

THE

# RIPON FORUM

FALL 2000



VOLUME 35 NUMBER 4

A photograph of George W. Bush and Colin Powell in dark suits and ties, standing in front of a white tent. A third man is partially visible in the background between them. The scene is dimly lit, possibly at night or in a shaded area.

CHANGING OF THE GUARD

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# THE RIPON FORUM

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# Letter from the President

This month former Speaker Newt Gingrich looks at the year ahead and lays out seven proposals for *sound Republican governance* in the midst of a slowing economy and a slim majority in the U.S. House of Representatives.

Continuing the focus on the House, guest writer Robert Vagley discusses the *achievements of the past Congress* while Rep. Ray LaHood offers his analysis on the current state of comity and *bipartisan relations*. Bob Carpenter, Vice President of American Viewpoint, identifies the *critical voting blocs* that gave George Bush the presidency.

We also have an update on *Congress and the Federal Aviation Administration's action* to reduce passenger delays, eliminate air traffic and modernize our nation's airports and equipment as air travel continues to increase.

On the international front, Senators Max Cleland and Pat Roberts highlight the conclusions of a year-long dialogue addressing *America's long-term foreign policy needs*. Rep. Philip Crane contributes a column on the benefits of the historic *PNTR legislation* that eliminated trade restrictions on China when it joins the World Trade Organization. Randy Rodgers, *Vice-President* of the Bretton Woods Committee, goes beyond the hype surrounding the *world's leading financial institutions* and addresses the need for reform.

The *RF* Interview offers a unique discussion with one of the nation's most experienced and prominent Democrat Senators, Robert C. Byrd. His long tenure and leadership on the Appropriations Committee offers a rare look at how the Senate has changed and the challenges it faces today.

In this edition, I am also proud to have a short Ripon History and a challenge for its future by Jessie Fremont Benton, a "guardian spirit of the Ripon Society in its early years." Readers can learn why Ripon was started, and where it has been. I hope you will be encouraged to rise to the challenge to become more than spectators in the "war for men's minds."

Bill Frenzel  
President



# Be a Part of the Ripon Society

Check out the new Ripon Society website at [www.riponsociety.org](http://www.riponsociety.org) for the latest press releases, schedules of events, membership information and more! We value your opinions and would like to hear from you. E-mail us at [letters@riponsoc.org](mailto:letters@riponsoc.org) or mail your comments, questions and concerns to:

Letters to the Editor  
501 Capitol Court NE  
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*Senator William Roth (R-Del) updates Ripon members on finance and healthcare issues.*

Next year's annual Rough Riders Award Dinner will be held on May 2, 2001. Check-out Ripon's next issue for a complete schedule of our 2001 events.



*Senator Chuck Hagel (R-Neb) discusses foreign policy with former Representative and Ripon Society President Bill Frenzel.*

*Representative Howard Coble (R-NC) and his Chief-of-Staff Ed McDonald get a schedule of events from Hetaf Hagez, Ripon Projects Director.*

**ripon**  
SOCIETY

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# A Proactive Foreign Policy

*Senators Pat Roberts and Max Cleland call for a sustainable Foreign Policy in the 21<sup>st</sup> Century*

**By Senators Pat Roberts and Max Cleland**

**F**oreign policy and national security have been little more than a blip on the public's radar screen and received but a peep or two in the recently concluded presidential campaign.

That will not last long.

Although the new president enters the White House with no clear mandate on foreign policy, history has shown it has a way of becoming a rhinoceros in the Oval Office and cannot be ignored.

The public's apathy for national security interests coupled by the real challenges

and growing dangers in American foreign policy demand the United States Senate re-establish its Constitutional responsibility

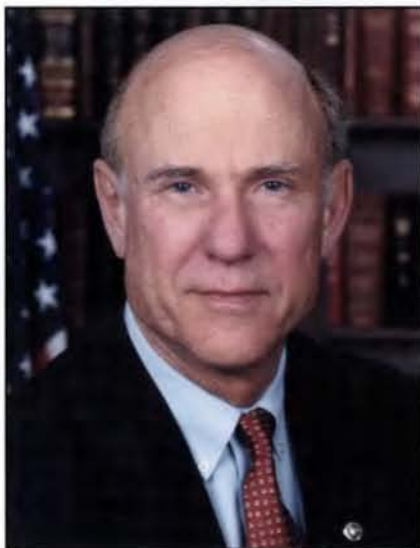
and help chart a bipartisan coalition to develop a concrete foreign policy plan. After holding five foreign policy dialogues in the U.S. Senate this past session, we believe the sage advice of John Quincy

unfurled, there will be America's heart, her benedictions and her prayers be. But, she goes not abroad in search of monsters to destroy. She might become the dictatress of the world. She would be no longer the

ruler of her own spirit."

Both of us have the privilege of serving on the Senate Armed Services Committee and we sit directly opposite one another in the committee room. In hearing after hearing regarding U.S. involvement in the Balkans and throughout the world, we became frustrated with the

fact that the U.S. Senate was more reactive than proactive. Time and again testimony resulted in little more than



*Senator Pat Roberts*



*Senator Max Cleland*

Adams remains well taken.

"Wherever the standard of freedom and independence has been or shall be

## ANTI-AMERICAN SENTIMENTS INCREASE IN GLOBAL COMMUNITY

### Kiev Newspaper, April 1999

"Currently, two opinions are possible in the world, the U.S. opinion and the wrong opinion..."

"... [The U.S.] has announced its readiness to act as it thinks best, should U.S. interests require this, despite the United Nations. And let those whose interests are violated think about it and draw conclusions. This is the current world order or world disorder."

—Ukrainian commentator Zerkalo Nedeli

### Times of India, July 1999, Editorial

"New Delhi should not lose sight of the kind of global order the U.S. is fashioning. NATO's policies towards Yugoslavia and the U.S. led military alliance's new Strategic Concept are based on the degradation of international law and a more muscular approach to intervention. Such a trend is certainly not in India's interest."

### Sao Paulo Newspaper, April 22, 1999

"The United States currently constitutes the only large center of political, economic, technologic, and even cultural power. This country has everything to exert its domain on the rest of the world, but it must share it. There must be rules, even for the stronger ones. When the strongest one makes decisions without listening, everything becomes a bit more difficult. In this European war, NATO made the decision, but who legalized it? That's the main problem. I am convinced more than ever that we need a new political order in the world."

—President Cardoso, Brazil.

raised eyebrows and more questions. Tired of the "Roberts-Cleland Eyebrow Syndrome," we decided to take action.

In February, we embarked on a series of U.S. Global Role Dialogues in the U.S. Senate. We set as our goal the initiation of a serious debate in the great institution of the United States Senate on the proper role of our nation in the post Cold War world. We both believed, and continue to believe, that such

- The Commission on America's National Interests;
- The U.S. Commission on National Security/21st Century;
- The Overseas Development Council America's National Interests in Multilateral Engagement: A Bipartisan Dialogue.

At the conclusion of our five dialogues, we condensed them into seven foreign policy principles. These principles are



a process is absolutely necessary if we are to arrive at the bipartisan consensus on national security policy that our nation so badly needs, but has been lacking since the fall of the Soviet empire. We want to thank Senators Hutchison, Hagel, Lugar and Levin who all made important contributions to these discussions.

**W**hen we began our discussions, we had far more questions than definitive answers. There are no magic solutions for the challenges facing the United States on the global scene as we approach the end of the twentieth century. Among others, we have drawn heavily on the work of:

not only a compilation of our dialogues, but also a summary of the lessons learned from the various discussions with colleagues, foreign policy experts from academia and the government, and from many consultations with United States military leaders.

We believe these seven foreign policy principles are realistic, sustainable and ultimately could support and secure our national interests. They are guideposts for a step in the right direction and we urge the new Administration and the Congress to begin the process of articulating a coherent national security strategy.

In fact, the Congress and the Administration will have no alternative. The new

*(continued on page 10)*

### Principle #1:

We believe, the Nation (including government, media, academic, and other leaders), needs to engage in a serious and sustained national dialogue to:

- A. Define our national interests, differentiate the level of interest involved and spell out what we should be prepared to do in defense of those interests.
- B. Build a bipartisan consensus in behalf of those interests and policies.

As a starting point within the Senate, we encourage the Foreign Relations Committee and the Armed Services Committee to hold hearings on the finished products of the Commission on America's National Interests, the U.S. Commission on National Security/21st Century as well as preliminary QDR reports.

### Principle #2:

The President and Congress need to:

- A. Increase communications with the American public on the realities of our international interests and the costs of securing them.
- B. Increase the exchange of ideas and experiences between the government and the military to avoid the broadening lack of military experience in the political elite.
- C. Ensure that both the Executive and the Legislative Branches fulfill their Constitutional responsibilities in national security policy, especially military operations other than declared war.

As a result of our second principle, we sponsored a bill (S. 2851) requiring the President to report certain information before deployments of armed forces. It is similar to the law requiring the President to report certain information prior to covert operations.

### Principle #3:

The President and the Congress urgently need to address the mismatch between U.S. foreign policy goals and military means, and between commitments promised and forces to achieve them. The magnitude of the current strategy-resources mismatch and the damaging consequences it will produce over time demand action. We must spend more, cut costs, or do less. The President and Congress should:

- A. Determine the most appropriate instrument (diplomatic, military, or other) to secure policy objectives.
- B. Review current American commitments, especially those involving troop deployments, including the clarity of objectives and the presence of an exit strategy.
- C. Increase the resources devoted to the key means for securing our national interests.
  1. Armed Forces (which need to be reformed to meet the requirements of the 21st Century).
  2. Diplomatic Forces.
  3. Foreign Assistance.
  4. United Nations and other regional peacekeeping operations with appropriate reforms.
  5. Key Regional Organizations (including NATO, the Organization of American States, the Organization for African Unity and the Association of Southeast Asian Nations).



# ROLE DIALOGUES

## Senator Max Cleland Set Forth Seven Principles to Secure a Flexible and Realistic Foreign Policy for the Nation

### Principle #4:

As the only global superpower, the United States should avoid unilateral actions, except where vital national interests are involved. The U.S. should:

- A. Pay its own international debt.
- B. It must continue to respect and honor international commitments and not abdicate its global role leadership.
- C. Finally, the United States must avoid unilateral economic and trade sanctions. Except in overriding national security matters, unilateral sanctions have proven counter-productive and do not work as a foreign policy tool. They put American businesses, workers, and farmers at a competitive disadvantage. The United States needs to look at alternatives, such as multilateral pressure and more effective United States diplomacy.

### Principle #5:

With respect to multilateral organizations, the United States should:

- A. Carefully consider NATO's new Strategic Concept, and the future direction of this Alliance. It is our most important international commitment.
- B. Press for reform of the UN's and the Security Council's peacekeeping operations and decision-making processes.
- C. Fully support efforts to strengthen the capabilities of regional organizations (including the European Union, the Organization of American States, the Organization for African Unity, the Organization for Security and Cooperation in Europe and the Association of Southeast Asian Nations) to deal with threats to regional security.
- D. Promote a thorough debate, at the UN and elsewhere, on proposed standards for interventions within sovereign states.

### Principle #6:

In the post Cold War era, the United States should adopt a policy of realistic restraint in respect to the use of U.S. military forces in situations other than those involving the defense of vital national interests. In all other situations, it must:

- A. Insist on well-defined political objectives.
- B. Determine whether non-military means will be effective, and if so, implement them prior to any recourse to military force. As Chairman of the Joint Chiefs of Staff, General Hugh Shelton said, "The military is the hammer in our foreign policy toolbox, but not every problem is a nail."
- C. Ascertain whether military means can achieve the political objectives.
- D. Determine whether the benefits outweigh the costs (political, financial, military), and whether the United States is prepared to bear those costs.
- E. Determine the "last step" we are prepared to take if necessary to achieve the objectives.
- F. Insist on a clean, concise exit strategy including sufficient consideration of the subsequent role of the United States, regional parties, international organizations and other entities in securing the long-term success of the mission.
- G. Finally, insist on Congressional approval of all deployments other than those involving responses to emergency situations.

### Principle #7:

The United States can and must continue to exercise international leadership while following a policy of realistic restraint in the use of military forces by:

- A. Pursuing policies that promote a strong and growing economy, which is the essential underpinning of any nation's strength.
- B. Maintaining superior, ready and mobile armed forces capable of rapidly responding to threats to our national interests.
- C. Strengthening the non-military tools discussed above for securing our national interests.
- D. Making a long-term commitment to promoting democracy abroad.

## ANTI-AMERICAN SENTIMENTS INCREASE IN GLOBAL COMMUNITY

### **Die Tageszeitung – Berlin Newspaper, February 1999**

“There is a growing number of people with more and more prominent protagonists who are at odds with American supremacy and who are inclined to see the action of the State Department as a policy of interests. And Washington is offering no reason to deny the justification of these reservations. As unilateral as possible and as multilateral as necessary, that’s the explicit maxim under which U.S. President Bill Clinton has pursued his foreign and defense policies in the last two years.” —*German Writer*

### **LiMes, Italian geopolitical quarterly, December 1999**

“The condition all the NATO countries as a whole find themselves in is closer to the condition of vassalage with respect to the United States than it is to the condition of alliance. NATO is not able to influence the policy of the United States because its existence in effect depends on it. No member countries are able to resist the American pressures because their own resources are officially at the disposal of everybody and not just the United States.” —*Italian General*

### **Dutch Daily NRC, October 1999**

“The U.S. Senate’s rejection of the Comprehensive Test Ban Treaty does not just represent a heavy defeat for President Clinton. Far more important are the consequences for world order of treaties designed to stop the proliferation of weapons of mass destruction and hence boost world security...” —*Handelsblad*

### **Times of London, November 1999, Editorial**

“The real fear is of an American retreat, not to isolationism, but to unilateralism, exacerbated at present by the post-impeachment weakness of President Clinton and his standoff with the Republican Congress. That’s shown by the Senate’s rejection of the Comprehensive Test Ban Treaty, the stalling of free trade initiatives, and the refusal to pay arrears to the United Nations. The U.S. is seen as wayward and inward-looking.”

Administration must complete a new U.S. national security policy by July, 2001, mandated by the Defense Authorization Act of 2000. Then comes the Quadrennial Defense Review with a September 30 deadline. To make matters more crucial, the mismatch between U.S. security strategy and military resources has left U.S. forces constantly trying to do more with less, to the tune of at least \$50 billion!

We want to make it clear that we are not advocating a retreat from America’s global leadership role, nor are we advocating a new form of isolationism. We both believe the country has substantial and inescapable self-interests, which necessitate our leadership. However, when it comes to the way we exercise that leadership, especially when it involves military force, we do believe that national interests require the use of restraint.

In vital national interests, the United States should be prepared to deploy the most intense, sustained and insightful diplomacy. If necessary, it must commit itself to the use of force, even if it has to do so unilaterally and without the assistance of allies. For national interests that are not vital, less expensive and less risky commitments are in order, with more consideration to the interests and participation of others.

Perhaps the number one threat to the world’s only superpower is that it can easily create threats to itself by being a bully or being seen as one. Leadership requires listening. There has been a compulsion by some in the Congress and the White House to spread and instill American and Western values: democracy, human rights and market economies in select parts of the world. Sometimes it comes at the expense of our national interests. Our values are precious to us

because they are unique not because they are universal. Our interests are important because they undergird our national security. **R**

---

*Senator Max Cleland is a Democrat from Georgia. Cleland was elected to the U.S. Senate in 1996 and serves on the Senate Armed Services Committee, the Senate Committee on Commerce, Science and Transportation, the Senate Small Business Committee and the Governmental Affairs Committee.*

*Senator Pat Roberts, a Republican from Kansas, was elected to the U.S. Senate in 1996. Roberts is Chairman of the Senate Ethics Committee and serves on the Senate Agriculture, Nutrition and Forestry Committee, the Senate Armed Services Committee, and the Select Intelligence Committee.*

# Financial Institutions Under Global Attack

## *Ideological Crossfire Clouds Reform of Bretton Woods Institutions*

By Randy Rodgers

Over the course of their history the Bretton Woods institutions have become accustomed to continuous and sometimes forceful pressure to change, but rarely have they been caught in the left-right ideological crossfire that engulfs them today. A congressional commission with a conservative bent and collections of liberal Non-Government Organization (NGO) activists have made the World Bank, International Monetary Fund (IMF) and World Trade Organization (WTO) common targets this year. While many critics have good intentions, most share a naïve view of what the Bretton Woods institutions can achieve and America's right and ability to force change upon them.

### VIEW FROM THE RIGHT

The International Financial Institutions Advisory Commission (also called the 'Meltzer' Commission after Chairman Alan Meltzer) created a stir in Congress earlier this year when its partisan majority recommended drastically reducing the scope and influence of the World Bank and IMF. Created as House Majority Leader Dick Armey's (R-TX) price tag for allowing a 1998 vote on IMF funding, the Meltzer

Commission was led by conservative economists skeptical of conventional wisdom in multilateral finance. The Commission published a series of proposals with the hope of tempting lawmakers to push legislation imposing unilateral cuts in U.S. multilateral assistance or new curbs on the IMF.

Among the more controversial of the

banks, as well as changing MDB loans into grants for the world's poorest countries.

### VIEW FROM THE LEFT

Meanwhile, a growing number of NGO activist groups (ironically made more vocal and influential via the Internet and the very mechanisms of global integration many of them fear) have also kept the Bretton Woods institutions on the defensive. This movement has made for strange bedfellows – environmental organiza-

tions, human rights groups, anarchists, activists defending the poor and, occasionally, labor groups are regularly seen protesting IMF, World Bank and WTO meetings. Their most recent target was the annual IMF/World Bank meeting in Prague in September. Reports indicated as many as 10,000 demonstrated in the streets.

Some of these groups express legitimate gripes that the international financial institutions be made more accountable or that they redress specific flaws of the global system. By default, the IMF, World Bank and WTO have become drop boxes for NGO complaints about global social inequalities, simply because no other public international bodies have the clout (or desire) to tackle the most



## THE BRETTON WOODS COMMITTEE

commission's recommendations was that IMF lending should be limited to very short-term, unconditional liquidity support for emerging market economies that would pre-qualify for IMF assistance. The IMF would focus on emergency lending only and its concessional lending role to the poorest developing countries would be eliminated. To overhaul the multilateral development banks (MDBs), the Meltzer Commission recommended foreclosing MDB lending to a broad range of emerging market economies and closing down the private sector financial operations of the World Bank. It also recommended shifting the World Bank's lending portfolios in Asia and Latin America to the regional development



difficult social issues. Many of these critics, however, use tortured logic to blame the world's evils on the Bretton Woods institutions.

"The IMF, World Bank and WTO form an unholy trinity to preserve corporate power and constrain the rights of the majority of the world's people," proclaims a release by the Direct Action Network Against Corporate Globalization, one of the coalition organizers of the 1999 protest during the WTO ministerial in Seattle.

## THE VERDICT

Is this growing criticism good for the Bretton Woods institutions? In some ways, yes, if one discards the ill-considered and inappropriate criticism of poorly informed radicals. If nothing else, it is forcing the multilateral organizations to come to terms with an environment vastly different than the one in which they were created to handle. Gone are the days where the IMF simply provides short-term resources to finance balance of payment deficits under pegged exchange rates, or where development bank financing makes up for an inadequate supply of capital to developing countries. Now private capital dwarfs public resources and the volatility of short-term private capital flows in and out of unstable markets can easily trigger financial crises. Poverty and disease have decreased in some pockets of the world but in others, such as Africa, they have become more severe. In many ways, the multilateral institutions are evolving

too slowly to cope with the challenges of today and tomorrow.

Persistent pressure from well-organized NGOs and other informed critics has also helped 'democratize' the Bretton Woods institutions, leading them to become far more accountable and transparent to their constituencies. One need merely to visit the World Bank's or IMF's website to see the transformation toward public accountability achieved by these organizations over the past five years. Who would have thought a few years ago that Russia or Ukraine would agree to make publicly available their economic reform programs on the IMF's website? Once labeled secretive and self-righteous by many, the institutions have also begun to listen more closely to internal and external debate. A case in point is the recent World Bank funding endorsement for a controversial oil pipeline linking Chad and Cameroon — approval for the loan was only achieved after an extensive program of safeguards was established and NGOs and local populations were consulted at length.

**B**ut bending over backward to accommodate insatiable NGO critics is beginning to take its toll on the Bretton Woods institutions and what delicate harmony exists among developed and developing country member governments. While it is imperative that interest groups impacted by the decisions of these institutions be

given an opportunity to be heard, the World Bank, IMF and WTO will be more effective if they can keep from becoming debating grounds for all of society's inequities. Other multilateral political institutions, which have drifted in this direction in the past, have seen their influence and capacity wane. Further, excessive outside influence easily leads to politicization of decision-making within the institutions. In July of 2000, a proposed Bank loan involving the resettlement of Chinese farmers in Tibet was cancelled following an effective campaign from Tibetan sympathizers and Washington-based NGOs.

NGO scrutiny is also prompting a backlash among developing and middle-income countries within the international financial institutions, which view rich country interest groups with deep suspicion. Just recently, representatives from middle-income countries objected strongly to a proposal that their World Bank country assistance strategies (CASs) — the key documents which lay out the Bank's plans for its client countries — be made public, as they are already for developing countries. Bank officials say a number of governments, wary of the push toward greater transparency, are unwilling to give NGO campaigners the ammunition they need to interfere in decisions that, they say, should not be influenced by non-government authorities.

One year after the failed 1999 WTO ministerial in Seattle one cannot forget the blame developing country governments placed on American and other rich country NGOs for attempting to hijack the agenda. President Clinton's assertion that WTO sanctions should be placed on countries that did not enforce specific labor standards served to heighten fears among developing country representatives that NGO agendas are self-serving and that they influence U.S. interests.

Considerably diminishing the respected roles the Bretton Woods institutions play in global development and fi-

nance is also a myopic solution. The reform recommendations offered by the Meltzer Commission's majority insufficiently acknowledge the beneficial role these institutions have played and continue to play in alleviating poverty, promoting growth and stabilizing the global economy in the post-war era. Limiting or closing down IMF and World Bank operations in key regions of the world would undermine their capacity to perform core functions or promote U.S. interests through policy guidance. It is equally naive to suggest such financing or guidance can be replaced completely by the private sector. Access to private capital can dry up very quickly and the private sector has shown little interest in lending to sectors such as education and health, which are critical to development.

## THE RIGHT COURSE

With persistent nudging from the United States and other influential members and outside critics, the Bretton Woods institutions are evolving in the right direction. U.S. Treasury Secretary Lawrence Summers is leading the effort to slim down the portfolios of the IMF and World Bank and to delineate more clearly each institution's role vis-à-vis long-term adjustment lending, crisis lending and programs for the poorest countries. As long as this effort continues, congressional criticism will be muted.

New IMF Managing Director Horst Köhler, World Bank President James Wolfensohn and WTO Secretary General Mike Moore are listening to the criticisms of even their most vociferous opponents and are attempting to transform the way the multilaterals deal with their debtor clientele and those groups whom globalization is leaving behind. Bank and Fund policy guidance and program oversight is noticeably changing to become much more of a two-way dialogue between institution and client. In response to a more diverse group of critics, the World Bank appears to be transforming more rapidly than the other institutions. The Bank has recently taken extraordinary steps, many in uncharted territory, to take a leadership role in combating corruption, global disease and environmental degradation. Thus far, the IMF and WTO have had more success institutionalizing accountability and transparency standards than in tackling difficult policy reforms.

More effort must be directed toward reforming the IMF's role in financial crises, a contentious issue that has bounced around IMF reform circles for years without resolution. Efforts to strengthen IMF surveillance are gaining ground — collection of standardized data covering countries' financial vulnerabilities and public dissemination to investors and markets will decrease the

likelihood of crises. However, little headway has been made regarding the sticky issue of promoting fair burden-sharing and market discipline among the private sector. This may require that the IMF further educate and pressure countries to instill policies such as collective action clauses in bond contracts or deposit insurance systems for their banks.

A broader concern that must be addressed if the Bretton Woods reform agenda is to advance is that of exclusion in the multilateral decision-making process. As globalization moves forward and regional balances of power continue to shift, the worldwide perception that the Bretton Woods institutions are merely U.S. and G-7 policymaking tools is fading. Developing country governments are realizing that a more unified stance within the multilateral institutions offers them far greater leverage to promote their interests.

Last year's row over choosing the new WTO Secretary General, which ended in a compromise in which two candidates split the term, brought more legitimacy to developing country interests and helped deflate the "industrial-centric" perspective that important WTO decisions are made only by rich nations. Middle income and developing country representatives at the IMF and World Bank are, in part, resisting moderate reform proposals for their institutions because the debate has taken place in outside, and primarily G-7, circles. As countries begin to feel the effects of global economic integration, the reform discussion must be expanded.

Improving the Bretton Woods institutions should be a broadly shared goal. We ought not to allow the process to be hijacked by destructive critics seeking to undermine their fragile political support, which has already been substantially eroded over the past decade. These institutions labor, often alone, to give the world a reasonable environment for development, stability, growth and prosperity. They do not seek to impose globalization. Rather, they are scrambling to put out fires amplified by globalization, such as income inequality, the spread of HIV/AIDS, the burgeoning digital divide and global financial crises. **R**

*Randy Rodgers is the Director of the Bretton Woods Committee.*



# Understanding PNTR at Home and Abroad



*Congress' historic vote advances U.S.-China relationship*

**By U.S. Representative Philip M. Crane**

**C**ongress and the President made history in October by signing legislation granting permanent normal trade relations (PNTR) to China. It was one of the most important votes members of Congress cast this decade. The question before Congress was not whether to "let China in." China will eventually join the World Trade Organization (WTO), regardless of Congress' action. In fact, Congress does not vote on WTO membership for China.

Under WTO rules, member countries are obligated to extend PNTR to each other. China's trade status in the United States, however, has been subject to annual determination for the past 20 years under the Jackson-Vanik amendment. This law, which was created in the Trade Act of 1974, set forth specific criteria regarding freedom of emigration that had to be met or waived by the President in order for countries with non-market economies to receive normal trade relations (NTR).

As a result, Congress voted on H.R. 4444 to remove the Jackson-Vanik conditionality and granted China the PNTR treatment it gives to all WTO members. In doing so, Congress removed trade conditions that would be in violation of WTO rules when China joins the organization.

By eliminating the annual vote, workers, farmers and businesses are guaranteed the benefits of the unilateral trade concessions package that China is offering America. Of course, Con-



*U.S. Representative Philip M. Crane*

gress retains its ability to withdraw normal trade status for China at any time, as it may with any country.

The quest to achieve NTR with China has been a record of fits and starts. NTR status was first granted to China 20 years ago. President Bush was forced to veto two measures passed by a Democratic Congress in 1991. These measures would have subjected the annual renewal of the trade status to additional conditions.

In May 1993, President Clinton issued an executive order stating he would not renew China's NTR status in 1994 if China did not meet eight human rights conditions.

Under pressure from a broad coalition of agriculture, manufacturing and religious interests who believed engagement with China was the best way to bring about positive

change, he reversed this policy in May of 1994 and renewed China's NTR status.

With the President finally on board, a strong bipartisan coalition supporting improved trade with China was formed. This new trade agreement with China is a one-way deal in America's favor because it does not increase China's access to the United States market. Instead, it opens China's market to American goods, services and ideas.

It is important to remember that the United States represents only five percent of the world's population while China has nearly 20 percent. Only a limited number of products and services can be sold within the United States. In order to keep the

economy growing, the United States must have access to a market of China's size.

In a global economy, increasing trade with China is the best way to keep the economy growing and the best way to create more jobs, increase wages and improve benefits for workers in the United States.

Failure to pass the China legislation would have set back the U.S.-China relationship and done irreparable harm to American business interests in the region.

U.S. Trade Representative Charlene Barshefsky brought home an outstanding bilateral trade agreement, despite having been directed by President Clinton to negotiate the deal twice, once in April of last year and then again during preparations for the Seattle WTO meeting.

The fact that she could put the pieces back together after the White House sent Chinese President Zhu Rongji home empty handed in April is a tribute to her skill.

At the same time, it reflects the fact that reformist elements of the Chinese government are strong in their resolve to make free-market reforms in China.

In this sense, PNTR is a deal that sells itself in every area. In one sector after another, there is no question United States workers and Chinese citizens will be better off because Congress passed normal trade relations for China and put these unilateral concessions in place.

In exchange for steep tariff reductions and whole-scale reforms of the Chinese trading systems, the United States gives up nothing. Unlike the Uruguay Round or the North American Free Trade Agreement (NAFTA), which involved substantial American concessions, this agreement does not require the U.S. to relinquish any of its tariffs or trade protections.

Increased trade with China will also improve the standard of living and human rights conditions for the Chinese people. While



I am concerned about the conditions in China, binding amendments regarding human rights, labor and environmental conditions would unravel the solid pro-China trade coalition and open the door to an unlimited number of amendments on the Senate side.

I was gratified the Senate did not alter the bipartisan, focused and ultimately non-trade restrictive language adopted in the House to deal with these issues. By locking in the benefits of this deal, normal trade relations will push this country of 1.3 billion people in the direction of economic and political reform in two key ways.

It will increase America's presence in China and improve the U.S. relationship with the Chinese leadership and its people. To ensure these changes, American businesses and religious leaders need to remain engaged in China and serve as a voice for American values.

The information industry provides a good example of the economic and political reforms ahead. Telecommunications and the Internet will give the Chinese people increased access to sources of uncontrolled information and opportunities to broaden their communication with the outside world.

PNTR is clearly a win for America, but it is also good for the Chinese people. While the United States needs to keep pressure on the Chinese government to improve human rights, labor and environmental conditions, giving the Chinese people access to U.S. products and services is the best way to improve conditions in their country. **R**



*U.S. Representative Philip M. Crane is a Republican representing the eighth district of Illinois. Representative Crane was first elected to Congress in a special election held on November 25, 1969. He is Vice Chairman of the U.S. House of Representatives Ways and Means Committee, where he presides as Chairman of the Subcommittee on Trade and sits on the Subcommittee on Health. He is also a member of the Joint Committee on Taxation.*

# Bush Takes Center Stage

*Presidential victory comes from the middle*

By Bob Carpenter

In the face of a strong economy, the country and world at peace and 65 percent of the voting public believing the country was moving in the right direction, how did George W. Bush win the presidency?

## BUSH LOCKED IN HIS PARTISAN BASE EARLY

As shown, 44 percent of the public decided how they would cast their vote prior to September, with an additional 12 percent deciding in September. While the earliest deciders were more likely men than women and slightly more Republican in their voting behavior, those deciding in September were more likely to be women, and much more supportive of Governor Bush than Vice President Gore.

Although Governor Bush lost among those deciding after October 1, he locked in his partisan base early allowing him to

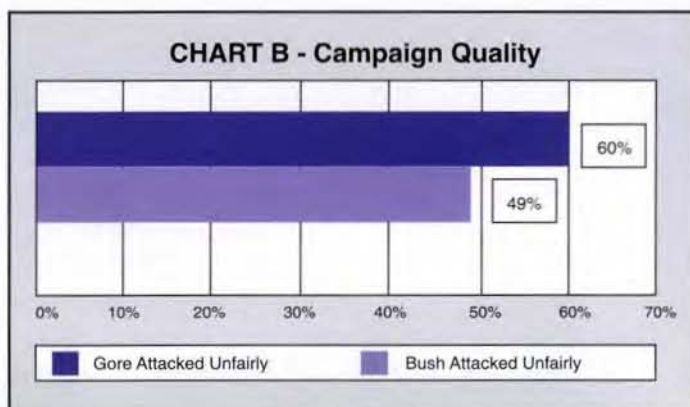
maintain parity with Gore. (see chart A)

## BUSH RAN A MORE POSITIVE CAMPAIGN

While partisans on both sides believe their candidate was attacked unfairly, 60 percent of the voting public thought that Gore attacked Bush unfairly. Less than a majority (49 percent) thought that Bush attacked Gore unfairly. (see chart B)

## BUSH WON THE HONESTY DIMENSION

Twenty-four percent of the voting public said that honesty and trustworthiness were the most important qualities in determining their vote for



President, and George Bush received 80 percent of their votes, compared to just 15 percent for Gore. (see chart C)

## BUSH RAN STRONG IN THE MIDDLE

Governor Bush knew he needed to reach out to Independents and moderates, the middle class, voters with a college education and suburbia. In every case, he did just that. (see chart D)

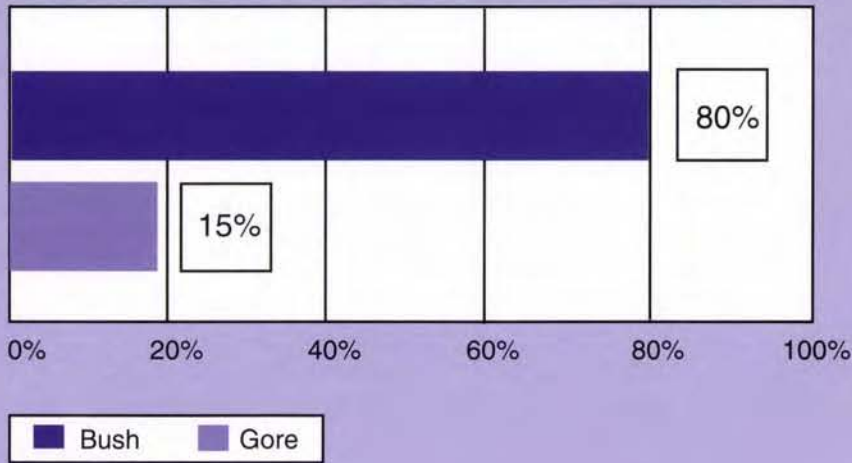
Independents made up 32 percent of the electorate, and Bush ran even with Gore among this voting block 44 percent to 46 percent. Moderates and somewhat conservative voters made up 64 percent of the vote, and Bush ran even with Gore (46 percent — 49 percent). Governor Bush knew that a solid Republican base (he received 93 percent of the Republican vote), and running even with Gore among Independents and moderates would provide him with the winning margin. Independents

**CHART A - Choosing A President**

%		Gender		Presidential Vote	
		Male	Female	Bush	Gore
7%	Election Day	50%	50%	43%	47%
11%	1 <sup>st</sup> week of November	42%	58%	42%	49%
12%	Last 2 weeks of October	41%	59%	43%	51%
9%	First 2 weeks of October	47%	53%	41%	57%
12%	In September	43%	57%	53%	39%
44%	Before September	53%	47%	50%	47%



**CHART C - The Honesty Dimension**



dents and moderates were a key coalition in Bush's winning strategy and they delivered for him.

The middle class also delivered for the Governor. In this election, those earning between \$30,000 and \$75,000 (41 percent of the electorate) voted for Bush by a margin of 49 percent to 47 percent. In as much as Bush received 55 percent of the vote of those earning over \$75,000 a year and Gore received 57 percent of those earning less than \$30,000 a year, the middle class

was crucial, and they delivered for the Governor.

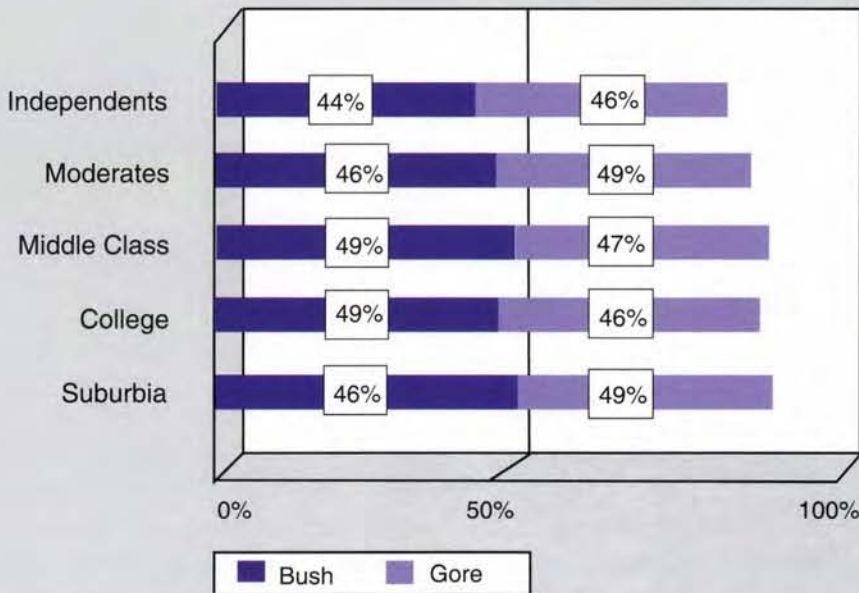
Voters with two years of college or more also delivered for the Governor. This voting block (47 percent of the electorate) voted for Bush by a margin of 49 percent to 46 percent. Gore's 49 percent to 46 percent margin, among those with less than two years of college necessitated Bush exceeding with this group, and he did. College educated voters delivered for Bush.

Suburban voters and those voters living in medium sized towns also delivered for the Governor. With Gore carrying the urban areas (15 percent of the electorate) by a margin of 69 percent to 25 percent and Bush carrying small town America and rural areas (40 percent of the electorate) by a margin of 56 percent to 38 percent, the suburbs (42 percent of the electorate) were critical to a Bush win, and they gave the Governor 46 percent of their votes (Gore received 49 percent). Bush needed the suburbs and he got them.

Governor Bush knew he needed to reach out to Independents and moderates, reach out to the middle class, reach out to those voters with a college education and reach out to suburbia. In every case he did just that, and in turn, these voter groups played a pivotal role in his victory. **R**

*Bob Carpenter is the Vice President of American Viewpoint. All data is from Voter News Service Exit Polling data and the American Viewpoint Post Election Survey of 1,000 participants in the November 7th election.*

**CHART D - Electorate Breakdown**



# The Ripon Society and the GOP

*Jesse Benton Fremont reflects on Ripon's roots as moderates prepare for a nearly even split in the 107<sup>th</sup> Congress*

**By Jesse Benton Fremont**

Political parties fulfill a variety of functions — none more important than providing good government in the majority, and constructive opposition when not. Indeed, the Ripon Society came into existence in the early 1960's to foster constructive opposition at a time of Republican Party minority status.

The Society was originally known as “the American Bow Group,” thanks to Emil Frankel, a young Connecticut Wesleyan graduate student who spent a year in England researching the English Bow Group.

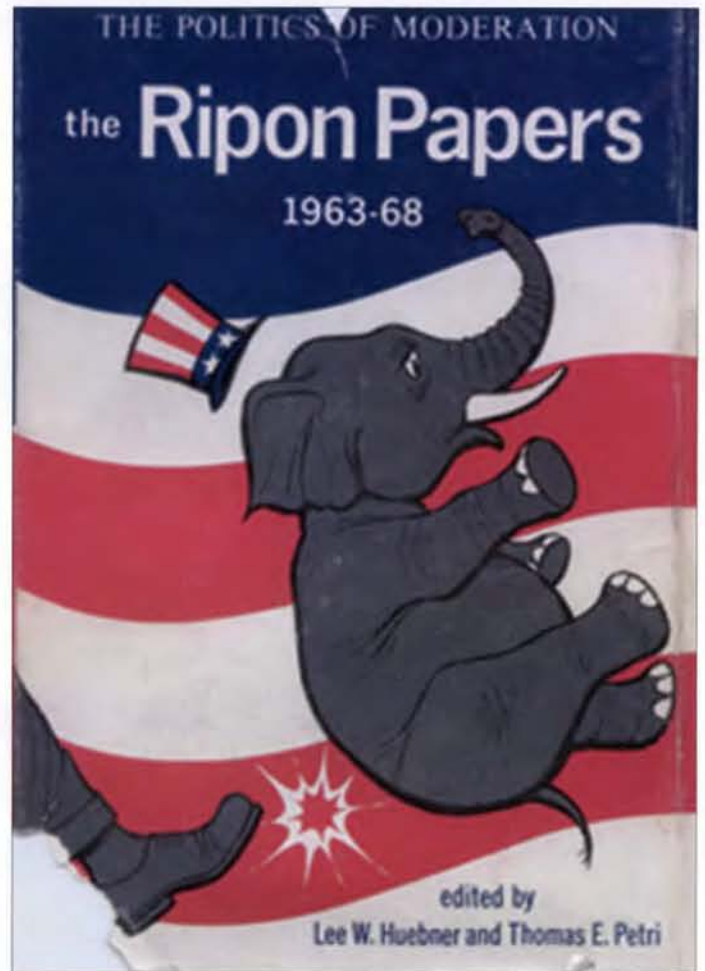
The Bow Group organized itself after the Labor Party landslide to develop a Conservative response to the postwar Socialist tide. Ian McLeod, Ted Heath, and other Oxford and Cambridge students and young professionals were among the Group's early leaders and eventually came to lead their party and nation.

Frankel argued there was a role for a similar group in the GOP, a group that would identify and develop novel proposals based on Republican values to help the party gain political ascendancy. A handful of graduate students from Harvard and MIT began meeting over dinner to discuss how to implement Frankel's idea.

Perhaps the most determined support came from John Saloma, an MIT graduate student in political science. He brought practical political experience to the discussion, gained from working in Missouri Congressman Tom Curtis' office. But the idea for the group's first successful publication came from what some might consider an unlikely source, Richard M. Nixon.

Working out of the law offices of Nixon, Mudge, Rose, Guthrie, Alexander and Mitchell in New York, Nixon was engaged in what most political observers regarded as an unpromising effort to re-start his political career.

One option was to seek the Republican nomination for President in 1964. But as a defeated Presidential and Gubernatorial candidate, he had few resources for another Presidential effort.



So, when approached by a member of the “American Bow Group” in Cambridge, Nixon responded immediately and with enthusiasm. Just before Christmas of 1963, he treated about a dozen members to lunch at his club in New York where they discussed his ideas for rebuilding the Party.

While speaking after lunch, Nixon observed that, whereas those on the political extremes — left or right — were often quite energetic and determined in pursuit of their goals, those more toward the center often tended toward inaction, perhaps in part because they could see the pros and cons of various arguments. What was needed, he argued, was to make the case for determined, active, energetic and “fiery” moderation.

The group, led in this instance by Lee Huebner, a graduate student in American History at Harvard, accepted Nixon’s challenge and, after numerous drafts and re-writes, issued “A Call for Excellence in Leadership” in 1964, and made the case for more active involvement in the Republican Party of people of sober and good judgment.

**T**he paper was the first publication of the Ripon Society and its issuance, in fact, provided the impetus for finding a new and permanent name. “Musings by an anonymous group of graduate students in Cambridge” hardly seemed adequate. After some debate, the group named itself after the birthplace of the G.O.P. — Ripon, Wisconsin.

It’s true that Ripon’s claim to this distinction is not universally acknowledged. But several members of the Cambridge group were from Wisconsin and won the day when they pointed out that Jackson, Michigan was Ripon’s main rival. Everyone agreed it would be unfitting, to say the least, to name a Republican group the Jackson Society.

“A Call for Excellence” received some press notice and when it was re-printed in full on the editorial page of the *New York Herald Tribune*, was widely discussed by political commentators. Students and others from around the country began contacting the Society in Cambridge to seek affiliation or to offer support. So did scholars and others with ideas they wanted to put into circulation.

In the four years between “A Call for Excellence” and the end of 1968, Ripon published a growing stream of position papers, books and a newsletter that grew into today’s *Ripon Forum*. Ranging from domestic policy ideas to international affairs, Ripon’s papers helped give substance to Republican aspirations to govern.

Many ideas Ripon promoted are today’s orthodoxy. Perhaps most notable was “China Today — Containment and Contact.” This paper proposed replacing our policy of isolation with one of working, albeit with due caution, to integrate the world’s most populous nation into the world community of nations. The paper was written by several graduate students of Harvard Professor Henry Kissinger, who reviewed it favorably prior to its final publication.

Other position papers included one that became a book, entitled “The Realities of Vietnam,” that attempted to provide a



*Former President Richard M. Nixon*

plan for extricating the U.S. from the growing military impasse; “Civil Rights for the Mentally Ill,” that argued against depriving citizens who did not pose a danger to themselves or others of their freedom, and that contributed to the end of their forcible incarceration; and “Politics and Conscription,” a paper successfully arguing for replacing the military draft in peacetime with the all-volunteer army America has today.

The need for good new ideas, met in part, by the Ripon Society in its early years, still exists today. But in meeting that need today’s Ripon is far less on the cutting edge than in the past. How can the Society move back to the center of the arena in the war for men’s minds? That is the topic for a future column. I seek your response. **R**

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*Jessie Benton Fremont was the guardian spirit of the Ripon Society in its early years. The daughter of Missouri Senator Thomas Hart Benton, leading Whig and leading proponent of the doctrine of Manifest Destiny, and wife of General John C. Fremont, first Republican Party candidate for President of the United States, Jessie Benton Fremont contributed numerous columns to early issues of the Ripon Forum. She kindly agreed to supply this recollection of the Society’s early years, together with a question or two concerning future undertakings.*

# The Year Ahead

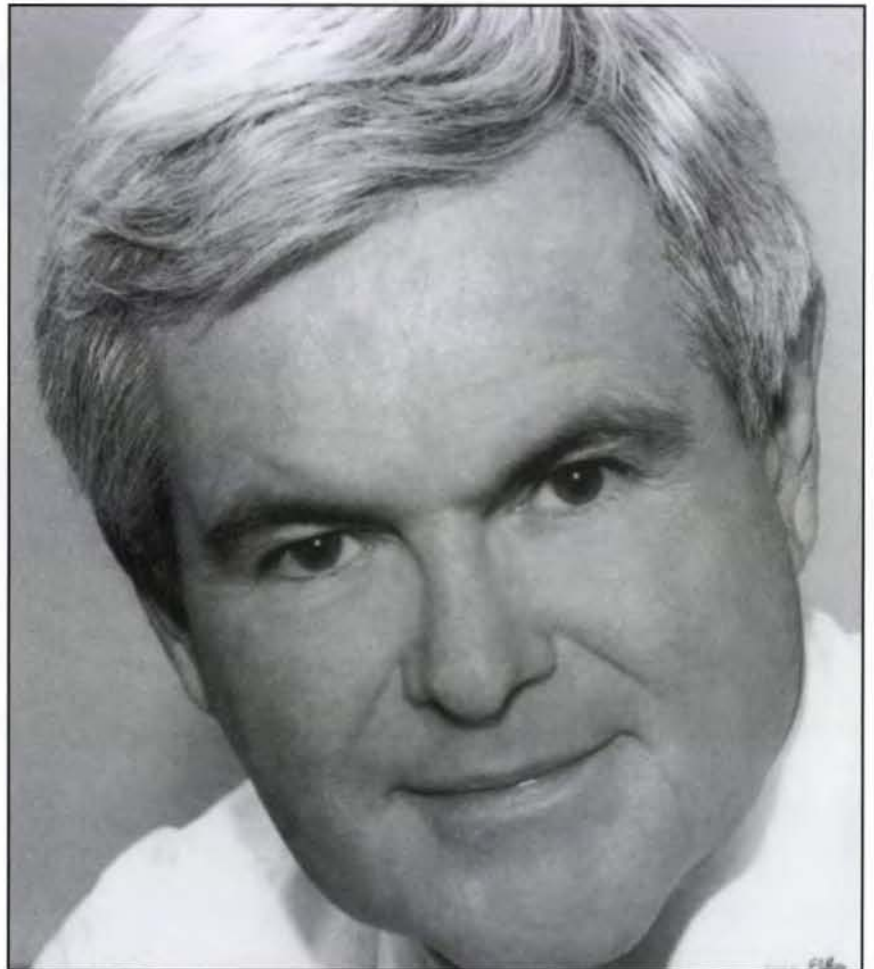
*Former Speaker Newt Gingrich proposes key steps for legislative progress in the upcoming U.S. House of Representatives*

**By Newt Gingrich**

**T**he 2000 election was one of the closest in American history. The 50-50 division of the Senate, the extraordinarily narrow Presidential race and the number of very close House races all testify to how closely divided the nation is. This will pose a series of new challenges for the House Republican leadership.

Any assessment should begin by noting what a good job Speaker Dennis Hastert, Campaign Committee Chairman Tom Davis and the House Republican leadership did in keeping the majority for the fourth time in a row. This is an accomplishment unmatched since the 1922-1928 period.

However, House Republicans now face a new environment. They do not have the tidal wave of energy that the 1994 Contract with America campaign brought into Washington. They also do not have Bill Clinton to fight against. If events in Florida continue in the same direction, for the first time since 1953, a House Republican majority will be working with a Republican president.



*Newt Gingrich*

They will find this even more complicated and at times more frustrating than working in opposition to a liberal Democrat in the White House (to gain more insight into the inevitable tension between an executive and legislative branch held by the same party, read Allen Drury's *Advise and Consent*; the opening four pages say it all). The 50-50 split in a Senate that has become increasingly dedicated to stopping every-

sively win the argument over Social Security by a 57-39 margin that he or she would cruise to an easy victory. Yet, due to his performance among African-Americans and Latinos, this policy victory was negated at the polls.

What is even more telling is the difference between the approval of George W. Bush's policies in the African-American community and his performance on Election Day in that commu-

Bush could perform so well on the issues and lose so badly in the voting booth?

**T**he reason is simple. For most Americans of color, the Republican Party is simply not an acceptable and trustable vehicle for their hopes. African-Americans, Latinos, Asian Americans and Native Americans may agree on specific issues with the Republican candidate, but they simply cannot bring themselves to vote for a Republican on Election Day.

The gap between issue orientation and party acceptability is the central challenge for the future of the Republican Party. Republicans only receive eight or nine percent of the vote in African-American precincts. Symbolic "outreach" programs, listening tours and advertising in ethnic media late in the campaign are of no avail when faced with a gap this size.

Instead, Republicans at every level have to commit themselves to creating a common community with Americans of color who agree with them on the issues but feel alienated or isolated from them as fellow Americans. This does not mean that Republicans should reach out to committed left-wing activists like Al Sharpton. The liberal activists of color make their living polarizing minority communities and the Republican Party. There can be no common ground with them.

On the other hand, there are millions of small business men and women, hundreds of thousands of retired military and veterans, thousands of police officers, and millions of young people who prefer a prosperous integrated America to the race-baiting demagoguery of aging manipulators who have dominated their community.

With a serious in-depth program of inclusion — meaning not simply talking about the problem but taking action to

## **"The 50-50 split in a Senate that has become increasingly dedicated to stopping everything and passing almost nothing will dramatically compound the House-White House complexities."**

thing and passing almost nothing will dramatically compound the House-White House complexities.

In this complicated setting I would propose seven key steps to successful Republican governance:

**1. Republicans have to develop a strategy for building a common community with Americans of color.** This is a decisive challenge that, if unmet, will keep Republicans from ever becoming a stable governing majority. The simple fact is Bush's proposals were more popular than the Republican Party was acceptable.

For example, Bush's proposal to create Social Security personal savings accounts was favored 57 percent to 39 percent by general voters in the official Voter News Service (VNS) exit polling on Election Day. This is an overwhelming margin for a Republican presidential candidate on an issue that many considered to be the "third rail" of politics and a staunchly Democrat issue.

Conventional wisdom would hold that if a Republican managed to deci-

nity. A national poll of 1,608 adults conducted by the Joint Committee for Political and Economic Studies between September 15 and October 9, 2000, showed that a plurality of Black voters supported Bush's Social Security plan, 45 percent to 42 percent. (Blacks under the age of 50 gave it 55 percent support.)

On school vouchers, black Americans actually supported Governor Bush's proposal in stronger numbers in this poll than the general population: 57 percent of African-Americans viewed Bush's proposal favorably, compared to 49 percent of the general population. A full 79 percent of Black households that have children supported Bush's school choice program.

Yet, in the exact same poll, when asked for whom they would vote, the same respondents said they would vote for a Democrat over a Republican for Congress by 84 percent to 7 percent, and for Al Gore over George W. Bush by 74 percent to 9 percent. The actual election results were an even more astounding 90 percent to 8 percent victory for Gore over Bush. How is it possible that

correct it, from scheduling to appointments, to legislation, to speeches, all the way down to internships — the Bush Administration, the Republicans in Congress and the Republicans in state and local government could build new relationships and new patterns of working together that would enable the Republican Party to be truly competitive in virtually every part of America.

This is the most important challenge facing Republicans and it should be allocated appropriate leadership time, a focused effort and the amount of resources worthy of a program designed to create a stable majority capable of national governing.

2. Emphasize the difficulty of governing under these circumstances. It is important the American people understand how hard it will be to pass legislation. Not only is the legislative and Presidential mandate virtually nonexistent, the economy is clearly slowing. It is likely President George W. Bush will inherit a recession from the Democrats.

This will make success with the budget and other issues more difficult to achieve. In this situation it is not only vital that the Republicans reach out to the Democrats and actively seek common ground, but that they constantly remind the American people that getting anything done will be an extraordinary achievement. By doing this, Republicans will lower expectations and allow time for progress to be made.

3. Seek common ground through creativity rather than compromise.

In this environment the media will focus on the word “compromise.” It is a concept that will almost certainly fail due to the passions of each party’s base, and their desire to not be seen as “selling out” their principles.

However, there are many practical issues that could be addressed in a bi-

partisan “creative” manner. For instance, modernizing the nuclear waste cleanup process (a potential \$200 billion burden on the next generation of taxpayers) could both save a lot of money and improve the environment. It is not automatically a liberal or conservative issue.

Another example would be responding to the Institute of Medicine’s report that up to 92,000 people die yearly in hospitals due to medical errors (outside of malpractice). Possible action could include electronic medical records and electronic prescriptions, both being non-ideological reforms aimed at saving lives and money.

**“In this situation it is not only vital that the Republicans reach out to the Democrats and actively seek common ground, but that they constantly remind the American people that getting anything done will be an extraordinary achievement.”**

Accountability in schools is an issue that has broad bipartisan support. Republicans will not get very far trying to compromise on large ideological questions with Senator Hillary Rodham Clinton (D-NY) or Congressman Henry Waxman (D-Calif.). But they can find enough Democrats who are willing to work on practical, non-ideological issues in a creative way and get some very positive things done for the country.

4. On big issues Republicans have to work at the grassroots level to engage the average citizen. A Social Security personal savings account is a powerful and necessary reform. It will pass overwhelmingly when people under 40 understand in terms of dollars and cents how much bigger their retirement income will be and how much they are losing under the current system.

Even the Black Caucus will begin to split on this issue when African-American males realize how much they lose under the current system (the average African-American male transfers \$10,000 in social security taxes in his lifetime to other, largely white, longer-living recipients because of the bias against life expectancy inherent in the system). These big issues cannot be moved inside Washington. Washington will only pass major legislation when the country understands it and demands it.

Ronald Reagan proposed welfare reform in 1970 and was defeated at the National Governors Conference 49-1.

While Republicans continued to advocate reform, the news media ridiculed the effort. The country, however, listened and by 1996 it had reached an overwhelming consensus.

The Republican Congress ran on welfare reform in 1994 and passed it twice in 1996, only to see it vetoed twice by a president who himself had campaigned on the issue in 1992, but was listening to his narrow base.

Republicans passed it again a third time and, the week before President Clinton finally signed the bill into law, a *New York Times* poll showed 92 percent of the American people approved of welfare reform, including 88 percent of the people actually on welfare.

Clearly the American people had come to a conclusive judgment on welfare reform and Washington was forced to go along. Social Security and Medi-

care reform will require similar grassroots efforts.

The legislature will follow the country on big issues but it will not lead it. Both issues should be developed and outside grassroots organizations should be encouraged to take action. Members who favor these reforms should speak about them constantly and hearings should be held regularly, but the probability is that these reforms will only occur after one or two elections have convinced can-

## **“Republicans need to become more effective at focusing on the inadequacies of the old bureaucracies and their human costs.”**

didates that there is strong grassroots support.

**5. Technology and science offer many new opportunities for creativity. Republicans should work hard to bring entrepreneurs, venture capital and new technology into government.** Consider an automatic teller machine: It is available 24 hours a day, 7 days a week. It can accurately find your bank account across international boundaries and give you cash in seconds, yet we take it for granted and actually become impatient if executing our request takes more than 20 seconds.

When you compare that to how our government works, there is clearly a gap between the technological opportunities we as a society have created and their application in government.

In my two years in the private sector, I have been amazed at the gap between the new technologies (biodegradable plastics, laptops for students that take learning home, internet based diabetic programs for disease management by the patient, etc.) and how slow government is to make use of them.

A Republican Party consistently dedicated to bringing the newest technology with the best service at the lowest cost to both, help you as a citizen and save you money as a taxpayer, would be a party that communicated a very powerful, positive and non-ideological message of better government with lower taxes and greater citizen satisfaction.

**6. Republicans need to become more effective at focusing on the inadequacies of the old bureaucracies and their human costs.** The fact that the Healthcare Financing Administration (HCFA) has 132,000 plus pages of regulations, which is more than the IRS, is evidence of an impossible system.

This was illustrated at a human level by a *Wall Street Journal* report on a hospice in New York that began receiving notices from Medicare stating that patients were being sued because they had outlived the program's built-in time limit for receiving benefits.

The Defense Department has layers of regulations that encourage most entrepreneurial companies to refuse to bid on defense contracts and which soaks up millions of dollars that should be spent on equipment and training. The system becomes more absurd the more you look at it.

**F**or instance, the U.S. Patent Office cannot get its unions to use computerized data instead of shoeboxes the size of Thomas Jefferson's shoes (literally). Republicans should do a better job of consistently holding hearings on the need to modernize government. The Democrats should be allowed to defend these bureaucracies, the unionized refusals to provide better public services

and the consequences that result on a human level. Undoubtedly, it will build tremendous public pressure for greater reforms.

**7. Remember that reapportionment could decide who controls the House after the 2002 election.** The Republican gains outside California could end up in a ten to twelve seat swing to the Republicans even if Governor Grey Davis and the Democrats do their best gerrymandering in the largest state. However, this Republican increase in seats will happen only if the Bush Administration and the House Republican leadership stay on top of the process.

State legislators and governors will have many other issues on their plate. If allowed to trade away the federal reapportionment for other advantages at home, they might do so. If constantly reminded that the national balance of power in Washington could be decided one seat at a time during reapportionment, the Republicans could come out ten to fifteen seats better off.

If the House Republicans undertake these seven steps they will continue to win and advance the reform process that they began with their Contract with America and the election of 1994. If they can effectively collaborate with the Bush Administration, they will set the stage for Republican victories in 2002 and 2004, and in the second term of a Bush Administration they will have the votes, the knowledge and the momentum to truly complete the reforms begun in 1995. **R**

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# New Congress Must Put Emphasis on Comity

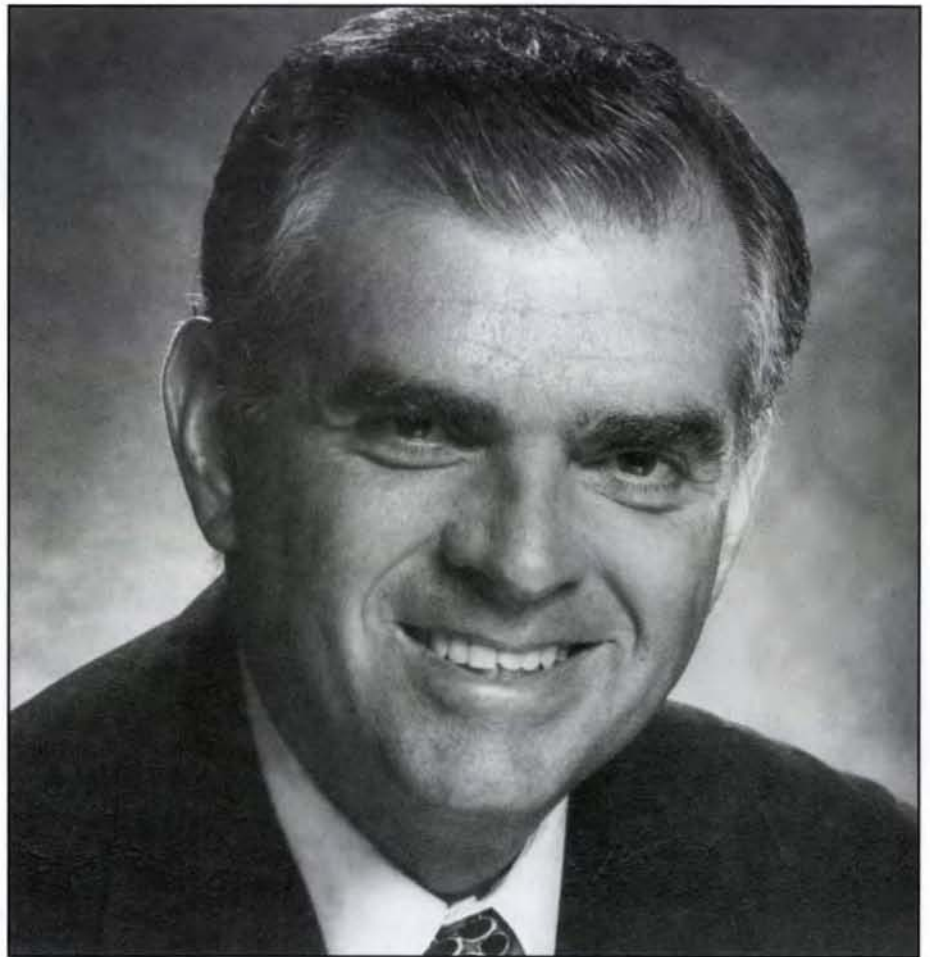
*Partisan feuding erodes the public's confidence in government*

**By U.S. Representative Ray LaHood**

I was recently asked during a radio interview if Congress and the new president would be able to get anything done given the acrimony that has characterized Washington over the past few years, and if we were to get something done, how would it happen. I believe it is a question on the minds of many citizens in our country.

During the past two years, the country has seen a president impeached by the U.S. House of Representatives and acquitted by the U.S. Senate; partisan squabbling over the nation's budget; and most recently, given the closeness of the vote and the happenings in Florida, one of the most historic presidential elections in history. In fact, as of this writing, the presidential election has yet to be resolved by the courts.

What I said during that radio interview is that it takes hard work, every day, to get things accomplished in the current political climate. After the election we are no longer candidates, we are members of Congress and the American people want us to set aside our differences and work



*Representative Ray LaHood*



together for the common good of the people. Of course, that is much easier said than done.

From the courthouse to the White House, the past decade has seen a rise in candidates who run as "anti-establishment" candidates. Many people have been elected to an office that they derided as a candidate. Some candidates have decided that the offices themselves are the problem which ill our nation.

I have never been one to tear down the walls of the institution. Instead, I believe it is from within that you can truly make a difference. That is one of the core reasons I have joined many others in Congress to bring a higher level of comity and bipartisanship to the institution.

My mentor was former U.S. House Minority Leader Bob Michel. During the 12 years I worked under Congressman Michel, I came to realize that it is the personal interaction and relationships among members that make things happen on Capitol Hill. While a member might have philosophical or ideological differences with another Representative, it should not be a sin if they actually know and interact with each other.

After the 1994 elections the U.S. House was in Republican hands for the first time in 40 years. Republican members did not have any experience running the House as the majority, and the Democrats did not "go quietly into the night" with their newfound minority status.

The feuding and bitterness that escalated afterwards has had a profound impact upon our government. I believe this bickering has eroded the public's confidence in Congress. If we continue to tear down the institution through acrimonious debate, we will be responsible for interfering with the very foundation of our federal government. Citizens will eventually believe their federal legislative body is irrelevant.

In light of the acrimony between the two parties, former Colorado Congressman David Skaggs, a Democrat, and I decided to lead an effort in the 105th Congress to address this situation by promoting a rather simple idea: more civility in the halls of Congress.

The idea of civility is not a call to squelch debate. In fact, the presence of debate is one of our country's great founding principals. Instead we hoped to increase productive and thought-provoking debate by lowering the volume and tone of the rhetoric on Capitol Hill.

Congress does not need to be, and indeed should not be, a contest to see who can shout the loudest or who can throw the most accusations at the other party. We should rationally attempt to address, discuss and solve problems on behalf of the citizens we represent.

**A**s a major part of our efforts, the first bipartisan retreat convened in Hershey, Penn., in March of 1997. Over 500 people were in attendance, including the top leadership from both sides of the aisle and over 200 Representatives and their families.

Our focus was not the Congressional agenda. Instead we focused on getting to know our fellow members of Congress and their families outside the Washington, D.C. fish bowl. We also focused on how to create a more family-friendly atmosphere in Congress.

Another retreat took place at the beginning of the 106th Congress and plans are in the works for a 107th Congressional retreat that will take place during the weekend of March 10 and 11.

Unfortunately for many members, the hectic pace of Congress does not lend itself to establishing personal acquaintances with other members. Today's congressional schedule has members in Washington during the week; when there is little time to interact on a social level. Weekends find

members in their districts with hardly any interaction between each other.

The retreat is an opportunity for members to become familiar with other members and their families and backgrounds. Realizing that other members also have to deal with family and life issues, we will be more likely to foster friendships that in turn will lead to civilized debate on the issues.

These relationships could also foster innovative ideas between elected officials that might not usually work together, even though they serve in the same institution. The retreat is an opportunity to create an atmosphere of cooperation and to create an "esprit de corps" among members.

While the retreat itself might not guarantee a more civil institution, the attention on civility and mutual respect has led members to rethink how they might approach debate in the House.

Creating an atmosphere of respect and civility within the Congress does not mean Representatives should forsake their values and beliefs. By fostering an environment in which vigorous debate and mutual respect can coexist, we hope to solve the country's problems through a spirit of consensus and cooperation.

The potential for change is there, but we still have a long way to go in terms of trying to build trust and bipartisan relationships. As the most recent election shows, the country seems evenly divided over what role the two parties should play. With a country so divided over who should be its leader, now, more than ever, we must realize that politics is certainly the art of compromise. **R**

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*Ray LaHood was elected to the House of Representatives for the 18th District of Illinois as a member of the historic 104th Congress. He serves on the Agriculture; Transportation and Infrastructure; Veteran's Affairs; and Select Intelligence Committees.*

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# “Mr. President: The Senate is Not in Order”

*A Ripon Interview with U.S. Senator Robert C. Byrd*

**K**nown as the guardian of the institutional flame of the United States Senate, Robert C. Byrd is the venerable and respected Senator from West Virginia. Senator Byrd, who first came to Washington some 42 years ago, is not only one of the nation's most powerful members, but also one of its last true statesmen. He speaks slowly, chooses his words with great care and is one of the few members who can immediately reduce the chatter among pages and Senators alike. He keeps a worn copy of the U.S. Constitution in his pocket that he frequently pulls out on the Senate floor. Most of his speeches resemble a history lesson peppered with references to ancient Rome or early American politics circa 1800 than the partisan bickering commonly heard from the well of the Senate. When asked to describe Senator Byrd, one Republican Senator characterized him not only as the keeper of the Senate as an institution, but as an institution all by himself. In October, *The Ripon Forum* was honored to sit with Senator Byrd as he chronicled some of the dramatic changes in one of the world's most influential legislative bodies.

**RF:** Senator, how has the U.S. Senate changed during your years of public service?

**Senator Byrd:** It has changed in many ways. Of course, now we have television coverage. We only had one woman when I came to the Senate 42 years ago. On the whole, we had a mean average of older Senators in that day. I would have to add that I think the Senators of that period were far more knowledgeable of the institution and its place in history. They were more devoted to the

institution, its customs, traditions, rules, and its precedents. They had great seniority.

When I came here, every chairman of every committee was a Southerner which spoke for the seniority system and that the border-states in the Deep South were Democratic. They were here for the long pull. They looked at the long-term future, not just the immediate. They were more conscious of the greatness of this institution in history and the centrality of this institution to the Constitutional system.

**RF:** Senator, do you have any observations on recent changes in the Senate, for example, the addition of television, changes in parliamentary procedure, the schedule and what happened to the old fashioned filibuster?

**Senator Byrd:** I have mixed emotions on these things. It was not fun spending all night here. But sometimes in order to bring the Senate to a decision in the course of a real old-time filibuster, it was necessary to put out the cots and have the Senators stay so they would be ready to answer roll calls. Filibusters, by and large, have not been bad for the country. In many instances, they were good. Through them, the people were informed of the issues, and they were able to reach a decision in their own individual minds.

Woodrow Wilson said the informing function of the Senate was equally as important as the legislative function. Now, I may have paraphrased him, but in order for the Senate to fulfill that function, members have to be able to speak and speak at great length. Debate has to be open, free and unlimited.

For the better part of the century, the Senate has lived up to that necessity and has not had limitations on debate. There were limitations on debate in the very beginning. It was brought about by the previous question, which is still a motion that is available in the House of Representatives. In 1806, the Senate dropped the motion of the previous question. Until 1917, there was no limitation on debate and there was no cloture motion.

In 1917, for various reasons that I will not go into here, the Senate acceded to a rule governing debate. It was rule 22 of the standing rules to the Senate. It allowed 16 Senators to sign a cloture petition and bring the Senate to a vote, whether or not to limit debate and to do so on the following day except one. That rule has been changed from time to time. At first it required a 2/3 vote of those present voting. It now requires 60 votes, which is a 3/5 vote of those Senators elected and sworn.

For the first 50 years under rule 22, there were not many cloture motions offered. Even fewer were able to get the required number of votes to shut off debate. Increasingly, in the late 60s and 70s there were filibusters, most of which pertained to civil rights bills. Following the enactment of the Civil Rights Act in 1964 and the subsequent civil rights acts, the real old-time filibuster has not been seen or heard around here much. We have had some threats of filibusters. In the last two or three years, we've seen cloture motions when there is no filibuster and when there is actually no debate.

As to televising the debates, I am of two minds as to how useful they have been. It was my resolution that passed the Senate to authorize televised debates just as it was my resolution to cut the number of votes required for the limitation of debate down to 60. But as to the good, the people are better informed. At the time I offered that resolution, I thought there was a great need to open the televised debates to the Senate floor. I think that need has been met.

## **“The Senate was fast becoming an invisible force.”**

The House already had televised debate for about for seven years. The president of the United States can beckon all of the media with the snap of his finger; radio, print, electronic and television, right to the conference room of the White House within minutes. The Senate was fast becoming an invisible force. Its debates were not televised, and people were attracted to the other

two sources of news. I therefore felt that it was time for the Senate to enter the 20<sup>th</sup> century.

People had gotten to the point where they referred to the U.S. House of Representatives as Congress and there was no Senate. We corrected that. It has been successful. We were concerned in large measure that many Senators would play to the galleries. Some of that does occur. But overall, I think it has been beneficial and that the people are better informed as to what is taking place in their Senate.

As I say that, it has had a down side because it has distracted some of us from concentrating on the substance of what we are saying. We live in the age of sound bites. Many of us have be-



come more interested in going from one sound bite to the next than in really lending our talents, strengths and time to the development of the subject.

When we focus too much on what will make the headlines, we focus too much on the sound bites and not enough on the subjects. The media like this because the media feed on controversy. If a matter is not controversial, it is not likely to get a great deal of attention. If it is controversial, it will get lots of attention and it may not be important. Naturally, it's a never-ending and vicious circle.

I do not participate in sound bites because I am a little older in service than the age in which we are discussing. I came up when we talked on the stump, campaigned at the courthouses and didn't spend much money on television. It just wasn't around.

If you concentrate on sound bites, the media picks them up. The media can do that because there isn't much work to add and

they don't have to delve into the subject matter. As media use the sound bites, the politician is encouraged to come up with more sound bites. If we have two senators blasting at one another and arguing, it is a great story for the media whereas two other Senators working hard in the committee room and developing a piece of legislation won't get much attention. The controversial, the spectacular, the interesting — these are things that get the attention of the media.

*RF:* In view of the logjam on the U.S. Senate Appropriations Committee, do you have any observations on changes that would make the process more efficient?

*Senator Byrd:* It isn't efficiency that the Constitution is after. The Constitution did not cre-



ate a Senate for the objective of achieving efficiency. The Senate was created to protect the rights of minorities while it operates through the will of the majority. It is the last bastion of defense for the minorities, and I am speaking of the political minority.

In the Senate, members have the right to amend and the right to debate. The Senate is also unique in other respects dealing with treaties, nominations and trials of impeached officers of the government. The greatest thing that makes the Senate stand apart from the House and other upper houses of the world, lies in the fact that in the U.S. Senate, we have unlimited freedom to offer amendments and unlimited freedom to debate.

The only time the debate is limited in the U.S. Senate is when we are acting under cloture or when we enter into a unanimous consent agreement to limit amendments to those that are germane, and when, as in a few instances, we have enacted into

## **“The members have to be able to speak and speak at great length.”**

law a very strict regimen governing amendments and debate with respect to a particular law.

We are talking about the heart of our constitutional system. Why would I say that? Because it is the only forum representing the states in which each state is equal to every other single state. It is the central pillar of the federal system. The House represents the national system. The Senate represents the federal system because it makes all states equal.

If it were not for that one fact, I doubt that we would have ever reached agreement at the Constitutional Convention in 1787 because the small states and the large states were at loggerheads over this very issue. On July 16, 1787, they reached the great compromise in which they agreed that in the U.S. Senate all states would be equal regardless of geographical size or population, and in the U.S. House they would be represented according to the population.

Now, in dealing with appropriations, they should be called up singularly. They should be brought up in the U.S. Senate in time for them to go to conference with the other body and be reported back to the Senate. The conference report should be called up singularly. In recent years, the Appropriations process has not worked. The bills have not been called up soon enough and acted upon with time for conferences so that the conference reports could be called up as opposed to the current practice of putting them into an omnibus package.

I say this with great respect and without pointing a finger, but I simply have to state the facts. It has not been good for the Senate and it is not good for the country. They need to be called up and acted upon. When they are called up, I mean that they need to be open, open to amendments from both sides of the aisle.

I say that Senator Ted Stevens, the Chairman of the Appropriations Committee, has been a remarkably good Chairman. We have endeavored in the Appropriations Committee to act on all appropriations bills once they come over from the House and to act on them as expeditiously as possible and get them on the calendar so the Senate leadership could call them up.

We should not be limited on amendments unless the Senate invokes cloture, and cloture should not be offered promiscuously. Cloture is offered too often, too soon and in some instances, appropriations bills have not been called up off the calendar, with action taken by the Senate before being sent to conference in the other body. That is, in my judgment, unconstitutional. It's not good for the institution. It's not good for the country because the people have a right to have their elected representatives in the Senate free to offer amendments and to put them to debate.

**T**here are 23 states among the 50 that don't have membership on the Appropriations Committee. I'm not saying that each of the 50 states should have membership. That is not the point I'm making. The point is that their only recourse and opportunity to engage in debate and offer amendments on behalf of their constituencies is in the Senate itself. Only there do those 23 states ever have an opportunity to offer amendments. Only there do the Senators from those 23 states have an opportunity on behalf of their constituents, to offer amendments and to enter into debate. They are being shut out completely, except

when that final conference report comes back, and a conference report is not subject to amendment in the Senate. Therefore, those states are highly disadvantaged. I think that is unconstitutional.

We are short-circuiting the legislative process. As I said

**“The Senate is the only forum representing the states in which each state is equal to every other single state.”**

before, bills are reported from the Appropriations Committee and then to the Senate calendar. The problem is they are not called up from the calendar and acted on by the Senate. Instead, they are sent directly to a conference, a so-called conference. However, there can be no formal conference unless a bill has been called up in the Senate, the Senate has acted upon it — had the opportunity to amend and to debate and has acted on that bill and formally sent it to conference. Well, these bills have not been formally sent to conference, but they are being accepted in conference nevertheless. It happened last year. It happened in three out of the last four years. Bills were just put in a package in conference on another bill that was legitimately forthcoming and sent back to the Senate as a package, an omnibus conference report. Let me remind you that the conference report, which comes back before the Senate, is not amendable. This is a real short-circuiting of the legislative process. It ought not happen. It is bad for the Senate. It is bad for the country. It is not, in my judgment, constitutional.

*RF:* Some members support a two-year budget. In your opinion, would that alleviate some of these problems?

*Senator Byrd:* I do not think so. I think the problems might even increase. There would probably be more bills and a higher number of supplemental appropriations bills than is the case now. We cannot see with certitude what the future holds a year away and with much less assurance, can we see what the future holds two years away. Circumstances change. As circumstances change, droughts and floods, tornados and hurricanes, and fires and other disasters, there is a need for funding. As unforeseen military conflicts arise, there is a need for funding. As the economic situation may change, and it may change for the worse, there may be a need for funding. There may be a need for keeping a recession from becoming a depression. We cannot foresee these things.

■ Senator Robert C. Byrd was elected to the United States Senate on January 3, 1959.

■ During his 42 years in the United States Senate, he has held more leadership positions than any other Senator of any party in Senate history.

- Secretary of the Senate Democratic Conference (1967-1970)
- Senate Majority Whip (1971-1976)
- Senate Majority Leader (1977-1980, 1987-1988)
- Senate Minority Leader (1981-1986)
- President *pro tempore* (1989-1994)
- Chairman, Senate Appropriations Committee (1989-1995)
- **Ranking Member, Senate Appropriations Committee (1996-Present)**

■ In 1994, Senator Byrd became one of only three U.S. Senators in history to be elected to a seventh consecutive term in the U.S. Senate.

■ On July 27, 1996, Senator Byrd became the first U.S. Senator in history to cast 14,000 votes. As of September 7, 2000, he had cast 15,804 votes.

We get paid for a full year and a full day's work and we ought to be willing to stay here and work when there is a necessity. The Constitution requires that we meet at least once every year and we ought to be willing to do that. We shouldn't be so greedy for leisure.

One of the great and important tasks placed upon us by the Constitution is the task of oversight. We should oversee the agencies of government. We should oversee the funding of those agencies, how the money is spent, whether it is well spent; and whether it was spent. If the money was not spent, we should know why, and if they come up short, we should know why. We need to exercise that oversight. The Appropriations Committee is in the best position to be, and by virtue of its responsibilities, the chief oversight organ of the Congress. We ought not put it on automatic pilot.

There are those who claim that if we cut the appropriations process in half, that we would do a lot more oversight. Don't kid yourself. When Senators aren't required to be here to vote, all too many times, they are not here to conduct oversight. We've had annual appropriations now for 212 years and I think it has proved itself well. We should rely on it for the next 212 years and beyond.

*RF:* Along the same lines, there has always been a difficult relationship between the appropriators and the authorizers. Some feel the roles should be merged. Do you agree?

**“There are 23 states not represented on the appropriations committee, their only recourse is to engage in debate and offer amendments in the Senate itself.”**

*Senator Byrd:* No, I do not. I can tell you right now the role is merged automatically when so many of the authorizing committees don't do their work. And even if the authorizing committees do their work, the authorizing bill is not called up in the Senate. Take the Elementary and Secondary Education Act of 1965; it's up there on the calendar. But, it hasn't been called up in the Senate. That is an authorizing bill.

In many of the 42 years that I have been in the appropriations process, the appropriations bill has had to carry the autho-



*Senator Byrd (D-WV) discusses the appropriations cycle with Forum editor Ashleigh Roberts.*

rizing vehicle. It has had to do the authorization because the authorizing committee didn't do it or couldn't do it. The authorizers should do their work. They have special expertise because they go over the bill, and they fill in the details of the program. If they do their work correctly and many of them do, and they are sincere and dedicated, they will explore why this program has or has not worked. They will look at where it needs more funding, where it could do without personnel or where it needs more personnel. They can give it the time. That is their business, and they should do that work. The Appropriations Committee doesn't have the time to do all of that. Each has its proper place and each ought to do its work.

*RF:* You and Senator Warner proposed an amendment to a defense appropriations bill that said America would continue its involvement in Kosovo, but should vote affirmatively in favor of further involvement at a future date. While it was narrowly defeated, should the Senate have an increased role in foreign policy?

*Senator Byrd:* I think indeed the Senate has that increased role that it needs in foreign policy by virtue of the Constitution. The Constitution gave the Senate a certain role. It gave it ample powers. The problem is that the Congress has not always fulfilled its proper role. All too many times, it has by lack of attention, or in one way or another, yielded some of its role to the executive branch. No vacuum can exist there.

The executive branch will certainly fill the vacuum. Congress has not been vigilant enough in protecting its prerogatives. And by prerogatives, I do not mean prerequisites. It has not been zealous enough in protecting our Constitutional prerogatives. As a result, the executive branch, the administration is always awake, 24 hours of the day 365 days of the year, reaching and always grasping for more power. Every hour of the day and many hours of the day when I am asleep — when Congress is out of session, the executive branch is always there. In some corner in

**“The administration is always awake, 24 hours of the day, 365 days of the year, reaching and always grasping for more power.”**

the earth, there is some person representing the executive branch who is awake, who is alert and who is reaching.

Almost every president that comes into office reaches. He isn't there long before he apparently begins to think in terms of accumulating power, executive power. He is jealous of it. He is zealous to protect it. I can understand that. Congress should be just as zealous in playing its role, maintaining its role and fulfilling its duties under the Constitution. We don't need any more Constitutional power. We've got it. We're just relaxed. In relaxing, the executive branch has taken on more. In any war, the chief executive will gain in power because we're all willing to give the president whatever he needs and that is when so much of the power of Congress has slipped away.

**RF:** Several years ago, you discussed the creation of a group to improve the state of comity in the Senate. Do you still think too much partisanship exists in the Senate?

**Senator Byrd:** The decorum is certainly not the best in the Senate. I must say that both leaders have listened to my insistence that we maintain order in Senate. They have both listened to me in this regard, and they have responded. I praise both of them for that. It's important that we have order and it's especially important that we have decorum.

After all, we are all in this together and we have to get along and serve the nation. We must never put party above what is best for the nation. There is too much of that. It seems to me that is another change I have seen in my time here. It seems too many of us think first of the party and the nation is secondary, the Constitution is secondary, the Senate is secondary. Politics and what

will win for the party is paramount. That is bad, B-A-D. Both parties are guilty of this. The Senate is becoming too political and too partisanly political. There is a difference. There is a difference in being just political and being overly partisanly political. There is too much partisanship. Both sides to a degree have succumbed to this drive.

**RF:** Senator, how would you recommend the Senate function given the 50-50 split in the next session?

**Senator Byrd:** I think that Senate precedence will prevail. With a 50-50 split, the party that has the Vice-President will be in control of the Senate. I believe it was in 1881 when the breakdown was 37-37. On that occasion, former Supreme Court Justice David Davis of Illinois announced he would vote with the Democrats and Senator William Mahone of Virginia announced he would vote with the Republicans. After negotiations, the leadership of the Senate committees remained in Republican hands and the Democrats controlled the offices of the Secretary and Sergeant of Arms.

**U**nder the Constitution, the Vice-President, as the presiding officer over the Senate, will naturally vote with the party of which he is a member, and they will control the Senate with a 50-50 count. Of course, on committees, it may be something else. However, I think the party in control of the Senate should be the party in control of the committees. That party should have the chairmanship of the committees. But, there will have to be some negotiations.

**RF:** What is your response to the recent proposals to “reform” or do away with the Electoral College?

**Senator Byrd:** I would be against abolishing the Electoral College for many reasons, but one of the main reasons is that I come from a small state in terms of population. The Electoral College is biased, if I may use that word, toward the small states. The Senate is the forum for all of the states but adding my post-script, especially the small ones population wise. California has 54 electoral votes and West Virginia has five. Yet, every state has two Senators. Consequently, one of the elements in the determinant number of electoral votes is the number of Senators from each state. Large and small states each have two. It is the same way when it comes to the Electoral College, the factor that accounts for two votes for every state. That is why I, coming from a small state, would oppose abolishing the Electoral College. **R**

*Ashleigh Roberts is the editor of The Ripon Forum.*



# What A Difference A Congress Makes

*Republican Legislation: A guaranteed global success*

By Robert E. Vagley

**W**hat a difference a Congress makes. Some partisans may decry the 106<sup>th</sup> Congress as “do-nothing,” but for insurers and others in the financial services industry, its employees and its customers, the 106<sup>th</sup> rocked and rolled up major legislative accomplishments to confirm America’s position in the global 21<sup>st</sup> century economy.

Technology is rapidly revolutionizing people’s lives and ways of doing business. Laws, born in the horse and buggy age and adapted to the industrial revolution, needed to be modernized to deal with this latest revolution. Some laws were designed only for the tangible, not virtual, world. Others impeded productivity while the speed, volume, integration and increasing pervasiveness of computer technology required updating consumer protections.

While the market was modernizing itself piecemeal through ad hoc regulatory action, the 106<sup>th</sup> Congress hammered out a comprehensive, balanced law. Moving deliberately on such a ma-



major bill is important, but the bill was coming overdue. Legislation had been rattling around the halls of Congress for years. Modernizing the obsolete laws governing financial services was a critical achievement

In a truly historic vote last November, Congress passed the Financial Services Modernization Act. It tore down the outdated barriers established in the 1930s among the insurance, banking and securities industries and will allow these and related industries to affiliate with each other. The U.S. Department of Treasury estimated this would generate \$15 billion in savings while enabling financial services companies to deliver better services and products to consumers, and boosting the global competitiveness of U.S. financial ser-

vices firms.

In the bill, Congress approved a functional regulatory framework that would allow the insurance industry, which is regulated by the states, to compete with the federally regulated banking and securities industries. This year insurers have

been working with the state insurance commissioners to develop a uniform regulatory system that could achieve the level-playing field envisioned by the Congress. Congress, for its part, has monitored this process during the year by holding oversight hearings.

As part of this top-to-bottom reform of financial services, Congress included strong new consumer privacy protections. These new protections complement those already on the books as well as the industry's traditional practices.

The Congress also acted to ensure that the year 2000 inaugurated only the new century, not open season for frivolous lawsuits. The success and staying power of computer technology surprised even the hi-tech industry. In 1999, they and the businesses that now depended on their wares were facing what became known as Y2K. The problem was old software programs did not accommodate a date later than December 31, 1999, but that software was still in use and deeply imbedded in systems throughout the nation.

## **“The Congress also acted to ensure that the year 2000 inaugurated only the new century, not open season for frivolous lawsuits.”**

Fixing it was a remarkable technological challenge, but it was also a challenge to the legal system. The situation was ripe for the kind of frivolous lawsuits that undermine the judicial system. Congress passed Y2K legislation ensuring that resources would be devoted to fixing the problem, not litigating about the problem. In what is landmark legislation, Congress included a 90-day “cure” period before any Y2K liability lawsuits could be filed, placed caps on punitive damages for small businesses, and instituted proportionate liability with other class action reforms. The result was a resounding success — January 1, 2000 brought only an evening's celebration, not years of costly legal wrangling.

Commerce was moving from just “bricks and mortar” to “clicks and mortar” and even “clicks and virtual mortar,” but the law had not caught up. Electronic transactions were truly virtual, a virtual unknown. Congress enacted e-signature legislation making e-signatures and e-documents the legal equivalent of their inked counterparts. Initially the bills under consideration were too narrow in scope, leaving many issues unresolved and industries, including insurance, uncovered. The American Insurance As-

sociation worked with Congress so insurers and insurance customers can confidently reap the benefits of working electronically.

A truly historic vote, perhaps the one for which this Congress will be most remembered, is when Congress chose the power of free-market capitalism and the freedom it requires over the politically safer path of sanctions and isolationism. The Congress passed Permanent Normal Trading Relations (PNTR) for China ensuring that the Chinese market will be open to U.S. companies and not just foreign competitors, when China joins the World Trade Organization.

**P**assage of PNTR was a crucial vote for insurers. While many think of trade only in terms of manufactured goods and agricultural commodities, services like insurance are comparably important to the United States. Overall, the nation may have a trade deficit, but it has a trade surplus in services. Moreover, the economic health of AIA's members and others in financial services and the good paying jobs, averaging \$44,000 nationally, here at home increasingly depend on exports.

For AIA's part, it is now working to ensure that the Congress's faith in passing PNTR was well placed. It is providing technical assistance to U.S. trade negotiators so that China's market opening commitments are in fact realized. This is a very technical and contentious process going line-by-line to define terms and scouring China's laws to identify those that they will have to pass, revise or delete to accommodate these commitments. Negotiations among U.S., WTO and Chinese trade negotiators have indeed been difficult, but it is also understood that the terms on which China enters WTO will determine the level of access and influence that U.S. firms will have to bring needed changes to China.

The Republican-led Congress brought us into the 21<sup>st</sup> century by modernizing financial services, establishing a sound legal basis for e-commerce and ensuring that the dawning of the new century was technologically and legally uneventful. As capitalism spreads across the globe to the few remaining holdouts, Congress ensured that the United States will be active in spreading the freedom and prosperity that comes with free markets. Truly, what a difference a Congress makes. **R**

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*Robert E. Vagley is the President of American Insurance Association. The American Insurance Association represents more than 370 major insurance companies that provide all lines of property and casualty insurance and write more than \$60 billion annually in premiums. The association is headquartered in Washington, D.C. and has representatives in every state. All AIA press releases are available at [www.aiadc.org](http://www.aiadc.org).*



# Airline Delays Reach Record Levels

*Congress and the Federal Aviation Administration investigate air traffic problems while consumers are left waiting*

By David Balloff

**M**any people have experienced frustration from airline delays, especially this past summer. According to Federal Aviation Administration (FAA) delay statistics, this was the worst summer of delays in five years.

Delays are said to cost the airlines and their passengers over \$5 billion annually and result in passengers being delayed 30,000 hours each day. This year, delays from January through June are almost 13.6 percent higher than 1999. In June alone, delays increased 20 percent.

At the same time, the FAA recently reported the number of airlines passengers traveling per year would rise to one billion by 2010. About 70 percent of that increase is expected to occur in the nation's 28 largest airports.

U.S. Representative John J. Duncan, Jr. (R-Tenn.), who has chaired the House Aviation Subcommittee for the

past six years, has spent much of his time determining the most effective way to reduce air traffic delays.

In September of this year, Chairman Duncan held a hearing on Air Traffic Control (ATC) problems. During the hearing, Fred Smith, Chairman, President and CEO of Federal Express, testified before the U.S. House of Representatives Aviation Subcommittee.

Smith said air traffic delays were not only occurring at all hours of the day and night, but were growing at an alarming rate.

"In June of 2000, FedEx suffered 102,177 minutes of delays attributable to the Air Traffic Control system," he said. "By contrast, in June of 1999 there were 72,570 delay minutes. The delays in June of this year alone resulted in almost \$3 million in added unnecessary operational costs."

According to a number of commercial carriers, FAA delays per 1000 op-

In addressing Air Traffic Control delays, the Wendell H. Ford Investment and Reform Act for the 21<sup>st</sup> Century (AIR-21) does the following:

- Increases the FAA's facilities, equipment and budget by almost 50 percent so the agency can modernize the ATC system;
- Increases investment for runways and other equipment at airports that will enhance safety;
- Provides the FAA with sufficient funding to hire and retain air traffic controllers, maintenance technicians, and safety inspectors necessary for the safety of the aviation system;
- Important changes are made in the management structure of the FAA to ensure that money is spent wisely;
- A management board is created to oversee the Air Traffic Control modernization program.

— Information from the U.S. House of Representatives Aviation Subcommittee

erations for the first six months of 2000 are up 83 percent in Detroit, 120 percent at Dallas Fort Worth, 115 percent in Cleveland and 91 percent at Chicago's O'Hare.

New York's Newark has the worst delay problem with 90 delays per 1,000 departures, followed by New York's LaGuardia, San Francisco, Chicago, Boston, Philadelphia, New York's John F. Kennedy and Dallas Fort Worth in Texas.

According to a recent Department of Transportation (DOT) Inspector General Audit Report, one large airline claimed it lost as much as \$120 million in the first half of 1999 because ATC canceled flights.

## DEFINING A DELAYED FLIGHT

The initial question of what constitutes a delayed flight is more complex than it appears. FAA only counts delays that occur at the direction of ATC.

Therefore, if a flight sits at the gate for an hour after scheduled departure time because of a mechanical problem or a tardy crewmember, that flight would not be counted as delayed by the FAA as long as ATC cleared the plane for take-off as soon as it was ready.

On the other hand, if ATC holds the plane on the ground or places it in a holding pattern in the sky, that

counts as a delay even if the flight is able to reach the gate at the scheduled arrival time.

However, FAA allows itself a 15-minute leeway period. If controllers delay a flight by 14 minutes, FAA still counts the plane on time.

The issue becomes more confusing when looking at the on-time arrival statistics that are published in the newspaper each month. These statistics are not FAA delay statistics. They come from DOT and are based on how often the airline's flights arrive on time. These statistics measure airline delays regardless of the cause.

The most recent Air Transport Association publication reports:

- Passenger traffic in 1999 grew by 5.4 percent to \$651.6 billion revenue passenger miles;
- There were over 1.7 million daily passengers;
- The airlines operate in excess of 23,000 domestic and international flights per day, directly employing over 646,000 people and pumped nearly \$300 billion into our national economy each year.

— Information from the U.S. House of Representatives Aviation Subcommittee

Additionally, the published statistics are arrival statistics and not departure statistics. They are based on the time the flight arrives at the gate rather than when it touches down on the runway. Since they are arrival statistics, the airline does not get an advantage by pulling away from the gate and sitting on the runway.

**D**etermining the cause of the delay creates more difficulty. Weather, traffic volume, ATC equipment problems and runway problems are often cited as causes. Frequently, these factors overlap and there is disagreement over the exact cause of the delay.

## TAKING ACTION

Congress passed the Wendell H. Ford Investment and Reform Act for the 21<sup>st</sup> Century (AIR-21) on April 6, 2000. This is a three-year bill directing the FAA to establish a task force to examine the problem and increase aviation investment by \$10 billion over current levels. Most of the funding will pay for radar modernization and much needed construction projects.



The total authorized funding for federal aviation programs for 2001 through 2003 will be \$40 billion over the next three years, \$33 billion of which will be guaranteed for the aviation trust fund, while \$6.7 billion will be available to be appropriated from the general fund.

The federal taxes associated with each airline ticket go into a trust fund, which up until now has been used for programs other than aviation.

**W**ith the passage of this law, revenues that go into this trust fund can only be used on aviation. This will improve the current situation by unlocking the aviation trust fund and directing much of the money to the purchase of new ATC equipment and increasing airport travel capacity.

Presumably, with more modern equipment there will be fewer outages. Moreover, modern computer hardware will provide a platform for upgraded software that will alleviate delays.

AIR-21 is the greatest long-term solution to the aviation problem. These new programs will improve the ATC system, but will take time to be implemented. Still at issue is what can be

done now to improve the system.

Kenneth M. Mead, Inspector General of DOT, recently said, "I don't think there is anything on the drawing board right now that you can say with any credibility is the answer."

Mead said the FAA indicated there was no "silver bullet" to address the delay problem and instead has focused on a variety of measures.

In August of last year, FAA Administrator Jane Garvey convened a meeting with the 10 airlines and the Air Transport Association (ATA) to discuss short-term initiatives the FAA could implement to reduce the number of delays.

There are several new technologies that can help alleviate air traffic delays. These include:

**User Request Evaluation Tool (URET)** — Identifies potential aircraft conflicts 20 minutes in advance, which give controllers more flexibility and the capacity to safely handle more airplanes.

**Traffic Management Adviser** — Helps controllers space planes as they approach airports to maximize runway usage.

**Passive Final Approach Spacing Tool** — Works with traffic management to help maximize the number of planes a runway can handle.

**Precision Runway Monitor** — Allows parallel approaches to closely spaced runways.

**National Airspace Redesign** — A complete redesign of the airspace, which should improve traffic flow and is mandated by section 736 of AIR-21. While several short-term steps will be completed as early as this year, the entire redesign will last eight years.

—Information from the U.S. House of Representatives Aviation Subcommittee



The airlines and FAA agreed to 21 initiatives the FAA could implement to improve the situation. The recommendations focused on centralizing decision-making at the command center in Herndon, Virginia, re-evaluating the use of ground stops (the practice of holding planes at the airport), re-examining the number of miles in trail restrictions (the space between aircraft in the air), and adjusting the phase-in period for new equipment to avoid problems.

Solutions, like the 21 initiatives already mentioned, are being proposed. The question remains how long it will take to implement them. **R**

*David Balloff works on the Aviation Subcommittee on the U.S. House of Representatives Transportation and Infrastructure Committee*

# The Re

*In one of the most tightly contested presidential elections in U.S. history, the Supreme Court brings you highlights from the 37-day legal struggle.*

By Ashli

**O**n December 11, two days after the U.S. Supreme Court ordered an emergency halt to the presidential ballot recount in Florida, hundreds of Americans gathered outside the U.S. Supreme Court to support their candidate. Republicans carried signs with slogans such as *Sore Loserman 2000*, *Show Gore The Door* and *A Dent Is Not Intent*. On the other side, Democrats carried signs saying *Bush Stinks*, *Count the Votes* and *Be Fair to Voters*.

In a crowd that swelled to about 1,000 people in the early afternoon, passionate chants heated up the cold December day. Citizens were dressed in costumes, some complete with hats and masks; students carried home-made banners; one woman wearing a bright yellow poncho yelled anti-Gore messages into a megaphone while another woman paced in front of her with a Gore/Lieberman 2000 sign held high. One couple even brought a live donkey to show their support for Vice-President Gore.

The media also showed up in droves. Hundreds of photographers weaved in and out of the crowd snapping shots while technical crews set up feeds across the street. About 100 Capitol Police officers lined the sidewalks, directed traffic and stood in front of the Supreme Court building.

The American tradition of protest was alive and well in the nation's capitol.

Reverend Jesse Jackson was booed and cheered as he made his way to the television cameras for an interview. One man yelled that Jackson should get a job while another woman profusely thanked him for standing up for the people.

Both sides presented strong and passionate arguments. Chris Meyer, a Bush supporter who works for a think tank in Washington D.C., said he was tired of the post-election antics.



"I'm just getting really annoyed by the whole court process," he said. "I think everybody knows who won, but they keep pushing it back with the legal system."

Meyer said the legal hurdles were a typical response from the Gore campaign and one of the main differences between the candidates and the style of leadership that would be seen in the White House.

# Scoop

lections in recent history, *The Ripon Forum* off that ended in George W. Bush's presidency.

Roberts



"Look at what has happened after the election," he said. "If Al Gore wins, we don't stand a chance at unifying the nation. He has never been able to give up anything."

Another Bush supporter said Gore needed to abide by the will of the American people and stop trying to spin the election to change the outcome.

"Gore is using the media and something needs to be done to stop it," said Melissa Kelley, a student at George Washington University. "I think it's disgusting what he is doing to the country."

Gore supporters strongly objected to these characterizations of their candidate and his election complaints. Matt Allen, a student at George Washington University, said the people who voted for Mr. Gore deserved to be heard.

"Bush's strategy for winning in Florida includes the disenfranchisement of many voters," said Allen. "I think it's unfair."

While both sides vehemently disagreed, the mood seemed upbeat with excitement permeating the cold, winter air. Nicole Treinen, a Gore supporter from Silver Spring, Maryland, said although she was an ardent Gore defender, she thought the protests were healthy for the nation.

"It's what we do," she said. "This is the American way. We protested about civil rights, Vietnam and we still protest about abortion."

Many people said the level of citizen activism surprised them. Bill Adams, a political fundraiser from Atlanta, Georgia, said he drove to Washington, D.C. to take part in the demonstrations. It's good to come out and express yourself he said.

Adams carried a sign that said *Let's come together*. It was the only bi-partisan sign in the crowd. Although he voted for Bush, Adams said the election was about a greater cause.

"Somebody is going to win this deal and you have to unify behind the winner," he said. "Whether the Supreme Court rules for Bush or Gore, it will have a unifying effect on the nation. I think that is what everyone is searching for." **R**

*Ashleigh Roberts is the editor of The Ripon Forum.*

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