is over in his view—that would protect the freedom and dignity of all Russians, that would end forever the rule of corrupt elites who have exploited the people, and that would nurture what talents the people themselves possess to build something for themselves and their posterity. Lebed calls his vision for Russia *derzhavnost*, literally "great powerness," but his notion of what makes a great power great is markedly different from that of "red-brown" nationalists who long for the days of superpower status. Lebed has described *derzhavnost* in these words: "There is the citizen, a person who has on the territory of his country a family, children, a home. . . . [H]e has something to defend, something to fight for, and, if necessary, to die for. The vagrant is not given to understanding what the homeland is. . . . In wartime he disappears. . . . A man must stand on his own land, he must have something of his own." Only men who are masters of their own land can build *derzhava*, a truly great Russian state.

According to the general, the army should be reorganized and designed for defensive operations, and Lebed pledges that, as president, he would never commit Russia to "holy alliances" and "world revolutions" paid for by "Russian blood . . . Russian money and Russian suffering." Police and security forces should, under the command of the strong presidential system he wants to preserve, conduct an all-out war on the organized crime structures that are such a prominent feature of present-day Russia. The freedom and dignity that *derzhavnost* promises, and the self-respect that Lebed hopes Russians will come to feel, can be realized only after basic order has been established. In the end, the new Russia will be established for the good of the people, for throughout the country's long and painful history, "Czars, General Secretaries [of the Communist Party], and presidents come and go, but the people remain." For Lebed, only the people are "eternal."

Since the 19th century, when both conservative Slavophiles and liberal Westernizers "went to the people" to find an uncorrupted social stratum to use as a basis for their differing versions of reform, populism in various forms has played an important role in the politics of the country. It is not surprising, then, that the perennial populist message, used to great effect by the Bolshevik revolutionaries, has become a vehicle for the activities of various politicians in postcommunist Russia. Unlike the 19th-century intellectuals, however, today's politicians go to great lengths to depict themselves as men of the people, and not merely as elite reformers.

In his autobiography *Against the Grain*, Boris Yeltsin presented himself as a champion of the people whom the corrupt *nomenklatura* turned into a "political pariah." Yeltsin described his struggle as one against "the party bureaucracy" that was attempting "to put obstacles in the way of *perestroika* and *glasnost*." Yeltsin, however, "drew new energy" from his contacts with ordinary citizens and saw his political career as dedicated to ensuring that "we will never again live as we did before." Yeltsin's efforts to meet ordinary people on their own ground—taking public transportation to work during his days as Moscow party boss, for instance—won him a reservoir of good will among the mass of Russians that has served him well.

Yeltsin's version of populism, however, has not been the only one promoted by Russian politicians. Vladimir Zhirinovsky has been quite successful in promulgating a populist line that is rawer and more visceral than Yeltsin's. Zhirinovsky once told Russian voters that "For years you have been deceived, made fools of, and stuffed full of various dogmas" and that only he, who had suffered as they had, could set things right. Zhirinovsky's populism plays on envy and self-pity—and, like Yeltsin's, has made him friends among the Russian people.

Lebed's populism is different from either Yeltsin's or Zhirinovsky's, though many Russians think that the general's outsider status makes him Yeltsin's legitimate heir. In his memoirs, Lebed envisions the future Russia as one of "free people [living in] a free land . . . without slavery in our blood" or "fear in our genes." His unique blend of populist, democratic, nationalist, and traditionalist themes forms a coherent worldview, unlike Yeltsin's, but one that does not capitalize on the resentment, or indulge in either the self-pity or self-glorification, that mark Zhirinovsky's. So far, Lebed has been able to maintain his image as the honest and incorruptible "Mr. Clean" of Russian politics. Whether or not he will remain true to himself and his notions of *derzhavnost* is an open question, and what becomes of him will depend as much on the Russian people—and how they see themselves—as it does on Lebed himself.

Wayne Allensworth writes from Purcellville, Virginia.

Sonnet 274

by Michelangelo

Translated by John Frederick Nims

(*Deh fammiti vedere in ogni loco!*)

Oh let me see You everywhere I go!
If mortal beauty sets the soul afire,
Your dazzle will show how dim it is; desire
for You burns high, as once in heaven's own air.
It's You alone, my dearest Lord, my prayer
appeals to against passion's futile anguish;
Only You can give me vision to distinguish
what I should think, wish, do, though slack and slow.
You tethered me to time, no road-to-bliss way,
sentenced, though stooped and faint, to endless ranging,
shackled in heavy flesh, remissions few.
What can I do to escape from living this way?
Your power divine is my one chance of changing.
I've nothing to fall back on, Lord, but You.

Red Is Beautiful

by Michael Washburn

The Indebted Society
by James Medoff and Andrew Harless
Boston: Little, Brown;
241 pp., $24.95

According to Harvard professor James Medoff and financial analyst Andrew Harless, one of the most baleful influences on America's economic health—and a reason for the declining standard of living of both blue- and white-collar workers—is the money-lending sector, which includes many commercial and investment banks and individual investors. In the authors' view, the lenders have for the past few decades pursued interests radically different from those of most Americans, with the connivance of a Federal Reserve System run by men who are themselves former investors and bankers. While it is well known that private firms have had an exploitative and impersonal relationship with their workers, few people understand how the lenders exploit the exploiters and make things even worse for the workers at the bottom of the hierarchy.

For many people, corporate debt is a more distant problem than personal debt, which has spiraled to ever greater heights as revolving credit has become a norm of American life. The emergence of a class of people living in perpetual debt is not at all a bad thing for bankers who oversee the use of credit cards. Fully aware of the profits to be made off customers who do not pay the full balance due each month, bankers now offer credit cards to those who in past years would have been considered unacceptable risks. The upshot today is that 90 percent of credit card revenue stems directly from use of the revolving-credit policy. Encouraging this trend has been the change in the federal funds rate which in the 12 years up to 1992 fell from 13.4 percent to 3.5, while the average credit card interest rate rose from 17.3 percent to 17.8. Banks are now able to borrow money at a low rate and relend it at a very high rate.

While there is a high rate of default among those who never should have been issued credit cards in the first place, the losses pale in comparison with the profits made off those in debt. Accustomed to a certain standard of living, many Americans refuse to change their spending habits even if interest rates go up. What the authors call "upwardly mobile interest rates" have resulted in a 900 percent jump in receivables for the credit card industry between 1983 and 1993.

Paralleling the rise of personal debt is the growth of corporate debt, whose effects may not be as visible to the average worker—until he gets his pink slip. As Medoff and Harless put it, "American capitalism has taken on a new look. At one time, it was a system based on owning. It is now a system based on owing." In 1958, when debt was at a higher level than in any other year of the 1950's, only 4.6 percent of the cash flow came from interest payments (excluding firms in the business of borrowing and lending money). In 1985, the figure had already gone up to 15.9 percent—in what was the lowest-debt year of the 1980's. In some sectors of the economy, the figure is much higher—in manufacturing, for example, it had climbed to 36 percent by 1992. Contributing to the rise in corporate debt are tax-deductible interest payments and leveraged buyouts of financially unhealthy conglomerates. Another reason is the dwindling number of top executives who were alive during the Great Depression, when massive debt was usually a sign of certain financial doom. Younger executives have fewer qualms about owing large sums of money.

Whatever the reason for a company's slide into debt, the upshot is almost always the same—efforts to "downsize" and cut costs by dumping workers and relying on temporary help. Job security is a thing of the past, as is the notion that hard work will lead to a promotion or higher wages. Hourly earnings have fallen steadily in both the service and manufacturing sectors since 1973, and health insurance and pensions are harder and harder to come by. For young blue-collar workers, things are particularly bad, with the goods-producing sector experiencing the biggest decline in real wages. Things aren't much better for white-collar workers. In fact, a 1994 Bureau of Labor report found that the biggest jump in the number of "displaced" workers was among "managers and professionals and technical, sales, and administrative support workers." The victims are largely middle-aged white men. Women are insulated by their relatively lower wages and, one suspects, by affirmative action, though the authors do not discuss this.

In our time, Medoff and Harless write, "the needs of lenders have acquired an almost sacrosanct status." While the Federal Reserve System does much of its business in secrecy—until 1994, it did not even announce its decisions until months after they were made—it does not enjoy the immunity to partisanship that one might imagine. In the authors' view, the Federal Reserve System is in thrall to the lenders, which is not surprising in view of the backgrounds of many top officials at the Fed—former bankers and investors who may hope someday to reenter the lending sector. "A high inflation rate, even if only temporary," write Medoff and Harless, "looks particularly bad on the resume of a former Fed governor, especially if he or she is looking for a job in private-sector banking." It is therefore in their personal interest to keep interest rates and the value of the dollar high.

When appointing a top Fed official, the President often tries to placate the lending class, for if he does not, the appointment may be derailed. Former Vice Chairman Alan Blinder, a Clinton appointee, learned the price of questioning pro-lender policies when many "anonymous sources" within the Fed vilified him so savagely that he left his post shortly after taking it. When Clinton appointed Felix Rohatyn to succeed Blinder, a campaign to derail his appointment was begun by Florida senator Connie Mack. Which isn't surprising—for percentage of total income represented by direct interest income, Florida ranks third out of all 50 states.

The erosion of living standards can be reversed, but not while the Fed keeps its status as a semisecret body immune to democratic pressures but wielding enormous power (a power recognized by Richard Nixon, who put heavy pressures on his appointee Arthur Burns to keep interest rates down and thus insure plentiful jobs, which would reflect well on Nixon when election day rolled around). The entire subculture of the Fed needs to change, so that the interests of lenders will no longer be the sole concern. Fed officials could receive bonuses for helping to keep employment up, and lenders could be issued inflation-adjusted bonds. But past efforts at reform have faced fierce opposition from a powerful financial elite which milks the middle