Havel. Signs read "We Love You George Bush." Your presence is very important as this country has never before had an American presidential visit. The most moving sign hangs from a prominent corner building and reads: "We Are Happy." That may sound saccharine, but it says it all.

6:30 p.m. — After you, Mrs. Bush and the Havels lead the crowd in singing "We Shall Overcome," the four of us make it back to a nearby hotel for dinner. Need I say we're tired and five more hours of driving does not seem like my idea of fun, especially when it will be an hour before we can leave because one of our group has gone back to the square to collect buttons. Is manslaughter a hanging offense here?

10:00 p.m. — Somewhere in Czechoslovakia — All's well, if you like pea soup. Fog is beginning to creep in, so driving is a little difficult. But I feel like I could be in, say, Kansas. Maybe it is because we have found a nice divided highway.

10:30 p.m. — Suddenly, I no longer feel as if I'm in Kansas. We cannot find an open gas station and we're getting low. That explains why when we come upon another deserted-looking station, and an attendant speaks to us from behind a dark window, we gladly pay the equivalent of \$42 to fill the tank. After some negotiation about which currency we'll pay in, and the attendant turns down the sound in his Jane Fonda-Robert Redford movie, we move on. Saddam has exacted his price.

11:00 p.m. — Near the Czech border — Obviously the old authorities did not wish their people to find the Austrian border and thus freedom. After getting off the "interstate," the roads pointing to the border are Beyond Belief. We twist and turn and twist and turn until we somehow find the crossing. Trust me, 1948 West Texas oil field roads couldn't have been this bad.

The border guards are quite chatty, however. My passport shows that I'm from Texas, and they see that another in our group is from Connecticut. So they begin joking that we are from all your home states. What can I say? It's peculiar that a Czech border guard far from the beaten path would know so much of your history. But at 11:00 p.m., and after 15 hours of exhausting pleasure, you'd laugh too. We're home free. My final thought? I hope that you and your entourage are enjoying the nice warm quarters back at Shirley Temple Black's residence. ■

— Bill McKenzie



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and solid front to Hussein, the odds are that he will withdraw — and that he will withdraw unilaterally and unconditionally in the face of certain defeat and military humiliation — though he will hold out for anything he can get at any sign of weakness or hesitation from whatever quarter it might come, here or abroad.

It is wrong to argue that Hussein needs "face-saving" gestures. He is not Roger Fisher. As a brutal calculating, slayer of men, women and children, he understands only the language of force.

Politically, he can survive withdrawal, but politically he cannot survive the destruction of his army — for there is nothing else to keep him in power. He therefore may be expected to withdraw at a time when he perceives his army to face imminent and certain destruction.

It is wrong to argue that Hussein needs "face-saving" gestures. He is not Roger Fisher. As a brutal calculating, slayer of men, women and children, he understands only the language of force. If he withdraws, even in apparent humiliation, he can still argue truthfully that little Iraq had the entire world jumping through hoops for half a year — and that is more than enough face for Hussein.

This is why George Bush is absolutely correct to insist on unconditional withdrawal from Kuwait. Not to negotiate, in this situation, is to negotiate well — and offers the one possibility for a bloodless solution.

Anything less, any deal whatsoever, is a major victory for Hussein. And we should also keep in mind that any agreement he makes is one he will soon break.

Given the resolute nature of the president's stand so far, it is highly probable that when our forces are lined up and deemed to be fully adequate to the task, he will force the issue with Hussein. At any rate, this is an option he will be considering, and it is certainly for this purpose that he sought and ob-

tained U.N Resolution 678.

At this writing, on December 1, it seems to be the way to go. The longer we wait, the more the onus for action will shift to us, and away from Hussein. We, not he, will be the ones upsetting the status quo. Also, as time passes, the chances that cracks will appear in the alliance increase, and so do the pressures to compromise.

Forcing the issue with Hussein may lead to his withdrawal, but it may also lead to war. Such a war might be minimal (the Iraqi troops might hastily retreat after token fighting), although even this will not appear to have been minimal to the relatives of those who are killed.

But it also might not be a "token" war. If the combat-trained Iraqi army digs in and fights, the result will be a bloody war, no matter how short it might be. Let us make no mistake about the fact that we face the possibility of extensive lethal combat. Thousands, perhaps tens of thousands, face death, and perhaps very horrible death.

We are also facing a situation, unique in our modern combat experience, where we have to fight a battle in which the daily expenditure of our resources will exceed our daily capacity to resupply.

This is no small situation. This is no game. We now have, or soon will have, forces in the area approaching half the level of our peak forces in Vietnam. This is not Panama; it is certainly not Grenada, and one hopes that this fact is made very clear to the American public before the issue is forced and combat joined, if it comes to that.

CONSTITUTIONAL QUESTIONS

Which brings us to the constitutional issue of war and peace. Whatever the contemporary legal fictions of defining war may be. It was clearly the intent of the Framers that Congress be the agency to authorize the sending of American troops into battle. This is not the place to rehearse at length the reasons for this, but they certainly include the notion that those who were to pay for a war and die in it should have a say in its inception through the elected representatives closest to them. Truman was wrong to go into Korea without a congressional declaration, and he paid for it; Johnson was wrong to right mat-

ters the way he did during the summer of 1964, and he, too, paid dearly.

Although some members will squawk and strut, Congress can be expected to support the president in this matter when the chips are down. The president should ask for their support before the final ultimatae are sent. All else has been done right in the handling of the Gulf Crisis; it would be a tragedy, both political and constitutional should this final and very important step not be taken.

There is always room for doubt and debate. But let this be done quietly, constructively, responsibly and especially in a non-partisan way.

It is easy, facing no personal risk, for me to sit in an armchair and advocate forcing the issue with Hussein. It is a far more sober issue for those, like President Bush, who are in responsible command. It is yet a far more consequential decision to those who face Hussein's army. All I can say is that in the opinion of this one observer, I believe that it is the right decision, and I am willing to go on record to support it.

Finally, as we approach the crunch, the president has a right to ask for broad-based support for a policy of firmness. There is always room for doubt and debate, and it is not only the right, but also the duty of those who disagree with his policies to let the president know their views, but let this be done quietly, constructively, responsibly and especially in a non-partisan way.

It is very important at this time, as we enter the critical phase, that we as a nation face Hussein with a united resolve. There will be plenty of opportunities for politicians and commentators to second-guess as events unfold. For now, let us repeatedly unite behind a policy of firm resolve to reverse what the world has branded as unacceptable action. ■

What's Ahead on the Ripon Calendar

☞ February Environmental Breakfast Series

709 Second Street N.E.

The Eighth Transatlantic Conference of the Ripon Educational Fund was held in Prague and Vienna from November 10 — November 17. The delegation was headed by Ripon Educational Fund Chairman Bill Clinger, and U.S. speakers included Representatives Peter Smith, Don Sundquist, Paul Henry, Washington Lieutenant Governor Joel Pritchard, White House Congressional Liaison Fred McClure, Manufacturers Hanover Managing Director John Price, Public Securities Association Vice President Micah Green, World Bank Representative Ian Hume and CIGNA Central European Vice President Finley Middleton.

The delegation of more than 40 people also heard from a variety of Czechoslovakian and Austrian participants. Among the Czechoslovakian speakers was Jaroslav Parokop, adviser to the federal environment minister, Martin Bursik, member of the Czech National Council, Ivan Rynda, member of Parliament and chairman of the National Assembly Committee on the Environment, and Bohumil Studynka, deputy minister and general secretary of the Economic Council of the Federal Republic of Czech and Slovak.

Austrian participants included Hans Kohl, foreign policy spokesman for the Christian Democratic Party, Peter Jenkowitsch, foreign policy spokesman for the Social Democratic Party (Dr. Jenkowitsch is likely to become Austria's foreign minister in 1991), and Dr. Michael Reiterer, a key Austrian representative to the GATT talks in Geneva.

Sessions in Prague were held in a site overlooking the historic Charles Bridge. Panel discussions were held on Central Europe's environmental problems and whether or not U.S. aid should be governmental or private.

A special briefing was also held in Prague for the Transatlantic Conference by U.S. Ambassador to Czechoslovakia Shirley Temple Black. Ambassador Black hosted the delegation in her residence and spoke of the country's 1989 "Velvet Revolution," the prospects for reform and the per-



Representative Don Sundquist (l.), Ripon President Don Bliss (c.), and New York Ripon member John Vorperian (r.) in Prague during recent Transatlantic Conference.

sonalities behind the new Czech and Slovak government.

Sessions in Vienna were held in the United States Information Agency's America House, which may be closed due to funding cuts. Panel discussions included sessions on the effect of Central Europe's political upheavals on the European Economic Community and the effect of Central Europe's liberalization on U.S. — European trade pacts.

RIPON ELECTION NEWS

Several moderate Republican candidates with ties to the Ripon Society were victorious in November's general election. The victory of Oregon Senator Mark Hatfield, a longtime Ripon supporter, was of special note as the veteran legislator came from behind in dramatic fashion to defeat Democratic challenger, Harry Lonsdale. Hatfield was successful in deflecting Lonsdale's anti-incumbent rhetoric by presenting himself as a "trusted maverick." By election day, Hatfield had erased a seven-point deficit and eventually won by eight percent.

As mentioned on pages eight and nine, William Weld was successful in his attempt to become governor of Massachusetts. The governor-elect has ties to Ripon dating back to the 1960s, and

members of the Boston chapter participated in his campaign.

Another longtime Ripon member, Richard Zimmer, won New Jersey's 12th Congressional District seat in November. As reported earlier this year in the **Forum**, Zimmer and fellow moderate Peter Frelinghuysen faced each other in the district's GOP primary. Zimmer was the victor, and eventually went on to capture the seat held by former Republican Representative Jim Courter.

In New York, Ripon member John Ravitz won a former Democratic Assembly seat, and four of the five priority candidates of the pro-choice New York State Republican Family Committee also won election to the State Assembly.

But not all news was positive for moderates in the November election. In particular, Ripon Congressional Advisory Board member Peter Smith, R-Vt., was defeated by independent Bernard Sanders, a self-avowed Socialist. Also, CAB members Claudine Schneider, R-R.I., and Tom Tauke, R-Ia., lost Senate contests in their respective states and will retire from the House on January 3. Moderates Pat Saiki, R-Ha., and Lynn Martin, R-Ill., also lost Senate bids and will retire in January. ■

WASHINGTON NOTES AND QUOTES

IN CASE YOU MISSED IT, PART I:

The *Washington Post's* November 8 headline certainly will have few quarrels here. The tag for *Post* columnist David Broder's assessment of the 1990 elections — "Rebirth of the Liberal Republicans" — is the stuff of which we dream. So let us quote from Broder's post-election syndicated column:

"Pollster Dick Morris, a strategist in William Weld's (R) come-from-behind victory over John H. Silber (D) in the Massachusetts governor's race, exaggerates only slightly when he talks about the 'rebirth of the liberal Republicans.' Few Republicans use that adjective — but the 'moderate' or 'progressive' wing of the GOP was strengthened immeasurably by the elections of new Republican governors to replace Democrats in Ohio, Michigan, Vermont, Minnesota and Massachusetts, and by the men who took over governors' chairs being vacated by other Republicans in Illinois and — most important — California.

"To oversimplify and exaggerate slightly, if one generation of Republican politics began with the election of Ronald Reagan as California governor in 1966, another generation may well have started with Pete Wilson's takeover of that office in 1990."

We couldn't have said it better, so let us quote again from Broder: "The fascinating and often surprising results of [the November 6 vote] send a mixed message about prospects for a successful Democratic challenge in 1992. What is not in doubt is a brand-new dynamic inside the GOP."

IN CASE YOU MISSED IT, PART II:

About that dynamic inside the GOP. A debate has been growing within the White House over whether or not to focus President Bush's domestic policies around the theme of empowerment.

The struggle pits Secretary of Housing and Urban Development Jack Kemp and White House Domestic Policy Adviser James Pinkerton (pro-empowerment) versus Office of Management and Budget Director Richard Darman

(anti-empowerment).

The former pair contends that the administration should provide new domestic initiatives which stress decentralized decisionmaking and individual responsibility. Such initiatives would be similar to Secretary Kemp's tenant management housing program or Representative Nancy Johnson's, R-Ct., child care tax credit concept.

But Darman prefers that the administration focus its domestic efforts on managing existing programs, not providing new directions. According to the ever-sharp tongued budget chief, the administration doesn't need new "neo-neoisms."

President Bush has weighed in on the side of the empowerment team, but the debate is still hot. Look to the themes in the 1991 State of the Union message to determine which side is winning.

NEW PARADIGM, OLD PARADIGM, WHY NOT A NEW TERM?

Loyal *Forum* readers may recall that Jim Pinkerton's recent speech on empowerment, "The New Paradigm," was excerpted in these pages in September. And we think that much of what Pinkerton says about finding new, creative solutions for larger public issues is worthwhile. But not why find a new PR-term? Why not link the administration to the spirit that has driven Central Europe's revolutions, and focus on something like "self-determination?" That notion worked here 214 years ago, and could have a modern appeal. The historic phrase reemphasizes the notion of a caring, but lean government which rewards individual initiative.

THE CLEAN AIR ACT

While on the subject of domestic policy, let us point out that the administration does deserve real credit for the recent signing of the Clean Air Act. In fact, President Bush's signing of the Clean Air Act on November 15 marks the first time such legislation has been renewed since 1977. Although the president made an issue out of the environment in 1988, he often gets little praise for this major accomplishment: getting the Democratically-controlled Congress to move on Clean Air legislation.

BILL BENNETT AT THE RNC

The selection of former Drug Czar and Education Secretary William Bennett as chairman of the Republican National Committee has predictably drawn mixed reviews. Bennett, a Democrat until 1985, is known for his combative nature, which could certainly sharpen GOP-Democratic differences.

But among Bennett's first proclamations is that he will have no trouble defending the anti-affirmative action position of such arch-conservatives as North Carolina GOP Senator Jesse Helms. Recall for a moment that during his recent reelection contest against black Democrat Harvey Gantt, Helms ran TV ads depicting a pair of white hands tearing up a job rejection notice while the voice of a white person is heard complaining about job quotas.

Real subtle, and hardly the stuff of which the party of Lincoln should be proud. Hopefully, the GOP's new chairman will have more quarrel with such antics in the future.

HILL LEADERSHIP RACES

After a month or so of intraparty squabbling, on December 3 House Republicans reelected Representative Jerry Lewis, R-Ca., as chairman of the House Republican Conference and Representative Guy VanderJagt, R-Mi., as chairman of the National Republican Congressional Committee.

Lewis was challenged by moderate Republican Carl Pursell of Michigan, whose supporters included House Minority Whip Newt Gingrich, R-Ga. VanderJagt's seat was sought by Tennessee Republican Don Sundquist, who questioned the NRCC's financial practices and its ability to elect more House Republicans.

Senate Republicans also elected officers on November 14. While Robert Dole and Alan Simpson will remain as minority leader and minority whip, respectively, younger, more conservative members won other races. Phil Gramm of Texas will now head the Republican Senatorial Committee, Thad Cochran of Mississippi will chair the Senate Republican Conference and Don Nickles of Oklahoma will lead the Senate Policy Committee. ■