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FOCUS

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American Competitiveness: Seeing the Issue Clearly

To Expand U.S. Exports and Reduce the Trade Deficit, American Business Leaders Must Adjust to New Global Market Conditions and Reject Protectionism

The Price of Namibian Independence

As South Africa Prepares to Withdraw from Namibia, Some Observers Question Whether the Apartheid Regime's Domination Will End

Who Defends America? Race, Sex, and Class in the Armed Forces

Forthcoming Joint Center Publication Examines the Policy Implications of Black Overrepresentation in America's All-Volunteer Military Forces

POLITICAL TRENDLETTER®

Perspective

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Blacks and International Affairs

Four important foreign policy subjects are covered in this issue of *Focus:* the return of Michael Manley as Jamaica's prime minister, the forthcoming Namibian independence, international trade, and national security. Each subject is a matter of concern to U.S. foreign policy and a matter of special interest to black Americans. Taken together, they help to make the point that the political concerns of Americans do not stop at the water's edge.

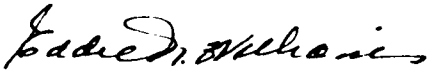
More and more voters are recognizing the direct and consequential links between international developments and their own domestic concerns. For example, unemployment, drug trafficking, and the trade deficit are all tied to developments beyond our shores. Thus, informed participation in the nation's governance now requires attention to foreign affairs. This is a compelling reason for all Americans to want to be better informed and more involved in this area.

The need for black Americans to become more involved in this field is especially acute, and it is one reason why the Joint Center has increased its programs and activities in international affairs. Commenting on our work recently, Congressman George Crockett (D-Mich.), chairman of the House Foreign Affairs Subcommittee on Western Hemisphere Affairs, said, "The Joint Center has brought clarity and insight to a wide range of foreign policy issues—international trade, arms control, the Caribbean Basin Initiative, and ethnocentrism, to name a few."

The results of our work are being presented in educational conferences, in publications, and in *Focus* articles. But, there still is much more that needs to be done to enhance the effectiveness of blacks in the field of foreign policy. One thing we must do is to continue to break down any remaining barriers to their participation in this field beyond African and Caribbean affairs. While the environment that spawned many of these barriers has changed considerably in recent years, some impediments remain even though they may be less visible today.

The lingering effects of racial discrimination probably underlie most of these impediments. For example, because blacks have had to devote a considerable amount of their time and political energy to winning and preserving their basic rights and to assuring their economic survival, they have had limited incentives and opportunities to get involved in foreign affairs. Moreover, blacks have been excluded from some international forums and have been harshly criticized for getting involved in some foreign policy issues. It is not surprising, therefore, that blacks have all too often been discouraged from preparing themselves to become effective participants in the international field.

But all this is changing rapidly, and both blacks and the nation are the beneficiaries of this change. In many areas today, in both the public and the private sectors, the political influence of blacks is being recognized and the demand for black international specialists is far greater than the supply. Thus, foreign affairs is an exciting new frontier for black Americans. ■



PRESIDENT

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American Competitiveness: Seeing the Issue Clearly

To Expand U.S. Exports and Reduce the Trade Deficit, American Business Leaders Must Adjust to New Global Market Conditions and Reject Protectionism

Michael J. Calhoun

The large and growing U.S. trade deficit is a real and present danger to the economic health of the nation. It has caused untold hardships for American workers who have seen their jobs exported overseas. It has lowered the standard of living for many Americans and helped to keep domestic interest rates higher than necessary. The deficit has even weakened the position of the United States as a world leader.

Although it is popular and politically expedient to blame other nations for this trade imbalance, in reality, most of the fault lies within the United States. Corporate managers are failing to adjust to fundamental changes in the marketplace. American consumers' habits of low saving and high consumption and the federal budget deficit have further combined to rob our industries of the capital needed to invest in new products and more efficient facilities.

There are solutions. But solutions will demand that policymakers and citizens alike move beyond simplistic visions and the quick fix of protectionism and look at the problem clearly and honestly.

The Problem Is Not There But Here

So far, the U.S. government has responded to the trade deficit by focusing on the behavior of our trading partners and on other external forces. U.S. trade policy has sought to solve the deficit by opening up markets overseas that have remained closed to American products and services and by restricting the access of foreign products to the American market. Beyond those measures, the U.S. has fought certain domestic practices of foreign governments, such as export subsidies, which allow their producers to sell at unfairly low prices.

Unfortunately, however, focusing on foreign practices addresses only a small portion of the trade problem. The consensus among trade experts both inside and outside government is that export subsidies and other practices by foreigners account for no more than 20 percent of the trade deficit. That leaves more than $100 billion of the trade deficit each year unaddressed by policy initiatives.

Furthermore, while trading conditions for exported U.S. goods and services have improved, this improvement has had little impact on the overall problem. American exports are nearly the least expensive they have been since the Second World War, U.S. labor costs are among the lowest of all western industrial nations', and prices of foreign-made products similar to those manufactured in the U.S. are steadily rising. Yet, in contrast to what conventional wisdom would predict, the huge trade deficit persists and is expected to continue.

Last year, U.S. exports lagged behind imports about $137 billion, one of the highest levels in America's history. And despite the fact that the 1988 trade deficit fell by $40 billion from the previous year, the trade deficit for the last quarter of 1988 was greater than the annual rate for the year. For January 1989, the deficit was slightly below the 1988 annual rate but, significantly, exports declined four percent. Few experts outside the Bush administration expect any significant improvement in the trade deficit this year; some think it could even worsen.

One World Marketplace

American producers are falling victim to foreign competition because they are failing to adjust to the ever-shrinking global marketplace, where goods from all over the world may be easily purchased by the average consumer. National borders are no longer effective in shielding producers from international competitive standards.

In the United States today, about two-thirds of domestic production faces foreign competition. The most dramatic example is the electronics industry. In the 1960s, several American firms were producing color televisions. During the 1970s, these firms all dropped out of that market, though since then one company, Zenith, has reemerged. Right now, several American companies are attempting to overcome Japanese dominance by trying to reenter the market with the introduction of high-definition televisions, commonly referred to as HDTVs.

(Continued on page 4)

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American Competitiveness

(Continued from page 3)

American aircraft producers, small-appliance manufacturers, and computer software firms that fail to consider their foreign competition do so at great peril. Foreign corporations—primarily those from the Far East—are gaining ground in all these industries. The corporate community and the government must adjust to this freer market and resist the urge to build trade barriers. Such barriers only insulate domestic markets and discourage needed adjustments to the new global standards.

A large portion of U.S. products and services is regularly becoming standardized and, therefore, more easily produced by foreign companies seeking to move into the American market. To overcome this, U.S. producers must pursue greater product differentiation. That is, they must be able and willing to make frequent refinements in their products, at low cost, in response to the growing specialized requirements of a growing number of submarkets and market niches.

For instance, between 1960 and 1980, the long-established American shoe industry virtually disappeared when manufacturing processes and shoe styles became standardized. Manufacturers from the Far East were able to use this standardization to make American-style shoes cheaply, capturing a huge portion of the market from U.S. producers.

Fortunately, innovative product differentiation by some American firms in the 1980s has given the American shoe industry a rebirth. As styles began to change and variations in types of shoes grew, two American manufacturers, Rockport and Timberland, have been successfully serving relatively small market niches with their casual and active outdoor-wear shoes, respectively.

Even those companies doing business exclusively at home are not free from having to take global competitive standards into account. Most domestic producers must now assume that a foreign competitor is making a similar item at a competitive price. Their production and marketing strategies, therefore, must not only address changing domestic market demands but also anticipate the strategies and advantages of their foreign competitors.

Here again Timberland provides an example. In order to protect its market share in the U.S., the company is constantly refining its product and developing greater differentiation at even lower costs. In addition, Timberland, which originally sold exclusively in the United States, is now pursuing an aggressive export strategy. By seizing overseas markets, the company hopes to preempt overseas shoe manufacturers from gaining the product experience and success they would need to challenge Timberland in the United States.

A Problem in Management

Many American corporations have lost markets to foreign competitors because their managers have been insufficiently consumer-oriented, insufficiently attentive to detail in product design, and insufficiently responsive to special market needs. Too often they have seemed more interested in managing the balance sheet than the production floor.

In few places has this been more evident than in the automobile industry. By the late 1970s, Japanese car producers held 16 to 18 percent of the U.S. market, which was a commanding share of the only segment of the car market that was growing. U.S. producers had become vulnerable to Japanese imports because American cars had become a standardized product of mediocre quality. Detroit responded indifferently to the emerging submarket demand for smaller, more fuel-efficient cars.

Generally, Detroit's response was to ignore the challenge from the Japanese car industry and not compete in that market. Instead, U.S. auto makers sought protection from the federal government and, as a result, an agreement to establish "voluntary" import quotas was negotiated between the U.S. and Japan. The agreement failed to help American producers, however, since Japanese auto makers continued to meet the evolving demands of the growing market for smaller cars by offering more luxurious, slightly larger vehicles with better performance, higher quality, and better fuel efficiency.

American producers have still not responded adequately to the continuing differentiation of the automobile market in ways that could improve the trade deficit or their competitiveness. Ironically, in addition to protectionism, their response to niche demand has been not to provide their own products but to offer American brand-name cars manufactured in and imported from Japan and South Korea. The Dodge Colt, for example, is made by Mitsubishi in Japan, and the Pontiac Le Mans is now made by a Korean manufacturer. Indeed, the single largest component of the $54 billion trade deficit with Japan is automobiles, a substantial portion of which are imported by U.S. car manufacturers.

Run Away Consumerism

Excessive domestic consumption stands alongside management failure in preventing the United States from beating back foreign competition. Simply put, as a nation we spend too much. The U.S. has one of the lowest savings rates of any industrialized country. And the federal government, with its staggering budget deficit, is no better. The nation seems to have developed a preference for present reward over long-term benefits. If so, a significant cultural force may well be standing in the way of the structural economic adjustments needed to compete.

Furthermore, American habits of consumption are forcing the economy to allocate resources inefficiently, raising the cost of doing business for American companies. The habit of excessive consumer spending on credit prevents Americans from building sufficient capital savings to fuel economic growth. Consumer demands on the limited pool of capital, together with federal borrowing, has helped to drive up interest rates, in turn escalating the cost to companies of financing their investments in modernization and product development.

(Continued on page 8)

JCPS

March 1989

POLITICAL TRENDLETTER®

Inside This Issue

- **Michael Manley is back in as prime minister of Jamaica.**
- **Former Ku Klux Klan leader David Duke is elected to Louisiana legislature.**
- ***TL* presents a roll call of President Bush's early black selectees for federal departments and the White House.**

Out Again—In Again: Manley Is Back in Jamaica

On February 13, MICHAEL MANLEY, age 64, was sworn in as prime minister of Jamaica for the fourth time in 21 years. Manley first replaced his father NORMAN MANLEY as prime minister in 1969; he was subsequently elected in 1972 and 1976, but lost to EDWARD SEAGA in 1980 in a hotly contested election that was marred by violence. This time around, Manley soundly defeated Seaga in a peaceful February 9 election by a 57 percent to 43 percent margin. Manley's new mandate to govern is even more clearly demonstrated by his party's parliamentary victory. His People's National Party (PNP) won 44 seats in the 60-seat parliament, while the opposition Jamaican Labor Party (JLP) won only 16 seats.

Seaga's defeat was precipitated, in part, by the austerity measures his government took to bolster the island nation's ailing economy. Seaga's policies relied heavily on loans and investments from the United States, the World Bank, and the International Monetary Fund. This heavy burden of debt resulted in layoffs, a credit squeeze, monetary devaluations, and cutbacks in public spending. Although Seaga's economic philosophy paralleled **RONALD REAGAN'S** "trickle down" dogma—relying on the belief that a rising tide lifts all boats—the Jamaican economy simply did not grow fast enough to become the Caribbean model of capitalism Reagan had hoped to see.

University of West Indies-Kingston professor and pollster CARL STONE reports that while more-affluent Jamaicans credited Seaga with improving public utilities, reducing crime, and cleaning up the environment, their poorer countrymen felt that the Seaga government benefitted only the wealthy few. Stone notes, moreover, that lower-income Jamaicans gave Seaga failing marks for high taxes and high interest rates, deterioration in health and educational facilities, stagnation in the development of black-owned business, decline in small farming, and the acute shortage of affordable housing.

The disaster of Hurricane Gilbert in September 1988 only worsened economic conditions on the island. On the heels of Gilbert, Seaga promised for the first time during his term to allow massive spending for social programs. According to University of West Indies-Kingston political science professor **AGGREY BROWN,** the post-hurricane assistance at first resulted in rising public approval ratings for Seaga. The popular aid effort immediately preceded the election, but by election day Seaga's approval rating had again fallen and the call for a change of government returned in full force.

Manley faces similar economic challenges as he forms his new government. Jamaica must supplement revenues from tourism and its primary export, bauxite alumina, with new loans and investments from the United States as well as from other foreign governments and international development agencies. At the same time, Manley's government must honor the debts incurred during Seaga's tenure, and meet the high cost of petroleum and other essential imports while improving the nation's education and health services. Securing aid from the U.S. may require some political repositioning on Manley's part. His socialist image and close ties to Cuban president FIDEL CASTRO have made him unpopular in Washington in the past. But with a new administration in the White House, many observers believe that there is a good chance relations between the two nations will improve.

David Duke and the Politics of Race

In a now well-publicized February 18 election, DAVID DUKE, former Imperial Wizard of the Ku Klux Klan and currently president of the National Association for the Advancement of White People, was elected to the Louisiana state legislature by a slim 227-vote margin. Duke, age 38, ran as a Republican in the 81st legislative district in Metairie, a 95 percent white suburban community just outside New Orleans. He defeated JOHN TREEN, age 62, a conservative Republican home builder once active in the anti-civil rights State's Rights Party. (Louisiana state law allows candidates from the same party to oppose each other in general elections.) Treen's brother, DAVID TREEN, was once governor of Louisiana.

Duke undoubtedly stands on the extreme of the nation's right wing. This is a man who called former New Orleans mayor **ERNEST "DUTCH" MORIAL** "a coon," a man who led a "posse" to the Mexican border to hunt down immigrants attempting to cross into the United States, a man whose present organization advocates cut-backs in black birth rates.

According to Dillard University sociologist **C. J. WILTZ,** Duke's victory was helped along not only by his racial outlook but by the concern of whites over joblessness stemming from the state's faltering economy as well as by general fears of increased taxes and demands for increased spending on welfare. While Duke won votes from every part of Metairie's white populace, Wiltz reports, these fears led to overwhelming white support among the poor and the working class. For these groups especially, Wiltz says, "Duke captured fear and harnessed it into votes."

GOP leaders were reported to be chagrined by Duke's registration as a Republican. (Duke, who ran for president as a Democrat in 1988, became a Republican three days before the filing deadline.) Republicans across the board endorsed Treen and renounced Duke, from President Bush's son, **JEB BUSH,** to Republican National Committee (RNC) chair **LEE ATWATER.** And shortly after Duke's election, the executive committee of the RNC approved a resolution condemning Duke, declaring that he "is not a Republican in gesture, deed or belief." The resolution denies Duke any financial aid or other assistance from the RNC and declares his views to be abhorrent.

Critics of the GOP have concluded, however, that the chickens had come home to roost. They assert that, beginning with BARRY GOLDWATER'S 1964 presidential campaign, the right wing of the Republican party had laid the groundwork for a Duke victory. RICHARD NIXON and Ronald Reagan both invited white voters opposed to civil rights progress to join the GOP. The Bush campaign whipped up racial fears with its ubiquitous WILLIE HORTON television ads. (Horton is a black Massachusetts prison inmate who committed violent crimes while on furlough.) And the issues Duke campaigned on—opposition to higher taxes, opposition to affirmative action, and opposition to welfare—are, after all, the same issues on which Reagan ran in 1980 and 1984.

Bush's Black Appointees: Do They Represent a New Vision?

The first thing **STEVE GLAUDE,** a prospective Bush appointee, told *TL* in an interview was that "Bush's new black appointments represent a new vision." Most leaders of traditional civil rights organizations are refraining from judgement, however, until the nature of this vision becomes more clear. A run-down of some of Bush's major confirmed and announced black nominees follows.

Appointed:

LOUIS SULLIVAN, Secretary of Health and Human Services. Sullivan earned his bachelor's degree from Morehouse College and his M.D. from Boston University. He specialized in internal medicine and hematology and taught at Harvard University, New Jersey College of Medicine, Boston University, and Morehouse College. Most recently he was president of the Morehouse School of Medicine. Sullivan was one of three black leaders to serve in then-vice president Bush's 12-member delegation to seven African countries in November 1982. Although his confirmation hearings were plagued by questions about his vacillating stand on abortion and his desire to receive sabbatical leave pay from Morehouse during his government tenure, Sullivan was confirmed by the Senate 98-to-1 on the first of March. The only opposing vote was cast by arch conservative JESSE HELMS (R-NC).

FREDERICK D. MCCLURE, Assistant to the President for Legislative Affairs. McClure has the difficult job of pushing President Bush's legislative initiatives through Congress. Ironically, McClure, once legislative director to former Texas senator JOHN TOWER, has had to share in an early defeat for the new administration when the Senate refused to confirm Tower as secretary of defense on March 9. McClure served as staff vice president for government affairs for Texas Air Corporation, as special assistant to President Reagan for

legislative affairs, as associate deputy attorney general in the Justice Department under Reagan, and as a trial lawyer with the Houston law firm of Reynolds, Allen, and Cook.

WENDELL WILKIE GUNN, Chief of Staff, Housing and Urban Development (HUD). Gunn has served as vice president at Chase Manhattan Bank, as assistant treasurer of PepsiCo, and from 1982 to 1984 as special assistant to President Reagan for international trade policy. Most recently, he has operated his own financial management consulting firm of Gunn Associates in Stamford, Connecticut. He is a member of the Joint Center for Political Studies' Economic Policy Task Force.

JOE WATKINS, Associate Director in the White House Office of Public Liaison. Most recently, Watkins, an ordained minister, was an assistant to the president of the University of Pennsylvania, and before that an assistant to **DAN QUAYLE** for three years when Quayle was in the U.S. Senate. In 1986 GOP candidate Watkins lost to popular Democratic incumbent **ANDY JACOBS** in a bid for Congress from Indiana's 10th district, which includes Indianapolis.

ANNA PEREZ, First Lady's Press Secretary. Perez has been a press aide to Sen. Slade Gorton and most recently Rep. **JOHN MILLER**, both Republicans from Washington State. A native of New York City, she once published with her husband *Tacoma Facts*, a community newspaper in the state of Washington.

JOSEPH PERKINS, Deputy Assistant for Domestic Policy, Office of the Vice President. Perkins has been an editorial writer at the *Wall Street Journal* for four and a half years. A graduate of Howard University's School of Communications, Perkins made a name for himself by writing conservative editorial pieces at the *Journal*. In a controversial article published in *Policy Review* magazine, "Boom Time for Black America: The Middle Class Is Surging Under Reagan," Perkins asserted that the black middle class has thrived because of Reagan's policies. *Policy Review* is a publication of the Heritage Foundation, a conservative research institution in Washington, D.C.

Nominated, Confirmation Pending:

WILLIAM LUCAS, Assistant Attorney General for Civil Rights. A former Democratic Wayne County (Detroit) executive, Lucas became a Republican in 1986 when he ran, unsuccessfully, for the governorship of Michigan against incumbent Democrat **JAMES BLANCHARD.** As county executive and as Wayne County Sheriff before that, Lucas received overwhelming support from black voters. When he ran as the GOP gubernatorial nominee with the backing of Ronald Reagan, however, his campaign was vigorously opposed by Detroit congressman **JOHN CONYERS,** mayor **COLEMAN YOUNG,** and other prominent black Democrats in the state, and he received scant support from black voters.

Lucas's connection to the Reagan agenda and his lack of experience in civil rights enforcement have made him Bush's most controversial black nominee thus far. Few civil rights advocates are pleased with Lucas's nomination. "We had hoped that the attorney general would have tried to pick someone who had some experience with civil rights litigation," says JULIUS CHAMBERS, director-counsel of the NAACP Legal Defense and Education Fund. And RALPH NEAS, executive director of the Washington-based Leadership Conference on Civil Rights, expressed his disappointment that Lucas "does not have a very strong background in civil rights. The assistant attorney general for civil rights is a very important position, not one for on-the-job training." (WILLIAM BRADFORD REYNOLDS, who headed the Civil Rights Division during the Reagan administration, attempted to use his position to undo many of the civil right gains secured in the 1960s and 1970s.)

CONSTANCE "CONNIE" NEWMAN, Director of the Office of Personnel Management. Newman has had 20 years of public affairs experience. Policymaking posts she has held in Washington include director of Volunteers In Service To America (VISTA) from 1971 to 1973, commissioner and vice chair of the Consumer Products Safety Commission from 1973 to 1976, and assistant secretary for regulatory programs at the Department of Housing and Urban Development from 1976 to 1977. She also served on Bush's presidential transition team as director of outreach and was instrumental in the selection of several blacks for posts in the Bush administration.

JEWEL LAFONTANT, Assistant Secretary of State for Refugee Affairs. Lafontant is senior partner in the Chicago law firm of Vedder, Price, Kaufman, and Kammholz. She was formerly Deputy Solicitor General in the U.S. Justice Department during the Nixon administration. In addition, she served as U.S. Representative to the United Nations and has been named to several boards and commissions of the federal government. Lafontant is remembered most recently for testifying on behalf of Judge **ROBERT BORK**, who was nominated by Reagan, but not confirmed, to be a justice on the Supreme Court.

STEVE GLAUDE, Deputy Secretary of HUD. Glaude's most recent position has been as director of the National Association of Neighborhoods, an organization involved in improving the conditions of poor neighborhoods. He also was chairman of the board of the Capitol East Children's Center, a day-care facility in Washington, D.C., and has worked for the D.C. Association for Retarded Citizens.

TL will continue to publish the names of Bush nominees and appointees in future issues.

Across the Nation

GEORGIA: On the heels of the U.S. Supreme Court's February decision to strike down the city of Richmond's minority business set-aside program in *City of Richmond v. J.A. Croson Co.*, Georgia's state supreme court has overturned a similar program in Atlanta. The city had established a goal of 35 percent participation for blacks, Hispanics, native Americans, and Asians in all city contracts valued over $25,000. In 1973, contractors from minority groups held a total of only $40,000 worth of city contracts, less than one percent of the city's $29 million total, whereas by 1987, the minority figure was $29 million, 36.7 percent of an $80 million total, according to the city's Office of Contract Compliance.

As in the *Richmond* case, Georgia's high court stopped short of deciding that such racially based efforts to broaden minority contract participation were unconstitutional or that they violated the state's own equal protection statute. The Georgia court did rule that set-aside programs will be held to a "strict scrutiny standard." Applying that standard, it determined that Atlanta officials did not produce convincing evidence of discrimination to justify their program. The court added that Atlanta had failed to create a program narrowly tailored to eliminating the present effects of past discrimination.

In the aftermath of the Georgia decision, the first major projects that may be affected are the construction of a $7 million municipal court building and a $210 million domed stadium to be built in Atlanta with state, city, and county funds. Clearly, the effects of the *Richmond* decision are only beginning to be felt.

NEW YORK: Manhattan borough president DAVID DINKINS, 61, the city's highest-ranking black official, announced his candidacy for mayor of New York in mid-February. Dinkins, who is running on the promise of uniting the sharply polarized city, is trying to gather a coalition of blacks, Hispanics, municipal union leaders, and white liberals. His Democratic primary opposition includes incumbent Mayor **EDWARD KOCH** and City Comptroller **HARRISON GOLDIN,** and may also include former chairman of the Metropolitan Transportation Authority **RICHARD RAVITCH,** a liberal. For Dinkins, it might be best if Ravitch decides not to run, since the two are likely to appeal to many of the same voters.

On the Republican side, the two chief candidates are former U.S. attorney **RUDOLPH GIULIANI** and **RONALD S. LAUDER,** the Estee Lauder heir who served as U.S. ambassador to Austria during the Reagan administration. Both primary elections will be held September 12.

Most pundits expect the Democratic primary to be tough and nasty. Dinkins, who has been a state legislator, city clerk, and Board of Elections president, has the reputation of a gentlemanly politician, but already he has said he is prepared to deal with whatever Koch or any other opponent throws his way. Koch is known to be a street fighter who often uses racial polarization to his advantage—for example, in the 1988 New York presidential primary launched vicious personal attacks against Jesse Jackson, and generally exacerbated black-Jewish relations in the Big Apple. **While early public opinion polls give Dinkins the lead in the Democratic field, his chances will depend heavily on black voter turnout. Jesse Jackson was able to draw large black turnouts in his 1984 and 1988 campaigns for the Democratic presidential nomination, but voter registration among blacks in New York nevertheless remains abysmally low. Increasing black voter registration will undoubtedly be one of Dinkins' first goals.**

Winning the primary, however, will not guarantee Dinkins the mayor's office. Millionaire Lauder, by far the best financed candidate, says he plans to spend as much as $10 million of his own money on the race, bypassing a new city law limiting spending for candidates who accept public financing to $3 million in the primary and $3 million in the general election. Lauder is backed by U.S. Senator **ALFONSE D'AMATO** of New York, who has long feuded with **Guiliani. Guiliani, however, is presently favored in the Republican contest, and some observers conclude that it might be even more difficult for Dinkins to defeat him in the general election than to defeat Koch in the primary.**

CONGRESSIONAL UPDATE:

CBC and MPs to Meet

Since their unprecedented election to Britain's 523-member House of Commons in 1987, three black members of parliament, DIANE ABBOT, KEITH VAZ, and BERNIE GRANT, all members of the Labor Party, have formed the first Parliamentary Black Caucus. (LORD PITT of the House of Lords is also a member of the new Caucus.) The British legislators are building close ties with the U.S. Congressional Black Caucus (CBC), based on what Abbott calls "a deep sense of the collective history of the African diaspora."

The Parliamentary Black Caucus has invited the members of the CBC to join them for their historic installation ceremonies from March 30 to April 2. A conference will also be held, attended by other black British elected officials. Other U.S. invitees include Joint Center president **EDDIE N. WILLIAMS, RUSSELL OWENS,** director of the JCPS National Policy Institute, and the heads of all national organizations of black American elected officials.

Congress Pushes Minimum Wage Increase

After spending a great deal of time debating an unsuccessful 50 percent salary increase for its members, Congress has finally gotten around to legislation to raise the minimum wage ($3.35 per hour) for low-income workers. EDWARD M. KENNEDY (D-Mass.), chairman of the Senate Labor and Human Resources Committee, and AUGUSTUS F. HAWKINS (D-Cal), chairman of the House Education and Labor Committee, are both pushing bills (S.4 and H.R.2, respectively) that would raise the minimum wage to $4.65 an hour by 1992. The wage would rise incrementally—to $3.85 an hour by January 1, 1990, $4.25 an hour by January 1, 1991, and $4.65 by January 1, 1992. Many officials from organized labor contend that the increase is long overdue, since Ronald Reagan held the wage to $3.35 an hour for the entire eight years he was in office.

Kennedy's bill cleared his committee by a vote of 11-to-5 on March 8, with two Republicans, senators **DAVID F. DURENBERGER** (R-Minn.) and **JAMES M. JEFFORDS** (R-Vt.), joining the Democrats in support of it. On March 14, Hawkins' committee approved a companion bill, whose main provisions differ little from the Senate measure but would extend coverage to employees of the House of Representatives. Both bills would exempt small firms with annual sales of $500,000 or less.

The bills could hit a snag if President Bush insists on his proposal to hold the wage down to $4.25 an hour. The Bush proposal also would institute, for the first time ever, a six-month "training wage" of $3.35 an hour that employers would be allowed to pay new workers. However, the administration has not proposed a mechanism to raise the training wage in the future.

The Price of Namibian Independence

As South Africa Prepares to Withdraw from Namibia, Some Observers Question Whether the Apartheid Regime's Domination Will End

by Henry J. Richardson, III and Lisa Peterson

After years of suffering under the illegal, oppressive rule of South Africa's apartheid regime, the people of the southern African territory of Namibia are beginning to prepare for the first free and fair elections in their history. This day has been long in coming. For over 100 years, the Namibian people have languished under white-minority rule—first under the Germans, who colonized the territory in 1884 and controlled it until the First World War, and for the past 73 years under South Africa's occupation, illegal since 1966. Thus, the independence of Namibia will be a historic event: indeed, once Namibia is free, the Republic of South Africa will remain the only African nation governed by a white minority.

In spite of widespread relief following South Africa's recent decision to end its occupation, the news has been greeted with mixed reactions by both Namibians and opponents of apartheid worldwide. Many question whether the recently signed Tripartite Agreement between South Africa, Angola, and Cuba can actually be carried out, and whether the political price for reaching the agreement was pushed too high.

This speculation is due to South Africa's long history of internal repression, regional destabilization, and violation of regional peace treaties. Some observers question whether the United Nations can manage to ensure fair elections in Namibia and oversee the nation's emergence into independence. (Under international law and the terms of the agreement [see box, page 6], the United Nations is recognized as the guarantor of the Namibian people's right to genuine independence under the international legal principles of self-determination.) Furthermore, even if elections are held, a constitution drafted, a government formed, and political independence achieved, many observers are concerned that Namibia may remain too economically dependent on South Africa.

A Rocky Road to Liberation

The road to Namibian independence has been a long and rocky one. Those seeking a free Namibia have long been frustrated by Pretoria's campaign to destroy the South West Africa People's Organization (SWAPO), the Namibian liberation movement that has been waging armed struggle for 23 years. They have been frustrated as well by resistance from Washington, particularly during the years of the Reagan administration.

Those who have long sought independence for Namibia—including the black-ruled nations bordering South Africa (known as the Frontline States), the Organization of African Unity (OAU), and anti-apartheid forces worldwide—argue that the nation's liberation is important not only because of its people's right to end their colonial status, but also because of its strategic importance. It is from military bases in Namibia, for example, that South Africa has launched most of its attacks on the neighboring states of Zambia, Zimbabwe, and Angola.

Frustration over Namibia's long-delayed independence dates back to 1978, when Resolution 435, which formed the basis of the Tripartite Agreement, was first adopted by the United Nations Security Council. At that time, every member of the council, including the U.S. (then under the Carter administration), agreed to the terms of the resolution, along with SWAPO. South Africa, however, only agreed "in principle," refusing to allow its implementation. In 1981, a decision reached by the Reagan administration and then by South Africa, linking Namibian independence to the withdrawal of Cuban troops from Angola, gave Pretoria another convenient excuse to block the resolution's implementation altogether. It wasn't until Angolan and Cuban forces made major military advances against South African occupation forces in Angola last year that the apartheid regime was again forced to negotiate.

The Price of Independence

The Tripartite Agreement has been signed at the expense of the Frontline States' attempts at autonomy from South Africa and at the expense of the effectiveness of anti-apartheid forces throughout the region. The U.S. and South Africa, with the participation of the Soviet Union, sought and won as part of the agreement the closure of seven African National Congress training camps in Angola, a provision that may infringe upon Angola's duty to shelter South African refugees under international law. Soviet involvement in this entire agreement signals a major shift in Soviet policy toward accomodation with Pretoria and Washington while moving away from previous unequivocal support for the Frontline States and African liberation movements.

Further, the Tripartite Agreement exploits the principles

(Continued on page 6)

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The Price of Namibian Independence

(Continued from page 5)

of "inviolability of borders" and "non-interference in the internal affairs of states" in order to shield the apartheid regime from outside pressure. It is worth noting that apartheid has been designated a criminal system under international law; the South African regime's involvement in the Tripartite Agreement has therefore given it implicit approval and protection, contrary to international law.

A final barrier to genuine independence emerged shortly after the agreement was signed. Reagan and then Bush administration officials demanded at the last minute that the size of the U.N. peacekeeping force in Namibia be reduced from 9,000 persons to 3,000. This reduction was needed, the administration claimed, to cut the operation's price tag from $600 million to $450 million.

The Permanent Member nations of the U.N. Security Council agreed to this cut and stood fast against the objections not only of SWAPO but of foreign ministers from the entire U.N. African group and those of many other third world states. These opponents of apartheid argued that the reduced force would not be large enough to effectively monitor the elections and the borders, prevent intimidation by the South African-controlled Namibian police, and perform other critical duties. The dispute was then referred to the U.N. Secretary General, who fixed the agreed-upon size of the peacekeeping force at 4,500, a decision then adopted by the Security Council.

The danger now exists that the United Nations in Namibia may be reduced to a mere caretaker of schedules and a bystander to political events manipulated by Pretoria. There is evidence that South Africa plans to defraud the election by stacking the ballots with 40,000 false voter registration certificates. These false certificates, it has been reported, would be provided to members of UNITA, the Angolan rebel group armed and financed by the U.S. and South Africa, and to South African blacks collaborating with the regime and infiltrated into Namibia. In addition, Pretoria is reported to be forming a group of dissident Namibians to oppose SWAPO and further sabotage the election process. If these schemes do not unfold and the elections are held fairly, most international experts agree, SWAPO officials are widely expected to win a majority.

A mineral-rich country, which produces much of the world's diamonds and uranium, Namibia even with its independence will remain encumbered by severe economic dependence on South Africa. Its diamond and uranium mines today are controlled by multinational firms based either in South Africa or western industrial nations. Furthermore, Namibia will still need imported South African foodstuffs and manufactured goods as well as rail transportation. It will also have to depend on South Africa's direct government support, including South African officials temporarily loaned to the new Namibian administration. Dependence will be further intensified by South Africa's continued control of Walvis Bay, Namibia's only deepwater port. To date, South Africa has refused to relinquish control of the port, in violation of a separate U.N. Security Council resolution. The issue of Walvis Bay is not addressed either in the Tripartite Agreement or in U.N. Resolution 435.

Opportunity for a New U.S. Policy

The overarching question for American citizens is whether their government will continue the Reagan administration's policy of weakening the resources of the U.N. and allowing South Africa to undermine the process of Namibian self-determination. If South Africa again refuses to live by the terms of Resolution 435, will the U.S. government acquiesce? Will the U.S. again refuse to support comprehensive economic sanctions against South Africa through the U.N. Security Council? Or will it seek to ensure that independence runs its full course by strongly supporting the U.N. supervision of elections? And will the U.S. give an independent Namibia the economic assistance it will need to overcome 100 years of colonialism, including strong U.S. support for any Namibian efforts to reclaim Walvis Bay and otherwise reduce the new nation's economic dependence?

The strong U.S. interest in a genuinely independent Namibia is closely linked to the U.S. national interest to see an end to South African apartheid and the achievement of self-determination by that nation's black majority. U.S. policy must therefore aim to defend Namibia and the region from paying an inflated political price to rid itself of South Africa's domination. ■

The Tripartite Agreement—Major Points

South Africa's decision to remove its troops came after months of intense, U.S.-brokered negotiations last year, which led to the widely publicized signing of the Tripartite Agreement between Angola, Cuba, and South Africa on December 22, 1988. The primary measures of the agreement include the following:

- A commitment to implement United Nations Security Council Resolution 435, the comprehensive Namibian peace plan adopted by the U.N. in 1978. The resolution outlines in detail how U.N.-sponsored elections are to be held; arranges for a cease-fire between South Africa and SWAPO; and establishes a time-frame for the withdrawal of all South African military forces and government officials.

Under Resolution 435, the independence process is scheduled to begin April 1, 1989, with the arrival of the United Nations Transitional Assistance Group (UNTAG), an international civilian and military body assigned to peacekeeping and election monitoring. Shortly after elections, which are due to be held by November 1, 1989, a constitution is to be drafted and a government formed—leading to independence on or around April 1, 1990. The UNTAG group will be commanded by the U.N. Special Representative, who is appointed by and reports directly to U.N. Secretary-General Javier Perez de Cuellar.

- Provides for the withdrawal of Cuban troops from Angola and South African forces from Namibia. The 27-month phased withdrawal of Cuban troops is due to be completed by July 1, 1991. (However, as a good-faith gesture, 500 Cuban soldiers left Angola within a month of the agreement's signing.) By June 1, 1989, the estimated 50,000 to 75,000 South African troops based in Namibia must be reduced to 1,500 and confined to barracks, with similar arrangements for armed SWAPO members. Verification of the troop withdrawals will be monitored in Angola by separate U.N. observers and in Namibia by the UNTAG group.

Who Defends America? Race, Sex, and Class in the Armed Forces

Forthcoming Joint Center Publication Examines the Policy Implications of Black Overrepresentation in America's All-Volunteer Military Forces

Black fighting men have played a pivotal role in every major American conflict, beginning with the Revolutionary War itself. However, it wasn't until the draft was abolished in 1973 and the all-voluntary military force was established that black representation increased significantly. Today, while blacks comprise 12 percent of the country's population, they make up 20 percent of all active-duty military personnel—and within the army, nearly 30 percent. These statistics concern some analysts and policy makers, while others view them as a normal outcome of the military's nondiscrimination policy.

Will current trends in enlistment and the racial makeup of the military have any effect on the nation's long-term security? And how do we weigh the benefits minorities may gain from the military in training, education, and employment against the burdens they may have to bear in a conventional war? These and related questions are addressed in the Joint Center's latest publication, *Who Defends America? Race, Sex, and Class in the Armed Forces,* edited by Edwin Dorn, deputy director of research at the Center. The 11 essays and reports that compose the volume, written by a diverse group of scholars and public officials, grew out of a symposium sponsored by the Joint Center and hosted by the Johnson Foundation. Following are selected highlights.

Black Overrepresentation. The current all-volunteer approach to the armed forces was established as the Vietnam War wound down in the early 1970s. At the time, critics questioned whether the changeover would cause a disproportionate rise in the number of minorities in the ranks. Defense Secretary Melvin Laird, testifying before Congress on behalf of the new system, dismissed the prediction as unwarranted. He turned out to be wrong.

Since 1973, the representation of blacks in active military positions has nearly doubled. Alvin Schexnider of Virginia Commonwealth University and Ed Dorn note, however, that black representation varies widely depending on rank, service branch, and occupational specialty. Blacks make up only three percent of officers in the navy but are 10 percent of the officers in the army and almost 30 percent of the army's active-duty enlisted personnel. Some observers have cautioned that this "imbalance" in the army, together with the disposition of troops, makes it likely that, should hostilities occur in Korea or Europe, blacks would make up a third of the initial casualties.

Imbalances in Economic Background. According to Northeastern University professor Charles Moskos, the competitive benefits offered today to attract recruits appeal especially to those who are finding private employment hard to obtain—the economically and educationally deprived of all races and backgrounds. Moskos writes further that whereas black service personnel are fairly representative of the social and economic spectrum of the black civilian population, white personnel come disproportionately from the white population's least educated and lowest-income segments.

Former national security advisor McGeorge Bundy expresses a similar concern, that young middle-class whites are rejecting military service, and asks whether the nation can afford to allow such a large group of its citizenry to view defense as someone else's job.

The Military as an Employer. Robert Fullinwider of the University of Maryland argues that those who believe the current recruitment system "forces" low-income blacks into the military are really operating on the premise that voluntary military service is more degrading than unemployment. This premise, he believes, denigrates both military service and the motives of blacks who enter it.

The question remains open, nevertheless, whether blacks have adequate opportunities for advancement within the military. Elsie Moore, professor at Arizona State University, notes that blacks who qualify for enlistment have lower average test scores than whites, and can therefore expect to find poorer training opportunities and slimmer career prospects than whites in the services.

Debating the All-Volunteer Approach. The issue of racial disproportion is used by some to challenge the merits of maintaining the all-volunteer system. Proponents of the system, including former DOD assistant secretary Laurence Kolb, argue that it is the most cost-effective way to run the military, attracting those people most likely to stay in the services and thereby avoiding the added training costs associated with a high-turnover draft system.

Returning to some form of draft or mandatory service is at least a distant possibility. Nevertheless, Congressman Les Aspin notes that although many rank-and-file voters and some members of Congress prefer to abandon the all-volunteer approach, a renewed draft could restore racial balance only by drafting whites only, a drastic measure Congress is unlikely to consider. ■

This review was prepared by Marc DeFrancis, senior editor at the Joint Center.

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American Competitiveness
(Continued from page 4)

Toward Some Solutions

Clearly, much more can be done to give American companies better access to foreign markets. This includes not only removing unfair barriers to American goods and services, but helping small and medium-size companies overcome the normal administrative and cultural barriers of foreign markets. At the same time, American laws against unfair import practices should be aggressively enforced. U.S. trade officials should negotiate agreements with our trading partners on bilateral issues such as restrictions on American financial-service firms in Europe and obstacles to the sale of American computer products in Japan.

More importantly, however, the U.S. government must launch an effective strategy to address domestic factors that have a more profound effect on the trade deficit. To succeed, such a strategy must have at least five important features:

- Domestic consumption must be slowed to allow production to shift to the export market. This must be done carefully so that declining domestic demand can be adequately replaced by an increased demand for exports and, thus, not trigger a recession. Traditional methods for slowing consumption—raising interest rates and taxes—have the unfortunate effect of slowing down production as well.
- Imports must not be discouraged through trade restrictions. Import competition is a crucial and effective incentive for domestic producers to raise the quality of their products and services to globally competitive standards.
- The merger, acquisition, and leveraged buyout binges must be moderated. Considerable capital and management resources are consumed by these activities, which also cause a loss in jobs. There is little evidence that this corporate raiding is significantly improving production efficiency, product quality, or customer service.
- The tax laws should be amended to encourage capital investment rather than discourage it as they now do. Tax breaks should also be used to encourage more spending on research and development, with emphasis on research.
- The federal government should promote and facilitate greater export consciousness and participation among medium-size firms with demonstrated export potential. The government should provide these companies with information on sales opportunities and technical assistance in the areas of administrative procedures, shipping, and finance.

To Change Corporate Thinking

While political leadership is critically important, the most significant contribution must come from the private sector itself. Its challenge is not to develop and adhere to a list of mandated procedures for boosting exports. The challenge to American business is to change the way corporate managers think about product development, manufacturing, and service. Managers must adopt the global view whether or not they believe their company is involved in international trade.

Whether service provider or manufacturer, producer for export or for domestic sales, American industries have become inescapably bound to the standards of global competition. Government policies and a corporate ethos that fail to grasp these new realities will only assure the continued decline of American competitiveness. Only through a clear understanding of the problem and an earnest commitment by government, business, and the people themselves to address these problems, can the United States meet this challenge. ■

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