



FACTS & OPINIONS

On Public Interest Issues

Quotes

War is an ugly thing, but not the ugliest of things: Much worse is the decayed and degraded state of moral and patriotic feelings which thinks that nothing is worth war. A man who has nothing for which he is willing to fight — nothing he cares about more than his own personal safety — is a miserable creature who has no chance of being free, unless made and kept so by the exertions and blood of better men than himself.

—John Stuart Mill

In the American legal system, the accused is presumed innocent until proven guilty. To some on the political left, he is presumed to be innocent even after being proven guilty.

—Thomas Sowell
Syndicated Columnist

Principles for Victory — Part I

Newt Gingrich

The attack on September 11 was a twenty-first century Pearl Harbor, committed by a twenty-first century enemy, and it launched a twenty-first century war.

In August 1990, we orchestrated a coalition of twenty-eight countries for eight months, put 500,000 American troops in the field, and bombed Iraq for forty-two days in response to its invasion of Kuwait. If that was the appropriate reaction to the invasion of a distant country, then what is the appropriate response, by the most powerful nation in the history of the world, after thousands of American civilians have been killed in our own cities?

Defeating terrorism is an enormous task. In terms of scale and complexity, we may be closer to the Second World War than to any other conflict.

In that context, here are

ten principles necessary to create the potential for victory.

Principle One: We Are at War

We have been at war since 1990, when Saddam Hussein invaded Kuwait. Since then, terrorists have been continually killing Americans — only this time a threshold was crossed. So many Americans were killed on U.S. soil that our politicians could not ignore it.

On September 11, terrorists used American aircraft, on American soil, to kill thousands of innocent civilians. That was an act of war, more despicable and more costly in terms of American lives than Pearl Harbor.

We are at war. We have to defeat terrorism to preserve our safety, our freedom, and civilization as we know it. We

continued on page 3

FACTS & OPINIONS

February 2002
Volume 8, Number 1

President
Dr. Don Racheter

FACTS & OPINIONS is one of our quarterly membership newsletters, arriving in February, May, August, and November. It consists of short articles of public interest with an emphasis on current issues.

FACTS & OPINIONS is published by Public Interest Institute at Iowa Wesleyan College, a nonpartisan, nonprofit, research and educational institute, whose activities are supported by contributions from private individuals, corporations, companies, and foundations. The Institute does **not** accept government grants.

Contributions are tax-deductible under sections 501(c)(3) and 170 of the Internal Revenue Code.

Permission to reprint or copy in whole or part is granted, provided a version of this credit line is used: "Reprinted by permission from FACTS & OPINIONS, a quarterly newsletter of Public Interest Institute." The views expressed in this publication are those of the authors and not necessarily those of Public Interest Institute.

If you have an article you believe is worth sharing, please send it to us. All or a portion of your article may be used. The articles in this publication are brought to you in the interest of a better-informed citizenry, because IDEAS DO MATTER.

We invite you to:
CALL us at 319-385-3462
FAX to 319-385-3799
E-MAIL to public.interest.institute@limitedgovernment.org
VISIT our web site at www.limitedgovernment.org
WRITE us at our address on page 8

Copyright 2002 P.I.I.

Focus on Iowa Wesleyan College

Shelley Doak

Iowa Wesleyan College has begun the search process for a new president. Last September, Dr. James A. Halseth, Iowa Wesleyan's current president, announced his intent to retire after serving as the College's leader since July of 1999.

To begin the presidential search process, a 19-member search committee has been formed, which includes members of the College's Board of Trustees, Iowa Wesleyan personnel, and alumni. Trustees Lowell Doud and Lori Wright are co-chairs of the committee. Iowa Wesleyan has contracted with R.H. Perry & Associates, Inc., an executive search firm located in Washington, D.C., to conduct the presidential search, with Dr. Allen Koenig, senior consultant, serving as the lead consultant. Screening for the search will begin in January, with selection of a president slated for February.

"One important aspect of the presidential search process that occurred in November was Dr. Koenig's visit to campus. As senior consultant for the search, he met with Iowa Wesleyan faculty and staff to listen to the qualities they desire and expectations they have of the next president. Dr. Koenig also had dinner with community mem-

bers to receive their input before beginning this important process," explained Lowell Doud, co-chair of the search committee and chair of the Iowa Wesleyan Board of Trustees. "We intend to have the entire search completed with the new president named by February, assuming office no later than July 1."

An executive search profile for the president's position will be posted on Iowa Wesleyan's web site, and advertisements for the position have appeared in various publications. According to the search profile, the college is seeking a transformational president who is a strong leader, a strategic thinker, and an entrepreneur. Some of the qualifications for the next president include: possessing significant senior administrative higher education experience; commitment to fund raising; and considerable knowledge of enrollment management.

Shelley Doak is Public Relations Director at Iowa Wesleyan College.

If you would like more information on Iowa Wesleyan College, write or call:

**Iowa Wesleyan College
601 North Main
Mt. Pleasant, IA 52641
(319) 385-8021**

www.iwc.edu

Principles for Victory — Part I

Newt Gingrich

continued from page 1

have no alternative. We must win.

Principle Two: In War Your Enemies Are Allowed to Be Clever, Courageous, and Determined

A headline on the *Washington Post* website read, “Taliban warns of revenge.

Afghanistan’s ruling Taliban [party] warn[s] of revenge if the United States attack[s] their country in retaliation for this week’s devastating terrorist assaults.”

Given the choice of being on the side of civilization or on the side of terrorism, if the Taliban chooses terrorism and we are so foolish as to only bomb their country, why shouldn’t the Taliban seek revenge? When you go to war, you should seek total victory to make sure that your enemy is no longer in power and does not have the power to take revenge or threaten you. Time is always on the side of evil. That is an important premise of history. Time is always on the side of evil because the terrorists can wait, they can plan, and they can look for vulnerabilities while the good go about their daily business. To defeat

terrorism, the good have to mobilize for decisive victory.

Principle Three: In War, Your Vision of Success Is Decisive for the Rest of Your Achievements

It is important for this administration to codify what the president has said.

In the Second World War, we picked a very specific goal — unconditional surrender. We were very clear. We occupied Germany, Japan, and Italy. We created democracies. The world has been better ever since. That was a direct goal.

The only legitimate vision is the defeat and the destruction of the terrorist system

In the Civil War, Lincoln chose a very specific goal, a very hard goal: unconditional victory. To achieve that goal, he paid with more lives than in any other American war.

In Korea, we tolerated a stalemate as our goal because we thought the geopolitical consequences were too great. We have had troops in the Korean Peninsula since 1950. This is the fifty-first year of Korean campaign.

In Vietnam, we decided that defeat was preferable to the risk of victory. Not that we could not win, but the nation, after a decade of agonizing internal struggle, had decided that defeat was

preferable to the cost of victory.

In Desert Storm, we arranged a coalition for a limited goal — kick Iraq out of Kuwait and weaken Saddam. That was a very specific goal. In retrospect, it turned out to have been wrong. I think all the architects of the goal would now agree. They thought Saddam would fall as a consequence of our military actions — an underestimation of the survival mechanisms of dictators.

It is vital to have the right vision. It cannot consist only of going after the specific terrorist organization that launched the attack in New York. Yes, it would be useful to know who its members are; yes, we should get them: But they are a symptom of the disease. If we eliminate them, we will simply create martyrs. Following them will be a new generation of children to fight us.

The only legitimate vision is the defeat and the destruction of the terrorist system. That requires that we declare terrorism to be a crime against all nations, just as we did with piracy. We must refuse to accept the existence of any regime that harbors, supports, or protects terrorists. Anything short of that goal will ensure the return of organized terrorism in a few years.

I was a member of the National Security Commission, also known as the Hart-Rudman Commission. We
continued on page 4

Principles for Victory — Part I

Newt Gingrich

continued from page 3

spent three years studying the world of 2025. Our bipartisan panel of fourteen people unanimously concluded that the number one, most significant, threat to the United States is a biological, chemical, or nuclear weapon of mass destruction going off in our cities.

We know today that Saddam Hussein is willing to accept any level of sanctions to keep his program for weapons of mass destruction running. Iran has a massive program underway, and North Korea — while its population is starving despite being the largest recipient of U.S. food aid in Asia — also has a massive program of weapons of mass destruction.

Principle Four:

The Stakes Are Enormous

We understood the Second World War. Our way of life was threatened. Had the German Nazis, the Imperial Japanese, and the Italian Fascists won, our world would have been stunningly different. Today we face a similarly stark choice. Two principles are at stake. The first is our free worldwide economic political structure,

the ability to travel, the ability to have decent jobs. Consider also the necessity in our global economy to have just-in-time delivery, a system in which Taiwan, Thailand, China, or Mexico produce parts scheduled to arrive at a factory exactly on time for assembly. Terrorists are directly threatening the entire fabric of the world we have built for the past sixty years.

The second is that if we do not eradicate terrorism while conventional weapons are still being used, we will inevitably be faced, in our lifetime, with terrorists who will use weapons of mass destruction. September 11 is a tragic, but providential, warning of a much worse future.

Principle Five:

We Must Insist on Change

The Taliban should cease to house terrorists, or we replace the Taliban. This does not mean we have to be stupid. It does not require us, for example, to put seven American infantry divisions in Afghanistan. It may mean, however, the allocation of three billion dollars to hire all Afghans who do not like the Taliban, to arm them all, and to back them up with American firepower. I would guess that in less than a year, American air power, combined with support from armed Afghans, would drive the Taliban from power.

We are a serious nation, and the message should be simple if this is to be a serious

war: Saddam will stop his efforts and close down all programs to create weapons of mass destruction. He will expel all terrorists from Iraqi soil, or we will substitute a new government in Iraq. We must insist on change because we now have vivid proof in New York and Washington of the future if we do not. The next time it will be germs, or it will be a chemical weapon, or it will be a nuclear weapon. We must take this seriously. No one can say we have not been warned by what happened on September 11.

*Newt Gingrich
is a senior fellow at
American Enterprise Institute
and former Speaker of the
House of Representatives.*

*Part II of
“Principles for Victory”
will appear in the March 2002
edition of LIMITS.*

*Reprinted with
permission from
American Enterprise Institute.
For more information
contact AEI at
1150 Seventeenth Street, NW,
Washington, D.C. 20036,
call 1-202-862-5800, or visit
the website at www.aei.org.*

Check out our new feature — **Question of the Quarter** — on page eight. We want to know how you feel about the issues!

Limited Government and the War on Terrorism

David Hogberg

In the months following September 11, numerous commentators have heralded the return of “Big Government.” In *The American Prospect*, Columnist Jeff Faux claims that when Americans are in trouble, we turn to “the government’s firefighters, police officers, and rescue teams... And to big government’s army, navy, and air force.”

Writing in *The Wall Street Journal*, Al Hunt giddily proclaims, “Americans prefer to spend more money on security than for tax cuts. There’s no doubt, in the aftermath of Sept. 11, outlays in coming years will soar for the Pentagon, for rebuilding New York City, for bailing out hard-pressed industries, for protecting vulnerable targets like nuclear power plants, and for bolstering the capabilities of the CIA and FBI.”

Finally, in *The New York Times* Paul Krugman disparages the “right’s fanatical distrust of government.” Upset with Republican opposition to federalizing airport security, Krugman fumes that “there is literally nothing that will persuade these people to accept the need for increased federal spending. And we’re not talking about some isolated fringe; we’re talking about the men who control the Congressional Republican Party — and seem, once

again, to be in control of the White House.”

Such commentators maintain that more government is vital to fight the war on terrorism. To oppose more government is to get in the way of the national effort to eliminate terrorists. Indeed, taken to its logical conclusion, opposition to more government — be it in the form of airline bailouts, the creation of new government security agencies, or federalizing airport security personnel — is unpatriotic.

Bigger government will make it more difficult to conduct the war on terrorism.

Are the commentators right? Must conservatives, libertarians, and others for the time being give up their commitment to limited government to support America? In short, the answer is an emphatic “No!” It is not unpatriotic to oppose more government in these trying times — it is actually now more than ever the patriotic duty of those who believe in limited government to speak out. The reason is simple: bigger government will make it more difficult to conduct the war on terrorism. Big government can hamper the war effort in three ways: by harming our security, by dampening the economy, and by stymieing the recovery efforts.

Big government has already affected efforts to make the nation more secure in the wake of 9/11. The federal government has 46 different agencies that are involved in the domestic front of

this war. President Bush has created the Office of Homeland Security to ensure that these agencies work together. The irony is that we have to create more government to coordinate the government we already have. Having so many agencies makes us less secure, not more. Clearly, it would be much easier for the President to administer the war on the home front if he had to deal with, say, only five agencies. Instead, he will have to rely on his Director of Homeland Security, Tom Ridge, who has the thankless task of coordinating forty-six separate bureaucratic fiefdoms. Surely, some of these agencies perform outdated or duplicative functions. They could be eliminated or consolidated. These are matters that proponents of limited government must raise.

Government also gets in the way of security against bioterrorism. The government recently ordered millions of new doses of smallpox vaccine. U.S. drug companies could easily produce such a vaccine; indeed, since they last produced smallpox vaccine over twenty years ago, drug companies have engineered new techniques for making vaccines. But since the drug companies have never used these techniques to produce smallpox vaccine, the Food and Drug Administration could require them to treat it like a new drug. And that means that the drug companies will have to navigate the bureaucratic maze of the FDA. This could easily take six to seven years before new smallpox vaccines are made available.

continued on page 6

Limited Government and the War on Terrorism

David Hogberg

continued from page 5

Does anyone think that a new smallpox infection would wait for FDA approval of a new vaccine before killing someone? If new drugs are needed in the face of an emergency, then big government makes us less secure. Proponents of limited government should be on the alert for meddling regulations that get in the way of our ability to make ourselves more secure. And when we find them, we must be vocal in opposing them.

Big government not only hurts our security, it will harm the economy. If we are serious about pursuing this war long-term, then we need a vibrant economy. A vibrant economy will more easily provide resources to the government to conduct this war for the simple reason that the government takes in more in tax revenues when the economy is healthy. A sagging economy may also erode public support for the war by reducing public morale. A public that is called on to support a long-term war should not also be faced with a long-term economic slide.

More government spending harms the economy because for every dollar of new government spending, the result is one less dollar of private-sector investment. Yet, after 9/11, numerous

interest groups have jostled for position at the federal trough. The Steel Industry, Airline Industry, Agriculture Industry, Bus Industry, Hospital Industry, Amtrak, Insurance Industry, Hotel Industry, Rental Car Industry, and Fast-Food Industry have all used the tragedy to bolster their claims to government subsidies. Suddenly, everything from steel to McDonald's hamburgers has become vital to national security.

Kudos must go to the press, and especially conservative pundits, who have blown the whistle on this cynical charade. Unfortunately, it has not been enough. The Airline and Agriculture Industries have both received fat government subsidies, and the Steel Industry and Amtrak may soon get some too. For the economy to recover, it is imperative to limit government spending. Proponents of limited government must continue to raise their voices in loud protest over this spending orgy.

Proponents must also protest government interference in the efforts to help America recover from the tragedy of 9/11. Consider the most immediate victims of the tragedy, the families who lost loved ones on that fateful day. Americans have contributed over a billion dollars to charities with the intent of helping those families financially. But getting the money to those families has been a very slow process. The primary reason: the tax code. Under current law, a family that makes over a certain amount of money is not usually eligible for charity. Any charity that gives to such

families risks losing its tax-exempt status. Charities should be free to give money to victims of September 11. Unfortunately, the Internal Revenue Service gets in the way.

Or consider the small business owners who served the people who worked in the World Trade Center. This might be one of the few areas of the private sector with a legitimate need for a government bailout in the wake of 9/11. These businesses can apply for the disaster-relief loans from the Small Business Administration. Yet the application process is cumbersome, taking up to three weeks. For a business about to fail, such a loan would come much too late. It is the job of limited government proponents to highlight government obstacles to recovery. We must demand that burdensome laws be repealed and cumbersome processes be streamlined. In short, we must demand that government get out of the way.

Hopefully, the fallout from 9/11 will not include the return of big government. If it does, the champions of limited government must oppose it at every turn. One might say it is our patriotic duty. We must do all the things we did before that fateful September day: promoting lower taxes and deregulation, opposing government spending and bureaucratic meddling. We must do these things to ensure that government does not get in the way of winning the war on terrorism.

David Hogberg is a Research Analyst at Public Interest Institute.

How to Make Social Security Secure for More Americans

Kent Davis

Last summer, President Bush's commission on reforming Social Security issued an interim report stating that the program will run out of money in just 15 years. The report warns that deep benefit cuts, tax increases, or the acceptance of massive federal debt are necessary — unless there is fundamental reform of the system.

According to a report by Henry Aaron of the Brookings Institution in Washington, D.C., Social Security as currently constituted offers individuals, on average, an amount of money that is just 10 percent above the line the U.S. government defines as "poverty." The report also points out that Social Security is an especially bad deal for women, blacks, Hispanics, and the poor in general.

Due primarily to the fact that it is a heavily urbanized state with a relatively high percentage of lower-wage workers, Michigan ranks 40th or below in expected Social Security returns among the 50 states. The lower returns — when compared with what, on average, a typical two-worker family could earn by investing that money — amounts to a net loss of almost \$580,000 per family in retirement income.

For these reasons — and for many positive ones as well — it is

gratifying to me, as a senior citizen, to know that America is approaching the day when it will pass a fundamental reform of Social Security; one that will probably allow people to own a portion of their payroll taxes now devoted to the program and invest that portion on their own.

Many of my fellow senior citizens are worried about tampering with a government program that has been in place for most of their lives. But what must be said repeatedly and with no apology is that the system enacted in 1935 was always unsustainable under a particular circumstance: if the ratio of workers to retirees ever became so low that a reasonable level of benefits could no longer be maintained.

Social Security is an especially bad deal for women, blacks, Hispanics, and the poor in general.

What many Americans still don't understand is that that ratio is being reached, and quickly. That's why the calls for reform are finally being heard. Social Security initially had over 50 people paying in per retiree. Today, that ratio is around 3:1 and will drop to 2:1 in the next few decades.

People are living much longer and retiring earlier. Retirement at age 55 is now a common, and growing, phenomenon. The only way people can retire early is if personal savings and pensions are available to sustain a desirable lifestyle in retirement. Millions of

Americans already have accumulated tax-sheltered assets in accounts such as IRAs and 401(k)s.

Unfortunately, low-income workers lack the discretionary income necessary to fund such accounts. A Social Security system that allows private investment would give these workers the leg up they need to retire with a nest egg big enough to live a comfortable lifestyle. By investing in government bonds over a working lifetime, a person can get a 3-4 percent return which, through the magic of compound interest, doubles monthly retirement income. A broader mix of stocks and bonds, with historical yields of 5-6 percent, effectively triples retirement income.

And here's something else most Americans don't know: Other countries have made precisely the same change America is contemplating. For example, Great Britain gives workers the option of placing a portion of their payroll taxes in a private investment account. More than two-thirds of British workers have chosen the private option. The result: Private pensions are generating a 10-percent real return on their pension investments. British pension funds are currently greater than the pension funds of the rest of the European countries combined.

But seniors should rest assured: No one is talking about "doing away with Social Security." No one is suggesting that the current level of benefits be reduced, nor are they proposing that the new reform be anything

continued on page 8

**Public Interest Institute
at Iowa Wesleyan College
600 North Jackson Street
Mt. Pleasant, IA 52641**

NONPROFIT ORGANIZATION
U.S. POSTAGE PAID
MAILED FROM ZIP CODE 52761
PERMIT NO. 338

How to Make Social Security Secure

Kent Davis

continued from page 7

but voluntary. Should a partial privatization of Social Security occur, you will not be forced to participate.

But if you want the highest possible return on your investment of a lifetime of hard work, you should.

Kent Davis is a senior policy advisor to Mackinac Center for Public Policy. Reprinted with permission from the Mackinac Center. For more information, contact the Mackinac Center at 140 West Main St., P.O. Box 568, Midland, MI 48640, call (517) 631-0900, or visit its website at www.mackinac.org.

Facts & Opinions **Question of the Quarter:**

Do you think we need more or less government to fight the war on terrorism?

Send your thoughts on this issue to us at
public.interest.institute@limitedgovernment.org.

We will publish some of your ideas in the next issue of *Facts & Opinions* in May 2002 and on our web page at www.limitedgovernment.org.