

## EDITORIAL/OPINION

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# The New Republican Manifesto

By STEVE CHARNOVITZ

Earlier this week, about 150 Republican members of Congress and 200 Republican challengers signed a manifesto laying out a detailed program for "national renewal." They call their program a "Contract With America." It explains what the Republicans would do in their first 100 days if they gain a majority in the U.S. House of Representatives. As a window into the thinking of the Republican vanguard, the document deserves careful scrutiny.

There is widespread agreement that national renewal is needed. President Clinton himself campaigned on a platform of major change. Many economic improvements already are occurring. Yet the polls show broad dissatisfaction with the nation's direction and with the quality of government.

The Republican manifesto contains dozens of iconoclastic ideas. It may be helpful to start with the proposals aimed at remedying the problems exacerbated by government — that is, "government failure." Next we can consider the proposals aimed at remedying the problems exacerbated by the market — that is, "market failure."

The top Republican goal seems to be to reduce the cost of the federal government. The Republicans propose a constitutional amendment to require that Congress approve any tax increase by a three-fifths vote.

To stem the flow of red ink before the constitution can be altered, Republicans would rewrite congressional rules to require a three-fifths vote in the House for any tax increase. This rules change is promised for the first day of the 104th Congress next January. Such swift action would preclude hearings on the potential economic impact of the supermajority requirement.

The constitutional amendment would also mandate a balanced federal budget by 2002. This would necessitate enormous reductions in federal programs. The Republicans do not provide specifics on what

programs should be cut, except for one area: welfare. Welfare, however, is small potatoes. One could wipe out welfare completely and still not nick more than 6% off the 1995 deficit.

Ironically, the Republicans provide greater specificity on how taxes might be lowered. Among their proposed tax reductions are: a capital gains tax cut, indexation of capital gains, tax incentives for adoption, an elderly dependent tax credit, a \$500 add-on to the current child-care tax credit, a discontinuation of the so-called marriage tax penalty, a repeal of the tax on social security approved last year, new tax preferences to facilitate long-term care, small business "incentives" and "American Dream Savings Accounts to provide middle class tax relief."

Some of the tax cuts may have merit. Yet they would make the task of balancing the budget that much harder. The Republicans claim to want to "restore fiscal responsibility to an out-of-control Congress." But ever since the budget disciplines installed in 1990, the Congress has exercised fiscal responsibility. It is the

Republicans who seem out of control here by offering to cut taxes without making commensurate cuts in spending.

The Republicans also promise to reform a national government that is "too big" and "too intrusive." But some of their specific proposals seem to contradict the central tenet of federalism, which is that local and state issues should be handled by local and state governments.

For instance, the plan would strengthen the rights of parents in schools, require "truth-in-prison sentencing" and subsidize the hiring of more local police. A true conservative would balk at any role in such matters by Washington.

The GOP contract is strangely silent about a number of key 1995 issues. For example, nothing is said about granting new trade negotiating authority to President Clinton. Another notable omission is the most significant administrative reform in a generation — the "reinventing government" program launched by Vice President Gore. Would a Republican Congress back these efforts?

The Republicans do endorse some

constructive administrative proposals such as a better use of cost-benefit analysis. They also promise to hold votes on product liability reform and "reasonable" limits on punitive damages. These issues are now bottled up in congressional committees.

The Republican manifesto offers many nostrums for fixing government failure. Yet when it comes to fixing market failure, the candidates get tongue-tied. They can agree on "stronger child pornography laws." But they have no prescription for the fundamental problems of health-care access, mediocre schools, poor workplace training, environmental damage and worn-out roads and bridges.

How how can we achieve national renewal without serious attention to issues like these? Unfortunately, they do not seem to rank high on the agenda of Republican incumbents and challengers.

The "Contract With America" is flawed and incomplete. Caveat emptor! Yet in attempting such an effort, the Republicans have latched on to a useful idea. One way to sharpen political discourse and strengthen the role of political parties is for the party out of power to put forward a coherent program.

Shadow governments in the parliamentary tradition have not been used in the United States. But they could be an effective antidote to the superficiality that often characterizes our elections.

In attempting to fashion a cohesive message, the House Republicans give the public something more to think about in 435 congressional elections than the personalities of the contenders. The minority party also puts pressure on the majority party to articulate why a new Democratic Congress will get more accomplished than the current Congress has.

Steve Charnovitz writes on trade and competitiveness issues from Washington.



"I voted Democratic . . . Isn't that enough?"