

"The Apford Connection"
is a waste of money, money
that could have been
spent on giving the
listener needed information
on how and if Bill
Clinton performs as
President. He is at the
mercy of George Bush
until he is in office.
Will ~~we~~ be at war for
the inauguration.

Jan. 1993

Happy New Year.
C SPAN -

Enjoy your
Program. This time
I voted for Bill Clinton.
The enclosed article
will explain my
reasons.

Sincerely,

Earthnotes®

cards printed with soy ink on 100% recycled paper

Recycling reduces waste, saves energy, protects resources.
Earth Care Paper Inc., PO Box 14140, Dept. 64, Madison, WI 53714
The sale of this card helps support organizations working to solve
environmental and social problems.
Art © Linda Eades Blackburn



Clinton's Fiscal Dilemma

New administration has to stimulate economy while curbing deficit

By James L. Haskel

AFTER a year and a half of sometimes tortuous spectacles, the American people have had their say. George Bush can take a vacation and drive whatever speedboat he likes. Ross Perot can leave politics, the arena he claims to hate, and return to the computer business. And Bill Clinton can leave the campaign and start preparing for the White House.

But if the president-elect, who called himself a "new" Democrat throughout the campaign, is to succeed in the White House, he

member banks) since December 1990. Meanwhile, long-term interest rates, which influence business decisions on investment in plant and equipment, and real mortgage rates remain relatively high, at or near 7.5 percent.

What accounts for this difference? Long-term lenders demand a higher rate of interest on loans because they believe that the United States government will be unable or unwilling to reduce the federal budget deficit. Since an expanding deficit creates the perception of increased levels of government demand for capital, interest rates are pushed up. When long-term interest rates are high, long-term private investment — the engine that drives the econ-

government health programs that have remained totally untouched in all of the deficit-reduction battles during the past 10 years. In order to contemplate such cuts the Democrats will demand tax increases that ultimately will result in higher taxes on everybody in the upper half of the income spectrum," says Mr. Makin.

It is doubtful whether Republicans and conservative Democrats, always sensitive to "tax and spend" changes, will swallow such medicine. The new president will need to wield a strong stick to break the backs of special interests who keep a watch over the mandatory entitlement programs which now account for more than 60 percent of the federal budget.

Only if Clinton is tough enough to take on many of his own constituents and clever enough to persuade his Democratic colleagues in the Congress to get tough on spending, can he succeed in quelling the fears of credit markets.

No wonder Wall Street is skeptical. Bill Clinton waged a brilliant campaign, but he also is seen by many as overly political. With his eye on reelection, it is not hard to imagine Clinton succumbing to the very interests he will need to confront to achieve political and economic success. The dearth of confidence in the bond markets was evidenced Oct. 19, when long-term rates shot up from 7.3 percent to 7.6 percent as the market became convinced that Clinton would win.

A difference of 0.3 percent on a \$200,000 mortgage would translate into a loss of \$6,000 per year. Many in the financial community feel that Clinton must

Next: a Chinese Free-Trade Zone?

By Murray Weidenbaum

WITHOUT underestimating the role of Japan, there is another way of looking at economic developments in the Asian rim, the fastest growing part of the world. Over the years, scholars have referred to the Chinas as a multiple — two Chinas, three Chinas, and more.

They have in mind the major economies of that region which are predominantly Chinese. In addition to mainland China, that includes Taiwan, Hong Kong, and Singapore — and other key locations in the region where executives, traders, and financiers of Chinese background make important economic contributions.

Some analysts believe China's economy is emerging as a new epicenter for commerce and finance. This strategic area contains substantial capital, technology, and manufacturing capability (Taiwan), outstanding marketing and a services acumen (Hong Kong), a fine communications network (Singapore), and large endowments of land, resources, and labor (mainland China).

That informal economy consists mainly of midsize family-run firms, rather than huge multinational corporations. From Guangzhou to Singapore, from Kuala Lumpur to Manila, this influential network is the backbone of the East Asian economy.

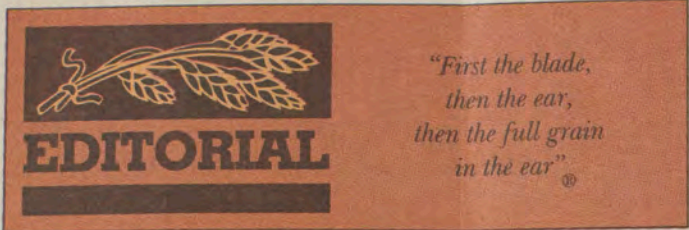
Taiwan was the largest foreign investor in Malaysia and Vietnam in 1991. Foreign direct investment from the newly industrialized economies of South Korea, Taiwan, Hong Kong, and Singapore surpassed that of both Japan and the US in Indonesia as well as Malaysia and was almost as large as Japan's in Thailand.

Not surprising, the rapidly developing Asian rim countries are turning to suppliers within their own region for their imports. These newly developing countries now buy 33 percent of their imports from other nations within the region, compared to less than 24 percent in 1985. A substantial amount of cross-investment and trade takes place, often on a family basis, among the various "Chinas." Frequently, these business ties involve "overseas" Chinese who are dealing with people in the province of China from which they or their ancestors migrated.

Private analysts estimate the foreign exchange reserves of the various Chinas at an impressive aggregation of \$200 billion. Some observers already refer to the "Chinese Productivity Triangle" or even to the forthcoming "Chinese Century."

A HISTORICAL parallel comes to mind: the Hanseatic League. For many centuries during the late middle ages, the Hanseatic League tied together the merchants and cities of northern Germany and the Baltic area generally. The Hanse cities did not set up a unified government. Rather, the business and government leaders cooperated on matters of mutual economic and financial interest.

The Republican party has lost. The people speak - loud and clear - stop the whining and take your medicine.



"First the blade,
then the ear,
then the full grain
in the ear"

The GOP's Future ...

TWO years ago experts across the political spectrum agreed that a Democrat was unlikely to occupy the White House again this century. This view was based on more than George Bush's high approval ratings after the Gulf war.

It was also grounded on what was said to be the Republican Party's "lock" on the electoral college. In this analysis, the GOP had enough unshakable support in the South, the Rocky Mountain states, and parts of the industrial Midwest to guarantee an electoral-college majority, whoever the party's nominee might be.

Well, as one sage put it, on Nov. 3 Bill Clinton picked the lock. He won by making large inroads into the Republicans' base.

The Republicans are in the throes of election post-mortems, recriminations against the press and other outsiders, and finger-pointing at fellow party members as they survey the shambles of their political fortunes. As in 1964 after Lyndon Johnson's landslide win over Barry Goldwater, Republicans must undertake a major reassessment of their political strategy.

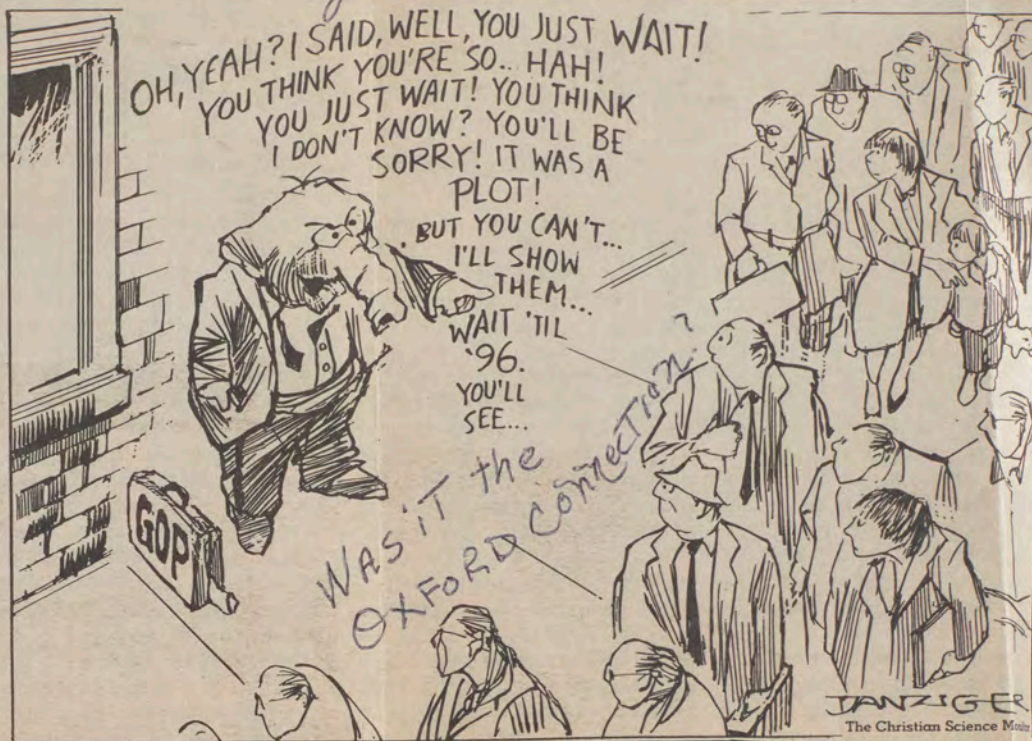
The stagnant economy of course contributed heavily to Mr. Clinton's victory. But Republicans will make a mistake if they attribute the defeat solely to economic forces outside their control or to Mr. Bush's failings as a campaigner. The electorate has changed since the GOP clamped its lock onto the electoral college.

For one thing, many more women are involved in politics today. Clinton won decisively with women, especially young working women in whose eyes Republican "family values" haven't translated into programs for families.

Also, the Democrats' gains in the South this year aren't attributable only having two Southerners on the ticket. Many Southern white males - one of the staunchest elements of the GOP's base in recent elections - voted for Clinton. This may indicate that the race card - played subtly by GOP candidates since Richard Nixon forged his "Southern strategy" in 1968 - is losing its effectiveness. Clinton seized a large chunk of the South without significantly playing down his commitment to civil rights.

Beyond needing a new messenger, the Republicans need to rethink their message. Political messages have both text and tone. Much of the text of the GOP message should stay the same: A strong case can be made for such traditional Republican positions as limited government, low taxes, free markets, judicial restraint, individual responsibility, and traditional moral values. In other respects, however, the text must be adjusted to appeal to women, young voters, and other elements of a changing electorate.

Beyond the text, the tone of the Republican message needs to be elevated. Even many Republicans were put off this year by harshness, nativism, and cultural



exclusionism in GOP rhetoric. Limited government doesn't have to mean uncaring government; individual responsibility and welfare reform don't have to be code terms for hostility toward the largely black urban poor; support of moral values needn't translate into homophobia or radical opposition to reproductive choice.

Republican factions are arming for a battle over the "soul" of the party. Some purists have vowed to "purge" members who don't hew to various orthodoxies. That's the wrong direction for the party. A Republican Party made "pure" either by supply-side economic conservatives or by religious-right social conservatives is destined for a long sojourn in the political wilderness.

Only a center-right, big-tent Republican Party, true to its principles but with a message of hope for many elements of America's changing populace, stands a chance to challenge the coalition Bill Clinton fashioned this year.



COSTA MESA, CA. 92626




Christmas 1991 USA



Automaattisesti 14801 Keskus-Mainos

Mr. Brian Lamb
C-Span Comments
400 N. Capitol St. # 650
Washington D.C.
20001



Castamasa, CA.