

Bill or, come to think of it, to the American people.

Contrary to the bovine intelligentsia, Bill and the American people are not racist or imperialist. They are generous and confident. They are not reactionary or timid. They are daring, hard-working, eager for progress. At his core, the typical American is devoted to family, country, personal liberty, economic growth, and expanded opportunity for all. That's Bill, and with a few more pretty thoughts

thrown in, that's conservatism.

When Bill began formulating and popularizing the conservative position, the bovine intelligentsia frequently disparaged him as a monarchist or at least an adherent to aristocracy. There is no truth to that charge, though one can understand its origin. Bill is a gentleman, and very few of his antagonists ever encounter gentlemen. In fact, at great universities and at other bemused provinces where the bovine intelligentsia dominate, public toilets can never

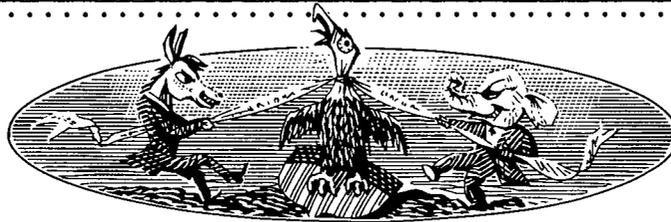
be designated by signs that read "Gentlemen" and "Ladies" lest confusion and protest ensue.

Bill is also the possessor of a jarringly intelligent mind, thoroughly engaged with thought and ideas; and that is another reason that he is out of synch with the intelligentsia, a group that increasingly confuses thought with psychotherapy. Of course, the American intelligentsia's addiction to psychiatry is no laughing matter. It is a fact that no other group of Americans

contains the intelligentsia's ratio of individuals who think that they are President of the United States, though the clergy comes close. But enough of this shameless bashing of American intellectuals. I bring it up only because Bill has exemplified all that an intellectual should be, and the average American intellectual falls so pitifully below the mark.

Rushing through his decades of public life, Bill has written a Himalaya of
(continued on page 54)

CAPITOL IDEAS



SMOKE, MIRRORS, AND THE ADVERSARY PRESS

by Tom Bethell

President Bush's performance in the budget talks perhaps even surpasses conservatives' worst suspicions about his lack of political convictions or even political common sense. The damage to the Republican party will be considerable, and Bush himself is unlikely to recover fully from it. He will soon find himself looking back nostalgically to July 1990 as a time when his position was seemingly unassailable. Then he made two careless moves. First he placed 200,000 U.S. troops in the Saudi Arabian desert. The alliance that he was so highly praised for assembling will henceforth make life difficult for him. A few weeks later, he abandoned for good his pledge not to raise taxes. Once again, the Beltway culture and the media praised him for doing so. The final two weeks before the midterm elections he will spend campaigning for massive tax increases. The "\$500 billion deficit reduction package" will be relabeled, aptly, the "1990 Bush tax increase."

In abandoning his tax pledge, Bush showed that he never understood how potent it was. Throwing it away was an error on a par with that of an inexperienced card player who is dealt four aces but believes them to be low rather than high. Bush's political judgment does seem to be that weak. On October 6, the *Washington Post* reported that a "long-time Bush associate" said of Bush: "He didn't like it [domestic policy] when he first ran for President, he didn't like it when he was vice presi-

dent, and he doesn't like it much now. He knows he can't avoid it, but that doesn't make him have to like it. All you've got to do is spend five minutes talking to him about China and five talking about the budget to know where he's at." (James Baker, one wonders?)

Three days later Bush was asked at a news conference: "Why do you think you're so much more comfortable with and better at foreign matters than domestic? To some people, it seems almost like two Presidents."

"Well," he replied, he was troubled because "I don't really know the answer to it. Perhaps it has to do with the fact that in one, I think the Vandenberg theory applies. People really basically want to support the President on foreign affairs, and partisanship does, in a sense, stop at the water's edge. Whereas on domestic policy, here I am with Democratic majorities in the Senate and House, having to try to persuade them to do what I think is best. And it's complicated."

His mistake was trying to persuade "them." He should have tried to persuade the American people—not to "do" anything, but to understand that the Congress had by no means given up its big-spending ways, and that nothing could be reformed, certainly not the budget deficit, until this was corrected.

One day, elected leaders in Washington will understand that by drawing battle lines they can win battles. Notice that I didn't say Republican politicians. The current Republican

leadership does not think in terms of winning and the best we can hope for is that they will finally retire to their respective golf courses. Pursuing the golfing metaphor briefly, it's more appropriate to think of Bush, Dole, Michel & Co. not so much as golfers as caddies: Caddies to the Democrats. Bush is Caddy in Chief (as he wavered on taxes and capital gains, Maureen Dowd of the *New York Times* reported on October 21, "he clung to the Democratic leadership and kept House Republicans at a distance"); Michel is the Dutiful Caddy, and Bob Dole the Angry Caddy—angry at the younger Republicans like Newt Gingrich of Georgia, for wanting to be players rather than caddies.

I agree with Paul Gigot of the *Wall Street Journal* and Tony Snow of the *Washington Times* that the unacknowledged battle lines are demographic. The younger Republicans know they can win if they are permitted to fight. Vice President Quayle understands this. So do Gingrich and Reps. Bob Walker (R-Penn.) and Vin Weber (R-Minn.). Bush doesn't. The older Republicans, almost without exception, are unable to think of themselves as the initiators of winning policies. One day Bush went up to Capitol Hill, having signed the stop-gap spending bill he had threatened to veto two days earlier, and said: "I'm here to discuss what we can do at the White House to help move the process forward." Spoken like a Republican who remembers the Depression and thinks of government in World War II terms: Let's make it bipartisan—best

of all a national unity government.

On September 30, Bush notoriously announced that he had managed to get a \$500 billion deficit reduction deal—the result of "blood, sweat, and fears." "It has the largest spending savings ever—more than \$300 billion," Bush said in his televised address. "For the first time," he added, "leaders of the Democratic Congress have agreed to real cuts that will be enforced by law, not promises. No smoke, no mirrors . . ."

Notice the awkward phrase "spending savings." Right there, you can see smoke and mirrors.

Budget numbers are tiresome, but bear with me. You probably haven't seen these numbers in print. All you have to know is that federal fiscal years begin three months ahead of calendar years, on October 1. So we are just beginning a new fiscal year, 1991. The relevant budget numbers are put out by the Office of Management and Budget, presided over by Dick Darman—the man primarily responsible for leading Bush into this domestic policy morass.

I phoned the OMB to find out just two numbers: the overall government spending totals, or "outlays," for fiscal year 1990 (just ended); and for comparison purposes, the comparable outlays for the year just beginning. A woman at the press office answered the phone. I won't give her name because she was quite candid and forthcoming. "There are lots of different numbers that are correct," she said. "Probably up to about nine numbers." —

Tom Bethell is The American Spectator's Washington correspondent.

Such as? Well, the January estimates and the July estimates, the post-agreement estimates, the adjusted consolidated baseline estimates and the Gramm-Rudman baseline estimates. *At least* nine numbers. All very confusing, but they can be simplified down to something easily understood. As follows: The latest estimate for 1990 outlays (the amount of money the federal government spent last year) is, in billions of

dollars: \$1,260. Here is the amount that the government is planning to spend next year, *after* the famous \$500 billion "deficit reduction" package: \$1,360 billion.

Subtract one number from the other, and you will find that there is an increase of \$100 billion from one year to another. That is an eight percent increase. The *total* federal budget was \$100 billion at the time of Presi-

dent Kennedy's inauguration. Today, a one-year increase of \$100 billion is called . . . ?

Deficit reduction.

On October 1, Susan Rasky of the *New York Times* reported that the famous deficit-reduction plan "would bring the deficit down by \$40 billion next year." David Wessel and Alan

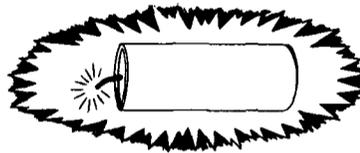
Murray reported in the *Wall Street Journal*: "The bipartisan plan calls for \$34.4 billion in spending cuts and tax increases in the fiscal year beginning today." I looked all through both newspapers for the spending totals, but they were nowhere to be found. The *Journal* filled two full pages of copy and had ten reporters on the story (Murray, Wessel, Jeffrey Birnbaum, Kenneth Bacon, Hilary Stout, Bruce Ingersoll, Bob Davis, Walter Mossberg, Jackie Calmes, David Rogers), but nowhere were the budget totals to be found. A box, setting forth the "economic assumptions underlying the accord," gave the forecast of GNP growth as a percentage only. Again, the aggregate totals were not there. Thus readers had no way of knowing that the reported "\$34.4 billion spending cuts and tax increases" actually entailed a \$100 billion spending increase.

What is going on here can be illustrated by the following example. The chief executive officer of a corporation plans to give himself a \$140,000 raise. Then he cuts it back to \$100,000 and announces to the world that his salary next year will be reduced by \$40,000. *Wall Street Journal* reporters would not sit still for such shenanigans from the private sector. But with Dick Darman and the OMB, they are totally uncritical. For the next three weeks, these numbers continued to be ignored by the *Journal's* news department, although Paul Craig Roberts did list the projected outlays and receipts in a box on the editorial page on October 3, and Jim Miller, the former Budget director, drew attention to the huge spending increase in 1991 in a short piece on the same page.

But the reporters showed no interest in the numbers. They thereby not merely disguised the smoke and mirrors, but, wittingly or not, constituted a key element of the smoke-and-mirror apparatus. The unreported numbers likewise hide the massive increase in federal spending since President Reagan became President. In fiscal 1980, total spending was \$591 billion. As Paul Craig Roberts has pointed out, in the decade 1981-91, federal revenues increased by 90 percent, but spending increased by 107 percent. That's why there's a deficit today. The tax-rate reductions did produce big revenue increases, but insufficient to feed the giant appetite for spending on Capitol Hill. This is the budget story that reporters cannot bring themselves to report, and in fact seem eager to disguise.

I telephoned the *Journal's* Alan Murray, to inquire why these numbers had been omitted. He said he couldn't talk about it. I would have to talk to Al Hunt, the paper's Washington bu-

Help us explode myths about Catholics!



Harvard historian Arthur M. Schlesinger Sr. once said that prejudice against the Roman Catholic Church is "the deepest bias in the history of the American people."

There is a tenacious myth among Americans generally that says Catholics are stupid, lazy, and superstitious.

Among fundamentalists there is that whopper of a myth that the Pope is the Anti-Christ and the Catholic Church is the Whore of Babylon, a hideous and many-tentacled pagan cult.

Among evangelicals there is a more sedate myth that Catholicism is a numbing religion riddled with dead formulas, empty rituals, and rigid prohibitions — a legalistic religion which fears the Bible and freezes out the grace of Christ.

Among secular humanists there is a politically handy myth that only Catholics regard abortion as murder, and that no one in his right mind who is not a Catholic would object to legalized abortion.

Secular humanists also purvey the myth that Catholics call abortion murder because they are puritanical and hate sex. Moreover, it is said, Catholics opposed to abortion don't really care about the sanctity of human life, as they claim to, because they are utterly indifferent to the threat to innocent life posed by nuclear weapons.

Then, there is the abiding myth that Catholics can't really explain why they are Catholic, that when Catholics are challenged their convictions crumble, and hence Catholics fear democracy, the open circulation of ideas, and freedom of religion.

Oddly, myths about Catholicism have even worked their way into the Catholic Church her-

self. Hence, among modernist Catholics there is a corrosive myth that Catholics who believe in the creeds and the Church's magisterium are both narrow-minded ignoramuses who self-righteously cling to the letter of the law and mean-spirited bigots who fear Protestants and fail in charity toward their neighbors.

This is an intimidating syllabus of myths — but happily, each myth is inaccurate and erroneous, and each one is disproved by the existence and insistence of the NEW OXFORD REVIEW. Actually, we at the NEW OXFORD REVIEW don't waste much time fretting about the myth-makers; rather, we are content to be living witnesses to the truth about Catholicism and the falsehood of all the myths.

The established media have duly noted us: *Time* finds us "conservative" (true enough, when it comes to doctrine, morality, and ecclesial authority), *Newsweek* says we're "cheeky" (probably more true than we realize), and *The New York Times* thinks our editorial policy is "curious" (probably very true, at least from the *Times's* perspective).

The point is: if you want a Roman Catholic magazine that confounds the conventional stereotypes, then the NEW OXFORD REVIEW is for you. Consider the words of Francis X. Maier, Editor of the weekly *National Catholic Register*: "The NEW OXFORD REVIEW is simply the best publication of its kind in the United States — always provocative, always interesting, always solidly Catholic." If that's what you've been looking for in a Catholic monthly magazine, then help us explode myths and prejudices, and subscribe today!

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reau chief. Hunt's secretary wanted to know the exact nature of my inquiry. Eventually, the deputy bureau chief, Thomas Petzinger, Jr., got back to me "on this matter of why we're not giving the bottom line." He said the reporters in the bureau "make a pretty convincing case that it's hard to make these numbers rise to the level of the news of the day." But that doesn't explain why they weren't published at least once. He agreed. "Being the newspaper of record on these things, I think we probably have a duty to get that number on the record, no matter how much we have to qualify it."

He added that the outlay figures "do not capture the controversies and choices being made." But failing to report the outlays conceals the key point that the really hard choice—spending reduction, or even a spending freeze—is *not* being made. The average reader can hardly be expected to guess that the federal spending machine is roaring away as usual when he is told that next year there will be "\$34.4 billion in spending cuts and tax increases."

Petzinger added that "outlays" was a "pretty loosey-goosey number at best, based on some freewheeling assumptions." That's true—and the numbers do change constantly. But precisely for that reason, a story on the loosey-goosey nature of the numbers that the brazen Darman has been using is one that is crying out to be written. Nonetheless, the *Journal's* reporting has been characterized by an absence of skepticism about Darman's numbers. According to a source who prefers anonymity, Al Hunt's shop "has worked hand in glove with Darman" throughout this whole exercise.

At least in the three-week period following the \$500-billion announcement, the spending totals were also not mentioned in the *Washington Post*, which had budget stories by twenty-one reporters and several columnists. But they didn't mention the outlays. *Time* and *Newsweek* didn't even come close in three consecutive issues. If any network TV news reporter mentioned the numbers, I would be very surprised. The *New York Times*, in an October 3 story by Robert Pear ("Savings Seen As Less Than Predicted"), did give most of the numbers, in a spirit of well-deserved skepticism. ("Under the budget agreement, federal spending would increase in fiscal year 1991, [but would decline by \$11 billion] from \$1,392 billion in fiscal year 1992 to \$1,381 billion in 1993. It then calls for a further decline of \$38 billion, to \$1,343 in 1994. The projected decline in spending would mark a striking change. Total federal spending has not declined in any year since 1965.")

As far as I know, Pear scooped the reportorial field with these numbers. But his story was on page D27. More typical was the page one headline on October 1, over a story by David Rosenbaum: "And the Victor Is: Bush? Taking Punches Now May Help Him Later." Oh, sure.

"People probably should be reminded that, no matter how these things go, the spending always goes up," said Tom

Petzinger. Right. He added that "I think it would be good to get it in print at some point." Right on. The numbers no doubt will be published. But not before George Bush has signed on to the "deficit reduction" deal, which in reality is a big tax increase to pay for a big spending increase. In 1982, remember, President Reagan was hoodwinked with the promise that he would get three dollars in spending cuts for every dollar

of tax increase. Spending increased as usual, and Reagan later expressed annoyance at the deception. Now Bush has been taken in, too. The deficit reduction that Darman promised him will not materialize—especially not with tax increases. I hasten to add that Bush only has himself (and Darman) to blame. But it's at least worth noting who blew the smoke and held the mirrors. □

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William Rosenau

POOR PERU

Peru's Upper Huallaga Valley is the coca-growing capital of the world. It is also home to a uniquely violent Maoist insurgency. And those are the least of the country's problems.

The world's biggest coca-growing region begins about 250 kilometers northeast of Lima. It is staggeringly large. The Upper Huallaga Valley is about three times the size of the Commonwealth of Massachusetts. Before the late 1970s, nobody paid much attention to this hot, remote piece of jungle, including the Peruvian government, which didn't even build a road there until the 1950s. But today, the Upper Huallaga is the object of intense official interest, in Washington as well as Lima.

Coca growing per se doesn't bother Peruvians much—they're far more worried about food shortages, inflation, and terrorist violence. But it does concern the U.S. Congress and the White House, which have been arguing for the last few years that cocaine is a threat to the security of the United States. As a result, the Upper Huallaga Valley, or "UHV," as the State Department likes to call it, has become a "front line" in the drug war, and visits by U.S. congressional delegations, presidential rhetoric, and Yankee dollars have had the effect of concentrating Peruvian minds wonderfully on the issue.

But a visit to the Upper Huallaga—or anywhere else in Peru, for that matter—should be enough to disabuse most gringos of any sanguine notions they might have about the likelihood of eliminating coca from the valley. Recent conversations with Peruvian and American officials and journalists in Lima, as well as a trip to the U.S.-financed anti-drug base at Santa Lucia, convinced me that Peru has much bigger problems to solve than coca growing.

"Lima in the wintertime is a hell-hole," an American academic

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warns me before I leave Boston, a town not known for its balmy climate. Built along the most inhospitable part of the coast, the capital sits in a bizarre Andean microclimate—cloudy, misty, and cold every day from May to December. A miasma generated from thousands of exhaust-belching buses and cars adds to the gloom. Frequent blackouts and brownouts—usually the result of terrorist bombings of electricity pylons—give the city a sinister air; indeed, as a cab driver described it on the way in from the airport—which was blacked out shortly after I arrived—Lima had become an "eerie" place.

Making matters even worse is the terrible physical overcrowding and poverty that overwhelm the capital. About eight million people are jammed into Lima, and most of them are poor. Many live in the deceptively pleasant-sounding shantytowns ("La Flor," "Heroes del Pacifico") that ring the

city. Known in Spanish as *pueblos jóvenes* ("young towns"), these conglomerations are actually improvements over the miserable mountain villages from which many of their residents fled.

Even the "nice" parts of Lima seem remarkably seedy, and sometimes dangerous—the relatively well-heeled neighborhood of Miraflores, for example, is infested with pickpockets and other thieves. On top of all this, the city government recently discovered that Lima's aquifer is being drained at an alarming rate, and that the capital will run out of water by the end of the decade. In short, Lima can at times seem "a never-ending nightmare," as the trendy-left (but generally accurate) authors of *The Real Guide: Peru* put it.

Many Peruvians believe the nightmare will get worse. The economy is a disaster and, for the moment, it overshadows all of the country's other considerable woes. President Alberto Fujimori, in an effort to control the hyperinflation created by his Social Democrat predecessor, Alan Garcia, has eliminated many of the subsidies that benefited workers, businessmen, and middle-class civil servants, and he has allowed the market to set prices for most goods. Gasoline, for example, was so heavily subsidized under Garcia that Peruvians actually smuggled it out of the country for resale abroad. That subsidy has been ended, and the government has added a massive tax, bringing the cost to about four dollars a gallon—making it some of the most expensive gasoline in the world.

Between last January and August, inflation was 2,886 percent, according to *Cuanto*, a magazine I found highly entertaining, despite the fact it does nothing more than calculate prices—a difficult task, given that they change several times daily.

In the past five years, economists say, prices have grown by 2.2 million percent. The introduction last August of a new denomination of the *inti*, the national currency, is a perfect example of this Weimar-type hyperinflation. Early in the month, the government began issuing one-million *inti* notes for the first time; but even these proved inadequate, and a few weeks later it was forced to begin printing a five-million *inti* note. Despite these huge denominations, changing U.S. dollars for Peruvian currency is still a wallet-bulging experience: fifty U.S. dollars typically get you a wad of Peruvian notes nearly an inch thick.

Most Peruvians recognize the need for the government to control spending and inflation, but they're angry over the pace of the reform measures, dubbed "Fuji shock" by the press. Fujimori's defeat of the staunchly pro-market novelist Mario Vargas Llosa in last summer's elections was due in part to his pledge to move slowly; instead, Peruvians were horrified to discover

