

# LIDDY DOLE'S RECORD

**Her passion for Big Government and aversion to free-market solutions make her the perfect presidential candidate. For the Democrats.**

**M**aybe it is my fault that Elizabeth Dole is famously terrified of “unscripted” encounters with the press.

Ten years ago, researching an article on a federal job training program for *Reader's Digest*, I asked for an interview with then-Secretary of Labor Dole. Her press secretary put me off, first wanting to know whether the secretary's picture would appear with the piece. (I told her that, since I was a mere freelancer, such matters were out of my hands.) Finally, after much suspense, I learned that a 30-minute meeting would be granted.

On October 12, 1989, Bill Schulz, the managing editor of *Reader's Digest*, and I arrived for our appointment with Dole. We barely had time to enter her palatial office suite and sit down before the secretary launched into a filibuster about what the Job Training Partnership Act (JTPA) meant to her. She picked up a framed photograph from her desk showing her hugging a black teenage girl at a White House ceremony the previous July, and recalled: “She cried—and I cried—and we hugged!” Dole kept talking rapidly, seemingly to run down the clock.

I finally interrupted her in mid-sentence and asked, if JTPA was such a well-run program, why had it given \$3 million to finance a gay job-matching network run by the Gay and Lesbian Service Center in Los Angeles?

Dole froze. After a pause, she said she did not know anything about that. Schulz and I asked for her response to findings of the General Accounting Office and the Labor Department's inspector general about deep structural flaws in the program. Looking indignant, she declared that she had not expected to be asked those kind of questions. She showed no

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awareness of any of the major criticisms raised by the government's own auditors. About this time, I noticed that the press secretary's knees were visibly shaking and I feared that the young woman might faint at any moment. Dole soon made it clear that the interview was over.

Elizabeth Dole is revered by moderates and much of the media, hailed as the Republican answer to the gender gap, and treated as one of our most distinguished public servants. In fact, during her tenures as Reagan's secretary of transportation and Bush's secretary of labor—the most significant jobs in her political career—Dole blundered blindly from one wrong-headed and costly program to the next. Having helped open some of the worst public policy Pandora's boxes of recent decades, she remains oblivious to the resulting damage. Now touted as a realistic possibility for the Republican presidential nomination, her record suggests that she would actually be more at home in the pro-regulation, anti-business mainstream of the Democratic Party.

## **Jamming America's Brakes**

Elizabeth Hanford started her political career working for North Carolina Senator Everett Jordan and also volunteered for vice presidential candidate Lyndon Johnson's 1960 campaign. After graduating from Harvard Law School, she returned to Washington and eventually got a job in the Johnson White House. She adjusted loyalties quickly enough in 1969 to stay on under Nixon, becoming a vigorous advocate of consumer protection in his administration. In 1973, she was appointed as a commissioner to the Federal Trade Commission. As she later observed, “Washington was like a magnet to me.”

In 1975, Hanford married Republican Senator Bob Dole and joined the GOP. When Reagan won in 1980, Elizabeth Dole got a position in the White House public liaison office. She was on the short list in mid-1981 for the Supreme Court vacancy that went to Sandra Day O'Connor. When Drew Lewis resigned as secretary of transportation in late 1982, Bob Dole lobbied the White

# LATORY RIDE

James  
Bovard

House hard to give his wife a promotion. As a result, Mrs. Dole became a cabinet secretary.

Dole sold herself as "Secretary of Safety," and was praised in the press for helping the Reagan administration overcome its fear of government regulation. As transportation secretary, Dole consistently sought to maximize federal power both over citizens and state governments.

Take speed limits, for instance. In his 1980 presidential campaign Ronald Reagan attacked the 55 mph speed limit, which Congress had imposed on all interstate highways in 1974. However, as transportation secretary Dole fought all attempts to allow states to raise speed limits. Dole was the first secretary of transportation to penalize state governments for failure to ticket enough speeding drivers. Even the *New York Times* editorial page was more moderate on the issue; a June 28, 1985 editorial urged her to give the three states targeted for fines more time to comply.

After Dole cut highway funding to several states, Congress moved to end the 55 mph speed limit. Dole urged that the limit be lifted only for a small number of rural roads—a far less extensive deregulation than Congress eventually enacted.

The higher speed limits quickly proved to be safer. Economists Charles Lave and Patrick Elias examined the consequences and concluded that allowing people "to drive faster reallocates traffic from side roads to the safer interstate highways, and a higher speed limit permits highway patrols to shift manpower from speed enforcement to other safety activities." Lave and Elias concluded that "the fatality rate dropped by 3.4%-5.1% following the speed limit increase" in states with higher speed limits. Dole's successful fight to delay raising the speed limit probably resulted in hundreds of additional auto accident fatalities.



**As secretary  
of transportation,  
Dole sabotaged  
Reagan's policies  
on car air bags  
and national  
speed limits.**

**Dashboard  
Bombs for Safety**

In her stump speeches, Dole brags about her role in mandating airbags in cars. Yet few issues better symbolize the deadly irresponsibility of modern paternalism.

In 1977 the Carter administration decreed that new cars must have passive restraints by 1982. Ronald Reagan quickly canceled this edict upon taking office. Insurance companies sued; the case went all the way to the Supreme Court. One week before the court was to hear oral argument on the case, the *Washington*

*Post* ran a big headline: "Dole Touts Air Bags As U.S. Fights Them." The article described Dole's wiggling: "Asked if she is comfortable with the administration's position on air bags, Dole said that because the case is to be argued before the Supreme Court she is 'not comfortable discussing it.' Asked if she thinks the bag is a good idea, she said, 'Yes, I do, I do.'" As Sam Kazman, a Competitive Enterprise Institute lawyer who has fought airbag mandates for twenty years, observed, "I can't think of a more effective way to sabotage the Reagan administration than this."

The Supreme Court struck down the Reagan revocation of the Carter air-bag mandate on grounds that the administration had failed to consider the safety effects of its policy reversal. But Dole displayed no curiosity about the main drawback of airbags, which is that these exploding devices can kill innocent children and smaller women. Over 100 children and female adults have been killed by the bags, and over 300,000 people are injured by them each year, according to the Transportation Department. Thousands of elderly Americans have suffered sight or hearing losses because of the federally mandated exploding bags. A Harvard University study concluded that there was no proof the devices had saved the life of a single child.

Unfortunately, Dole's bureaucratic contortions on the airbag issue led to more nuisance laws across the nation. In a deal cut with the auto industry, Dole decreed that if states with two-thirds of the population would enact laws to criminalize not wearing seat belts, mandatory air bags would not be necessary. Offered this deal, the auto companies reversed themselves overnight and became fervent advocates of seat-belt laws. Jim Baxter of the National Motorist Association observed, "The auto manufacturers spent close to 100 million dollars on the state-by-state campaign to pass belt laws." Largely as a result of Dole's stratagem, almost all states enacted such laws. But a federal court in 1986 struck down the substitution of seat-belt laws for mandatory airbags.

**Axing the Eighteenth Amendment**

Shortly after becoming transportation secretary, Dole declared war on drunk drivers. On October 6, 1983, she proclaimed: "It's a war we don't intend to fight with rubber bullets or mere words of outrage." When Dole called for raising the drinking age to 21, the Reagan administration temporarily reined her in, but at a June 1984 rally by Mothers Against Drunk Driving on the steps of the Capitol she called for Congress to inflict the higher drinking age on state governments.

Since 1984 was an election year, politicians wanted to appear to be doing something useful. The Senate voted to enact the National Minimum Drinking Age Act as an add-on to a highway subsidies bill, and Dole justified the act with studies showing that 18- to 21-year-olds have the highest rate of alcohol-related traffic fatalities. When an interviewer on CBS's "Face the Nation" pointed out that the same statistics showed that the accident fatality rate for 21- to 24-year-olds was almost as high, Dole replied that the federal ban on drinking alcohol "could be extended" to 24-year-olds.

The act withheld 10 percent of federal highway construction funds from states that refused to raise their drinking age to 21. Sen. Daniel Patrick Moynihan (D-N.Y.) denounced this measure as "nothing short of coercion and blackmail by the central government in Washington. I believe it to be repugnant to the Constitution, inconsistent with sound principles of federalism." One state even sued the U.S. government over the law.

The case of *South Dakota v. Dole* became another landmark in the destruction of American federalism. Though the 21st Amendment explicitly specified that the power to regulate alcohol is vested in the states, Chief Justice Rehnquist and colleagues upheld the law, declaring that it was merely a "relatively mild encouragement to the states to enact a higher minimum drinking age than they would otherwise choose." Failure to raise the drinking age would have cost South Dakota \$12 million a year in highway funds, and would have cost Texas \$100 million, the kind of "mild encouragement" that most people consider oppressive. Justice O'Connor dissented, warning that upholding the law meant empowering Congress to "effectively regulate almost any area of a State's social, political, or economic life on the theory that use of the interstate transportation system is somehow enhanced." Dole proclaimed that the ruling "reaffirms the administration's commitment to eradicate blood borders and rid our highways of drunk drivers."

What the 1984 law really did was create an "epidemic" of underage drinking. Over the next five years, the number of college students who drank to get drunk rose by 60 percent among men, and 240 percent among women (see also pp. 69-71). The politicians must have realized that 18-, 19-, and 20-year olds would not suddenly change their habits and abstain from alcohol. Congress and Dole chose to turn millions of people into scofflaws by enacting a law that deserved to be scoffed.

**Jobbing the Poor**

Dole resigned as transportation secretary in late 1987 to work full-time for her husband's presidential campaign. After the bruising primary fight for the Republican nomination, newly



lected President George Bush sought to appease his former opponent, Senate Minority Leader Bob Dole. The result was another nice job for Dole's wife, this time secretary of labor.

At the time Dole took over the agency, the Job Training Partnership Act, enacted in 1982 as a more private-sector-oriented replacement for the discredited Comprehensive Employment and Training Act (CETA), was the Labor Department's flagship program. At a White House ceremony on July 25, 1989, Dole called JTPA "the most successful job-training program in history with a 68-percent placement rate."

In fact, JTPA was spending thousands of federal tax dollars on expanding an Indiana circus museum and teaching Washington taxi cab drivers to smile. JTPA bribes for relocating businesses were leading to "move-a-factory-a-day" madness. And the training itself was often of abysmal quality for low-level jobs. A national survey by the General Accounting Office found that the position most frequently obtained by JTPA trainees was that of janitor.

Like the federal job training programs that preceded it, JTPA hid its failures with statistical shams. The method used to calculate the number of placements varied from locality to locality, which made the national placement statistics meaningless. And if a person who spent six months in a JTPA-subsidized training program held a job for a single day, many localities claimed he was successfully placed. Other programs skewed their numbers by disregarding any trainees who did not get a job, thus achieving perfect 100-percent placement records. A 1988 inspector general report found that the percentage of young JTPA "trainees" receiving food stamps and general assistance was twice as high after JTPA involvement than before, since the "training" process included instruction in applying for welfare benefits.

After my exposé of the program appeared in *Reader's Digest*, the Labor Department launched a major effort to destroy its credibility. A confidential March 1990 internal Labor Department memo described that offensive in part as follows:

[W]e are developing a strategy for handling this issue in the following ways: by arranging briefings for key congressional staff members; preparing letters for the Secretary's signature to key Committee members outlining our concerns about the article and providing a balanced view of the situation; special letters are being prepared for the Secretary's signature to Vice President Quayle and Senator Edward Kennedy assuring them that the article is inaccurate and that we are dealing with the issues raised; briefings will be held for public interest groups involved in JTPA....

The memo attempted to justify many of the contracts and grants awarded by JTPA. It described the JTPA-subsidized trip to Japan taken by a small-town mayor and

his son as "an appropriate employment generating activity under JTPA" and added that "the son's expenses were justified because he is fluent in Japanese." The memo also defended the Marion Barry Youth Leadership Institute's use of JTPA funds to hold classes on "government/politics" in the District of Columbia. (The Institute was closely linked to the mayor; it held election eve rallies to encourage young people to vote.)

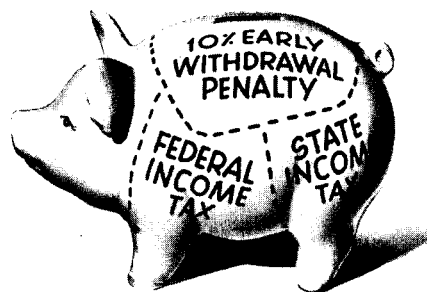
Shortly after Dole resigned as labor secretary in 1990, a six-year Labor Department-financed study revealed that young males enrolled in JTPA programs had 10-percent lower earnings than a control group who did not participate in JTPA; the report concluded that federal training "actually reduced the earnings of male out-of-school youths." A 1993 federally funded study found that JTPA training had no positive effects at all on the wages or employment of female trainees.

Congress finally deep-sixed JTPA last year and replaced it with a new job training system — the Workforce Investment Act.

### Sanctioning Domestic Terrorism

A 1989-90 strike by the United Mine Workers of America (UMWA) against the Pittston Coal company resulted in over 3,000 assaults, explosions, and burned vehicles in Virginia and West Virginia. A *Richmond Times-Dispatch* editorial noted, "Many of the incidents of violence have been life-threatening, such as the cutoff of power to mining sites, which means those working below the surface are robbed of breathing air. ... Homes have been burned,

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**The Dole report  
led to a law that  
ruined many  
small businesses  
by forcing them  
to pay benefits  
for fifty years.**

livestock and pets poisoned, personal vehicles shot up." Circuit Court Judge Donald McGlothlin ruled: "The Court finds beyond reasonable doubt that not only has... UMWA International ratified the acts of the various persons who were committing violence but that they have encouraged and organized... those activities as well."

On October 13, 1989, Dole went to the site where UMWA strikers had illegally seized a Pittston mine and proclaimed: "It's time to start the healing process." Neither then, nor at any subsequent time, did Dole ever publicly

criticize the UMWA campaign of mass violence or intimidation. Dole appointed a special mediator (which, as labor secretary, she had no legal authority to do). UMWA violence continued after her visit to the strikers.

On New Year's Day 1990, Dole called a press conference to announce a strike settlement that she called "a very special holiday gift." As part of the agreement that Dole helped broker, Pittston was successfully pressured into requesting the waiver of the \$65 million in court fines for UMWA violence and violation of injunctions. The union also received the rights to jobs at certain Pittston operations, which meant that the company had to fire non-union employees who had been hired during the strike. Though UMWA chief Richard Trumka had done little to curb his union members' exuberance during the strike, Dole treated him as if he were Abraham Lincoln working to free the slaves. For Dole, it seems, one photo opportunity was apparently more important than hundreds of bombings and shootings.

At the press conference, Dole defined the issues of the strike solely in terms of the union's views, as if pensions and health benefits for retirees were the only significant issues on the table. Dole declared that the issue of those benefits "is larger than this particular dispute, and I am committed to addressing it, to help fashion a solution in an informed and deliberate way. Therefore, I'll soon appoint a secretarial commission..."

Dole thus started the process at the federal level that led to the enactment of a law so obviously unfair that even the Supreme Court recognized its injustice.

The commission that Dole appointed presented a report in late 1991, which congressmen allied to the union seized upon to justify new taxes that would pay for union benefits. In 1992, Congress decreed that any company, or corporate successor of a company, that had hired any UMWA member for even a single day since 1950 must pay into a health and pension fund for UMWA retirees and their dependents and descendants until the year 2043. According

to the UMWA, the findings of the Dole Commission were "the basis of the 1992 act."

This was kleptocracy, plain and simple—congressmen plundering the coffers of relatively defenseless businesses. Davis H. Elliott Co., an electrical contractor of Roanoke, Virginia, was hit with a 50-year, \$2,200-per-year quasi-tax assessment because it had employed a UMWA member for the single day of September 11, 1951. Alan Law, president of the Mountain Laurel Resources Co. of Mount Hope, West Virginia, was forced into bankruptcy by the law. When he bought the company in 1987, it had only six employees, none of whom were miners, and was developing recreational sites in West Virginia. In 1993, Law was informed that the federal government had assigned the health care costs of over 2,000 miners and dependents to his company and demanded over \$5 million a year in payments. Law's company's annual revenue was only \$1 million a year, so he folded. The IRS went through the Appalachian states, threatening companies with \$100-a-day fines for each assigned beneficiary until the company bowed to the government's demands. Sen. Thad Cochran (R-Miss.) observed, "Congress harmed all of these [companies targeted for retroactive assessments], devastated many and ruined others. The tax has caused perhaps irreparable damage to many small and family-owned businesses."

In a 5-4 decision in 1998, the Supreme Court struck down the law. Justice O'Connor wrote that the act "operates retroactively, divesting [a company] of property long after the company believed its liabilities... to have been settled. And the extent of... retroactive liability is substantial and particularly far-reaching."

## **Throwing Teenagers Out of Work**

As Labor Secretary, Dole helped pioneer the playing of the "children's card."

On March 8, 1990, Dole cast Burger King into public relations hell, accusing the fast food chain of thousands of violations of the Fair Labor Standards Act restrictions on child labor. Burger King's "crimes" consisted largely of allowing 14- and 15-year-olds to do certain cooking and baking tasks and to work past seven p.m. on school nights. (A single minute of work after the federally dictated deadline can cost a restaurant a thousand-dollar fine.)

On March 15, 1990—the day before a House committee had a hearing scheduled to look at Labor's failure to enforce child labor laws—Dole upped the ante. At a press conference she announced that, in the preceding three days, 500 federal investigators had conducted over 3,400 investigations of businesses and uncovered an estimated 7,000 minors working under conditions that violated federal law. Dole proclaimed: "Protecting our children, America's future, from exploitation in the workplace is a fundamental duty of the Labor Department. Through Operation Child Watch, I want to deliver a clear message to employers, parents, and youth that this Department is ready and willing to carry out that responsibility. The cop is on the beat. Violations, whether motivated by greed or ignorance, will not be tolerated."

Dole's grandiloquence left no doubts about how she felt. Alas, the press conference necessarily entailed questions from journalists, the first being why none of the guilty businesses had been

*(Continued on page 73)*

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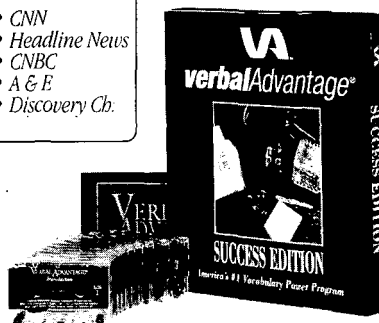
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# NATO's Dummy War

JOHN CORRY

