

# Shock Waves

By Carolyn Lochhead

## Hope for limited-government hegemony on Capitol Hill.

IT IS HARDLY POSSIBLE TO OVERESTIMATE the magnitude of the political earthquake that shook Washington on November 8. The breathtaking Republican sweep of the House, the Senate, and the governorships of the nation's most populous states left Capitol Hill in shock and disarray, ripping through the comfortable Democratic establishment that has reigned virtually unchecked for most of the postwar era.

To a public long riveted on presidential contests, the raw power of the congressional majority is easily overlooked. Personified in one leader, the presidency seems more potent than the warring, shifting factions that are a legislature.

But the presidency is weak by design. It is Congress that writes the laws and spends the money. The president proposes. Congress acts.

Congress has had plenty of help from presidents, Democrat and Republican alike. But it is the Democratic majority in Congress that is most responsible for the creation and expansion of the modern welfare state and all its accoutrements: the crushing tax burden, the erosion of economic and personal freedom, the smothering bureaucracy, the intrusive and mindless regulation of private activity, and the entitlement dependency that saps our common community.

For the postwar generations, which include nearly everyone alive today, Democratic hegemony has been taken for granted—by the press, the public, and by both parties. The day after the election, many on both sides of the aisle were finding the new reality difficult to fathom. Nobody had experienced it for 40 years.

Not one GOP incumbent fell, even as the most revered of liberal icons toppled.

Some were defeated, including House Speaker Tom Foley, Ways and Means Chairman Dan Rostenkowski, and Judiciary Chairman Jack Brooks. Others were pitched from their Hill thrones into minority ignominy. Grand Inquisitors like John Dingell and Henry Waxman can no longer terrorize from their committee chairmanships. Potentates who crafted every modern federal law and shaped every federal program—from welfare, to labor, to the environment, to commerce, to everything—have been stripped of the power they have wielded so freely for decades.

Democrats will lose as well the thousands of professional aides who have made careers of designing federal law and making the mischief that the rest of the country has had to cope with. The Republican sweep will decimate the institutional foundation on which the Democratic agenda rests.

"It's unfathomable," said one House Democratic aide. With Speaker-in-waiting Newt Gingrich promising to cut congressional staff by a third, and with the new GOP majority controlling the bulk of the remainder, some three quarters of the Democratic positions could be wiped out—more if committees are disbanded or consolidated. "It hasn't sunk in yet," the aide said. "People can't even comprehend it. It's everyone," from senior committee counsel to the patronage employees who send the Capitol's elevators up and down. (The Hill has automatic elevators *and* people to press the buttons.)

"It's Joy in Mudville as thousands of staffers are thrown out on the street," huffed one Democratic press secretary, arguing that it would be foolish to fire everyone. "Do you want 'entrenched' airline pilots or do you want somebody brand frigging new?"

Somebody brand frigging new, one hopes, to pilot American democracy out of its headlong drive toward socialism.

Democrats will scatter to the hinterlands. The White House cannot accommodate the thousands who must go, and the lobbying firms are bracing for a regime where Democratic contacts trade at a deep discount.

Now the levers of power can be moved by those who might pay more respect to markets and be more suspicious of government's ability to right every wrong and solve every ill.

WHETHER REPUBLICANS HAVE THE courage to roll back government is the \$1.5 trillion question. One sympathetic observer estimated that the GOP has 60 days to close ranks behind an agenda.

Struggles are already emerging between energized conservatives and the old Republican guard that still rules the Senate and will hold key chairmanships there—from Majority Leader Bob Dole to Pete Domenici at Budget, Nancy Kassebaum at Labor, John Chafee at Environment, Mark Hatfield at Appropriations, and Bob Packwood at Finance.

The presidential contest introduces its own dynamic, with Texas Sen. Phil Gramm turning the heat on Dole. It is worth noting that from the start of the Clinton health-care debacle, which set up the Democratic slaughter, Gramm adopted a no-compromise, free-market opposition. Running from their principles, most other Republicans were stressing their commitment to health reform. Dole was busy setting up a huge Republican-style alternative health entitlement, buying into the Democratic agenda with less of the same. Ultimately, the party moved to Gramm's position, derailing a near national disaster.

The GOP remains divided, and short of a veto-proof majority. Also, warns California Rep. Chris Cox, "A Republican takeover is not identical to a libertarian takeover."

Still, the election and the platforms it was waged on leave no doubt that the voters have moved right and want government to move with them. The election saw a resurgence of Reaganism arguably more powerful than the first version, an unapologetic conservatism that rejected the redistributionist politics of entitlement.

The campaigns were overtly ideological. Far from issueless or anti-incumbent, they were anti-crime, anti-government, anti-spending, anti-tax, across the nation, even in such liberal strongholds as Maryland and Massachusetts. Democrats ran on the Republican agenda. No one ran on the Clinton agenda.

For the first time in memory, voters rejected pork-barrel politics in favor of candidates who had the courage to say that money for new bridges and youth programs comes not from the sky, but from taxpayers, minus a stiff charge for Washington's recycling. Government is now taking \$1.00 out of every \$3.00 that people earn, costing families more than food, shelter, and clothing combined. An average family of four pays \$16,000 a year in taxes to support a rapidly expanding dependent class, from research scientists on federal grants to crack babies on Medicaid.

"The voters sent us a message, not just a tap on the shoulder," says California Rep. Bill Baker. "They gave a knockout punch to the Speaker of the House, to the former chairman of Ways and Means and to many, many important figures in the liberal government. They've had enough."

**P**RESIDENT CLINTON WAS EITHER UNCOMPREHENDING or disingenuous at his November 9 press conference. He acknowledged that voters want "a smaller government that reflects their interests and values," but then added, "That is what I've tried to do."

This after spending two years throwing all the weight of his office behind a government takeover of health care. In a huge miscalculation, the Clintons believed they could capture the loyalty of an entire generation by offering the biggest New Deal entitlement since Social Security.

Even on Capitol Hill, the conventional wisdom right up to August was that Republicans would pay dearly at the polls for obstructing a big new health-care benefit. It was utter nonsense.

Clinton will find it difficult, however, to disengage from his party's ideology. The New Democrat idea itself is internally inconsistent, fashioned on an oxymoronic paradigm of "free-market government," imbued with such intellectually vacant notions as "managed competition" and "reinventing government."

George Bush wrecked his presidency on the same shoals. Apologizing for Reaganism with a "kinder and gentler" approach, he hoped to win liberal plaudits. He introduced the Clean Air Act amendments to prove he was the environmental president and the Americans with Disabilities Act to show he cared about civil rights. Not only did he get little credit: He was excoriated by liberals for not going far enough. Then he compromised with Democrats on his tax pledge and promptly sank his presidency.

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courage of its own convictions on everything from Medicare to farm subsidies to defense spending. And it will have to do so under relentless press attack. Cox notes that the day after a historic GOP victory, *The Wall Street Journal* ran a negative front page story on Gingrich, replete with tales of his divorce. After Hillary Clinton's health-care debacle, the same paper ran a glowing profile of her.

"The press sees this election as an anomaly and a fluke and they've got to have it repaired," Cox says. "To them, it's how can America be so dumb? They will try to destroy this Congress before it starts."

A hostile press helped cripple the Reagan administration. When Gingrich introduces capital gains tax cuts, the press will not cheer as it did when Clinton unveiled his health-care plan. Still, it is a new decade—of cable television, C-SPAN, and talk radio.

Moreover, to a degree we reporters are loath to admit, the party in power controls the legislative process and through it the flow of daily news. Republicans have a chance to reshape the public discourse, using, as Democrats have for 40 years, the hearings, floor debates, government studies, and investigations that feed the Washington press corps.

Conservatives have never had this power. Now we have the astonishing sight of Newt Gingrich and Phil Gramm surrounded by the banks of cameras and nests of microphones and throngs of reporters who once recorded every utterance of George Mitchell and Tom Foley.

"Just the opportunity to actually get something done, instead of trying to influence the policy debate through floor statements or introducing legislation that doesn't go anywhere," marveled one House aide. "To actually be able to bring a bill to the floor! That in itself is such a momentous change, whether or not they pass the thing. To be able to get the debate engaged, really is just amazing." ❖

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# Spoils Sports

By Rick Henderson

## The administration's civil-rights agenda: income redistribution

**“FED FINDS DISPARITIES IN MORTGAGE Denials,”** blared a *Washington Post* headline on October 27. The *Post* reported that data from the Federal Financial Institutions Examination Council showed that “blacks and Hispanics were nearly twice as likely as whites with similar incomes to be denied credit in 1993.”

But the Home Mortgage Disclosure Act data did not include the credit ratings of the individuals surveyed. It didn't consider the applicants' balance sheets—had they accumulated assets when they applied for loans or were they mired in debt? The report merely compared the percentage of loans approved for people of different racial backgrounds who have similar incomes, not why people who were denied loans didn't get them.

To civil-rights advocates, this information appears irrelevant. Even though the number of loans to blacks last year increased by 36 percent, the loans to Hispanics by 25 percent, and the loans to Asians and American Indians by 7 percent, this hardly qualifies as progress for civil-rights activists. Robert L. Gnaizda, general counsel of the San Francisco-based Greenlining Coalition, told *The New York Times* that some lending institutions “will not go far [in lending to members of racial minorities] until they bear the brunt of more Justice Department suits.”

And the administration has proposed new regulations under the Community Reinvestment Act that require banks to offer credit in the communities where they take deposits. The regulations would force banks to record the race and gender of small-business owners who receive loans. Regulators would use this information to

make sure that financial institutions are lending money in the proper proportions (that is, by quotas) to targeted groups.

Under the proposed regulations, a business that is a male-female partnership would be considered as male-owned unless the female owns at least 51 percent of the partnership; similarly, a business with equal white-black or white-Latino ownership would be considered white-owned unless the “minority” owner possesses a majority of the business.

It's payback time for civil-rights groups who claim they were stiffed during the Reagan and Bush years. The Clinton administration has filled its anti-discrimination offices with representatives of left-leaning organizations who see race-conscious policies, along with tougher regulations on businesses and individuals, as appropriate ways to redistribute wealth to certain favored groups. Rather than ratchet up tax rates, the Clintonites have discovered that regulations and aggressive law enforcement can also move resources around. In an October 26 *Washington Post* story, Deval Patrick, head of the Justice Department's civil rights division, defended the administration's aggressive stance by saying, “It's nuts to think that we could reverse the effects of 300 years of deprivation by a few court decisions and a few good statutes.”

Of course, the Clinton White House hasn't created its anti-discrimination policy out of whole cloth. It had knowing accomplices in the Bush administration who championed the 1991 Civil Rights Act, which for the first time permits jury trials and lets plaintiffs seek punitive damages (for as much as \$300,000) in employment-discrimination suits. Bush was also a key supporter of the Americans with Disabilities Act, a law Minneapolis employment attorney David Duddleston calls “the most significant employment bill

since the Civil Rights Act of 1866.”

The Equal Employment Opportunity Commission, which pursues private-sector discrimination cases, is flooded with potential lawsuits; the ADA is fueling that surge. At the end of the third quarter of 1994, the EEOC reported 92,396 discrimination charges awaiting investigation, a 31-percent increase over the total at the end of September 1993. The EEOC says implementation of the 1991 Civil Rights Act and the ADA has doubled its inventory of cases pending investigation. The number of pending disability cases has increased by 27 percent, from 10,737 in the third quarter of 1993 to 13,651 at the same time in 1994—the largest increase in number of cases facing the commission.

**E**VEN WITH THE BUSH LEGACY, CURRENT civil-rights litigation has a decidedly Clintonian spin. Consider:

- The Labor Department is undertaking a high-profile campaign against government contractors that allegedly discriminate. Its criteria for discrimination, however, appear to be creative. For instance, in September the department announced a \$6.5-million settlement in a 17-year-old case against Honeywell Inc. *Business Week* reports that the department used as “evidence” of discrimination against women Honeywell's practice of posting some internal promotions on blue paper.

- The Federal Communications Commission implemented minority set-asides for the *auction* of a new category of wireless telephone and data-service licenses. While federal agencies have previously used set-asides only in those instances where past discrimination existed, here the FCC is allocating licenses for entirely new technologies on racial grounds. FCC Chairman Reed Hundt has said these set-asides are “not affirmative action but af-