services if you cut the size of government. Our health department used to measure its performance by how many immunizations it gave to children. When families started going to their own doctors to be immunized, our health department was threatened. So they required that people come to the city, which meant more cost and less convenience. We reversed that. The only reason the city had done this differently before was to protect the narrow interest of its employees.

TAE: Can public-employee unions be won over to reform?

NORQUIST: I really haven't. I've managed to be elected three times but I've never had the support of the government workers' union. Some of the unionized parts of city government, like our assessors' office and our inspectors, have actually led change and innovation. But if the goal becomes having good union relations, you can get bogged down and miss the goal of improving the quality of service and reducing the burden on the taxpayer. The unions will buy into that some of the time, but sometimes they will resist.

TAE: You've had little success winning over the Wisconsin Education Association.

NORQUIST: I'm for school choice, including religious schools, and they aren't.

TAE: Won't school choice and vouchers disperse children into neighborhoods far from their homes?

NORQUIST: That's what's happened under the no-choice system. You have forced busing. Desegregation plans are still around, even though in a lot of cities most of the population is now African American. The school system is busing minority children out of one minority neighborhood into another. It doesn't make any sense.

Every criticism of what would supposedly happen under school choice already happens under our monopoly government system. America *has* a school-choice system for cities—people with money choose to live in a different town. That doesn't bother the public-school establishment because then the student is just in another public school.

Look at higher education. We've got school choice there too. People come from all over the world to go to college in Chicago. Nobody comes to go to K-through-12 public schools in Chicago.

TAE: You believe government highway building programs have done damage to American life.

NORQUIST: The best thing would have been to have no federal transportation program. Thanks to Senate Majority Leader Lyndon Johnson's obsession with taking care of his friends in the road-building industry, we ended up with this massive federal subsidy of highways. Among other things, these giant traffic machines drove most private transit systems out of the market.

TAE: Are you opposed to federal subsidies for mass transit?

NORQUIST: If you could squash the entire road-building agenda of Bud Shuster [chairman of the House Transportation Committee], that would be good for cities. Eliminate all the highway spending, eliminate all the transit spending. The federal government helps people drive faster and faster between increasingly insignificant destinations. They've created this pop-up cartoon landscape with buildings that have no lasting value—just a sprawl culture that people find disgusting and unsatisfying.

The favors handed out by the federals are skewed towards artificially subsidizing rural development. Figures show that Wyoming gets a lot more back from the federal government than they pay in. New York gets back about a third of what they send into the federal government, but everybody in Wyoming probably thinks they're subsidizing New York. The federal government is really a rotten deal for cities. The whole idea of trying to get money out of them—

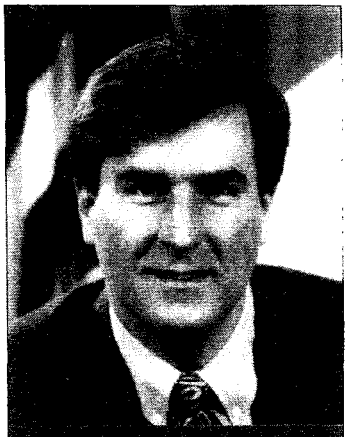
TAE: ...which is the main agenda of the U.S. Conference of Mayors...

NORQUIST: I don't belong to the Conference. They've done some good things, but I dislike the idea of begging from a debt-encrusted federal government. Instead of wasting our time doing that, we should be advocating lower taxes at the federal level, so that they don't suck so much money out of the cities. The federal government taxes New York and Milwaukee and then distributes the money in a way that doesn't help us.

Bret Schundler

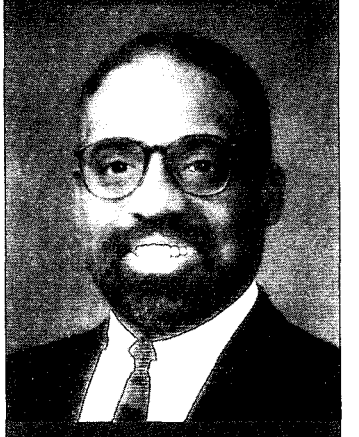
Mayor of Jersey City

The anomaly of Bret Schundler—a fresh-faced Wall Street Republican winning election as mayor of overwhelmingly Democratic Jersey City (just across the Hudson from lower Manhattan)—made him a media star when he was first elected in 1993. Now Schundler is into his second term and the seemingly intractable problem of taming stubborn bureaucracies—including the local police.



Privatization is an efficiency issue because it provides competition, and that creates a natural accountability. But it also lets us give control to the person the service is intended to help.

—Mayor Schundler



Citizens are not trapped, tax-paying animals. They have choices between various places. Either cities compete or we die.

—Mayor White

TAE: Is there a way to win public-employee unions over to privatization?
SCHUNDLER: It depends on the union, but certainly it's not easy. We privatized the management of our water utility. We convinced the union to endorse our proposal because we guaranteed there would be no layoffs. We had had layoffs in other departments; so I think they felt that it was the lesser evil to accept private management with a no-layoff guarantee.
TAE: Police unions have been called Republicans' favorite unions. Have you found them difficult?
SCHUNDLER: Extremely. Police unions are used to telling people what to do. They're not used to taking orders.

In free-market competition, you have bottom-up accountability; if you don't keep the customer happy, you go out of business. In the military, you have a top-down command structure; if you don't take orders, you get put in the brig. In a police union, you have a top-down system with civil-service protections; if you don't do what you're supposed to do, it's still hard to be fired. We really have to struggle to persuade them to want to do what we want them to do.

In every city, they are the single biggest union by far. Of Jersey City's 2,800 city employees, 875 are police officers. Not only can the police have a labor action, but they can end up harassing opponents during labor disputes, as I've seen.
TAE: You encountered resistance to your plan to put more officers on the street, didn't you?
SCHUNDLER: We had a lot of officers who were doing filing and interoffice mail delivery and so forth. We civilianized those positions and put the extra police on the street. We also changed the work schedule to get more officers on the street, and they were working more days.

These things reduced crime, but they also created a lot of labor strife because people don't want to work more days. Somebody with a desk job may have liked sitting at a desk. So typically they would sue us for an unfair labor practice. We have won most of these cases, but it's enormously expensive and contentious every time you try a common-sense reform.
TAE: The police function: Could that conceivably be contracted out?
SCHUNDLER: A lot of it can be contracted out. A lot of it *is* being contracted out. Businesses all over America hire private security. Condominium associations do it. There are many opportunities for privatization.

Even the tax-collection function, which has historically been almost 100 percent governmental, doesn't have to be. We've converted tax liens into private securities in Jersey City. We've contracted with a private firm to do a lot of our foreclosure work on abandoned properties that no longer pay taxes.
TAE: Is privatization a simple matter of efficiency or is there a deeper philosophy underneath it?
SCHUNDLER: Privatization is an efficiency issue because it provides competition in the provision of services, and that creates a natural accountability. But it also lets us give control to the person the service is intended to help. For instance, one reason for school vouchers is to allow the recipient of the service—the family—to decide who's going to be the provider. Markets are going to work to offer parents the things they value in a school.

Michael White

Mayor of Cleveland

Democratic Mayor Michael White has the city of Cleveland in the black for the first time in a long while. A 1990 deficit of $7 million has been turned into today's surplus of $25 million. At the same time, crime has fallen sharply, the downtown is rejuvenating, and interesting experiments are improving the schools.

TAE: They used to call Cleveland "the mistake by the lake."
WHITE: At my first cabinet meeting in 1990, I said to them that when I was 14, there were 939,000 people living in town. Twenty-four years later, there are only 512,000 left. Something this government isn't doing right has caused us to lose half our population, and we'd better find out what it is and rectify it.

Citizens are not trapped, tax-paying animals. They have choices between various places that provide competing bundles of public services. Either we compete or we die.
TAE: You have a new light-rail system downtown.
WHITE: You cannot have a great town with only a great downtown. If people come to Cleveland right now, they see the light rail, the stadium, the Rock and Roll Hall of Fame, but not one person's going to move to Cleveland because of that stuff. They're going to come to Cleveland if we have clean, decent, safe neighborhoods. And so we've created housing incentives. We rewrote the housing code, which was a great rulebook for 1937, but it didn't do diddly-squat for 1997.

When I became mayor, I couldn't get any developers to build homes here. They just laughed. From 1980-89, Cleveland built 536 houses—not per year, that was the entire decade. From 1990-97, we've built 2,400, with another 2,000 on the drawing boards that'll be done by the year 2000. I brought the developers and contractors in and said, "Tell us what's wrong." They told us that our code was outdated, that our inspection and oversight methods were too costly. They made 87 recommendations. We implemented 83.
TAE: There's been a historic drop in crime in Cleveland. Why?
WHITE: One, we have 225 more officers on the street today than we did three years ago, and that was done not by hiring more people but by getting police officers from behind the desk into direct patrol. Second, we have extensive community policing. When officers were first moved from foot patrol into cars years ago they quadrupled the space they could patrol. But over time the neighborhoods changed, and officers became pinballs bouncing from call to call and never interacting with citizens except in emergencies. The community and the police weren't talking to each other.

We reinstituted the first foot patrols here in 50 years. We overlaid that with a bicycle patrol in every single district. We also have a park-and-walk program where officers in the cars have to get out so many hours a week and walk down the street.

We've also installed a citywide Court Watch Program. Residents show up, get Court Watch buttons, and sit in the front row, viewing the proceedings and the sentencing. Unless the judge is blind, he'll get the message. It really gives citizens a chance to zero in on recurring "bad actors" of the community.