

# Executive Alert Extra

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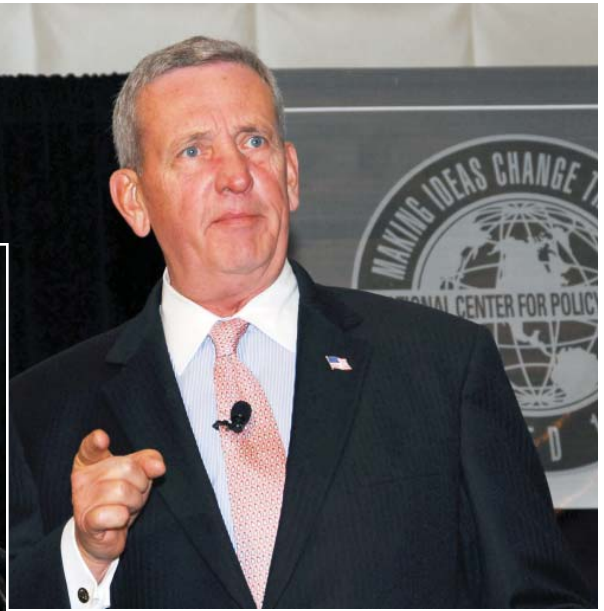
WHAT'S HAPPENING AT THE NCPA

MAY-JUNE, 2007

## Gen. Tommy Franks Discusses Iraq War, Career at Sumners Lecture

If the United States were to leave Iraq prematurely, within two years the U.S. would be victim of a terrorist strike that would make 9-11 look like a warm-up act, according to Gen. Tommy Franks. Gen. Franks led American and Coalition forces in Operation Enduring Freedom in Afghanistan and Operation Iraqi Freedom in Iraq.

Asked if the U.S. is going to soon find itself at war with Iran, Gen. Franks said, "Wars never start on time. They either start too early or too late. I hope a war with Iran, if it does happen, starts too late."



*NCPA Board Member Ray Wooldridge (left) introduces General Tommy Franks (above) at the Sumners Foundation Distinguished Lecture Series luncheon in Dallas.*

## British MP Davis Spreads Message of Unity at Sumners Lecture

The Right Honorable David Davis (*below*), M.P. and Shadow Home Secretary, delivered a letter praising the work and past achievements of the NCPA from Baroness Lady Margaret Thatcher at another speech of the Sumners Lecture Series. Ms. Thatcher relayed her appreciation for the NCPA's work and solidarity of purpose with the American people.

Now that British Prime Minister Tony Blair will step down later this year and will be succeeded by Gordon Brown, Davis said, "You are about to see what a truly socialist British government looks like."



*NCPA Board Chairman Pete du Pont with David Davis at a special reception for NCPA Board Members and Advisory Board Members.*

Davis attended a special reception for NCPA board members and members of NCPA's Advisory Council the night before his Distinguished Lecture Series address, at which he stressed unity of purpose between our peoples and governments.

# Davis Reception; Advisory Board and Board of Directors Meeting



*NCPA Board Chairman Pete du Pont (right) introduces David Davis. NCPA Board Members Don Buchholz and Bud Smith with Davis (left).*



*NCPA Distinguished Fellow Bob McTeer with NCPA Board Member Jere Thompson (below).*



*NCPA Board Member Harlan Crow (above) speaking with David Davis.*



*NCPA President John Goodman with NCPA Advisory Board Member Derwood Chase (above) at the Davis reception.*

*Larry Gill and Glenn Stinchcomb (right) at the NCPA Advisory Board meeting.*



*NCPA Board Members Mike Baggett and Don Buchholz (right) at the Board of Directors meeting.*



*NCPA Policy Chairman Mike Whalen and Advisory Board Member Susan Horton (above, left).*

*Sloan and Mary Lois Leonard (above, right) at the special reception for David Davis.*

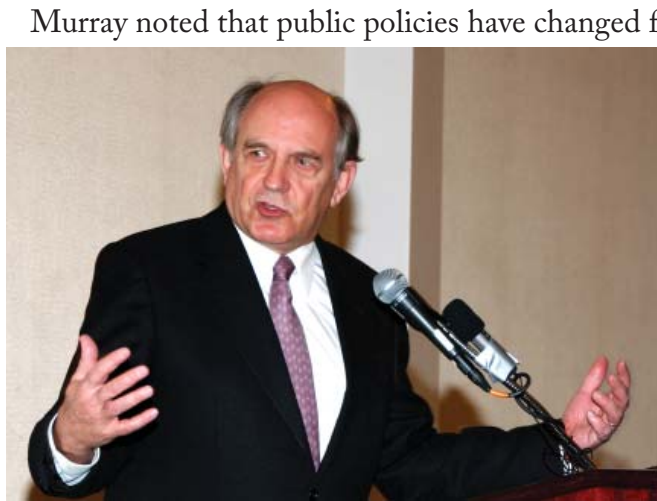


*NCPA Board Members Bob Wright and Fred Meyer (left) in discussion at the NCPA Board of Directors meeting.*



## Charles Murray Headlines NCPA Policy Forum

Charles Murray (*below*), noted author and scholar, told attendees at the most recent NCPA Economic Policy Forum & Author Series that “today, prospects for liberty are terrific.”



Murray noted that public policies have changed for the better since the NCPA was founded 25 years ago in 1983. “We were coming off double-digit inflation, (President) Jimmy Carter’s malaise, and there was conviction among the intelligentsia, including Henry Kissinger, that the best we could hope for was to slow the Soviet advance; there was no way we could hope to win the Cold War,” he noted. “We lived in an era where the phrase, free market, was treated as derisively as the word, Reaganomics. Not so, today.”

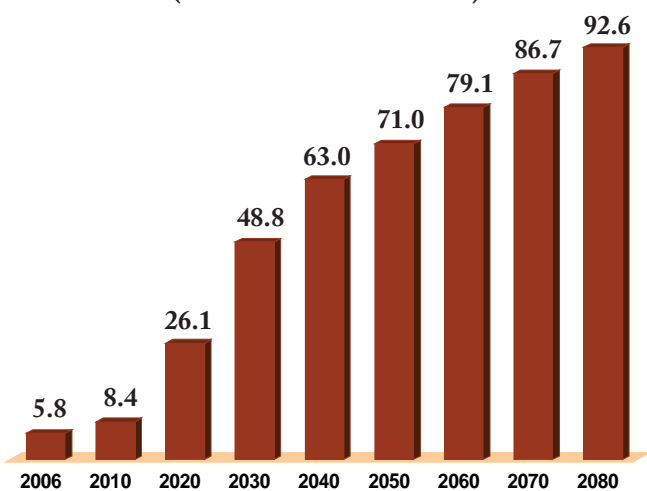
Murray is author of several controversial books, including *The Bell Curve*, *Human Accomplishment* and *Losing Ground*, which is credited with not only sparking welfare reform but also changing the way public policy makers perceived the impact of welfare on low-income Americans.

## Trustees’ Report Will Force Public Debate About Entitlement Programs

The U.S. Treasury Department released the 2007 Social Security and Medicare Trustees’ Report on April 23. Just after the report was officially released, the NCPA hosted a Capitol Hill briefing featuring Thomas R. Saving (*right*), one of two Public Trustees of Social Security and Medicare. Saving told national media and congressional staff that



**General Revenue Transfers to Social Security and Medicare (as a % of income taxes)**



Source: 2007 Social Security and Medicare Trustees Report and author’s. Federal Income Taxes are estimated to be 10.89% of GDP, the 25-year average.

deteriorating Medicare finances will force the federal government to consider entitlement reforms.

Thanks to this year’s Trustees report, the president is now required to propose a solution to Medicare’s financial troubles in his next budget, and Congress must fast track its consideration. This is due to a provision in the 2003 Medicare law, which added the prescription drug benefit, that requires the Medicare Trustees to raise a flag if two consecutive reports predict Medicare will draw more than 45 percent of its funding from general revenues within the next seven years. This year’s report activates this “trigger” ( see chart at left).

The unfunded liability in Social Security and Medicare over the next 75 years is \$38.9 trillion. Looking indefinitely into the future, the unfunded liability in these two programs is \$88.2 trillion, almost six times the size of the U.S. economy.

## Goodman Pushes New Way of Thinking About Health Care to GOP Senators, at Hispanic Summit and in *The Wall Street Journal*



NCPA President John C. Goodman was a featured speaker at the first in a series of policy discussions sponsored by the Republican Senate Policy Committee. More than 20 GOP Senators attended, including Senate Minority Leader Mitch McConnell (R-KY) and Sen. Kay Bailey Hutchison (R-TX).

Dr. Goodman stressed that third-party payments have suppressed the ability of doctors to respond economically to changes in medical science and provide higher-quality, lower-cost care.

He echoed these thoughts in a commentary for *The Wall Street Journal* and at the National Hispanic Leadership (NHL) Summit, organized by Sen. Hutchison. The panel discussion included Dr. Elias Zerhouni, director of the National Institutes of Health, and Sen. Mike Enzi (R-WY).

Goodman (above) at the NHL Summit and (right) at the Club for Growth's annual meeting.



Goodman also spoke about health reforms at the Club for Growth's meeting in Palm Beach, Florida and the Association of Private Enterprise Educators meeting in Cancun. He also debated Karen Davis, president of The Commonwealth Fund, at the World Health Care Congress' annual conference in Washington, D.C.

## Herrick Debates Medicaid Reform at NABE's Annual Policy Conference

NCPA Senior Fellow Devon Herrick (*at right*) spoke about the need for commonsense Medicaid reforms, including abolishing wasteful reimbursement practices and delivering patient care efficiently at the National Association for Business Economics' (NABE) 23rd Annual Economic Policy Conference. He led the panel

discussion on "Options for Medicaid Reform—Enhancements or Radical Change?"

"Aggressive state legislatures should also consider more radical reforms, such as asking the federal government for block grants that would allow states to tailor Medicaid benefits to specific populations," said Herrick, who chairs the NABE's Health Economics Roundtable.



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### Events Schedule

**September 25, 2007—NCPA Economic Policy Forum**

*Linda Chavez, Chair, Center for Equal Opportunity, syndicated columnist and political analyst. 12–1:30 p.m., Belo Hall of the Belo Mansion, Dallas.*