

# Tells the Facts and Names the Names CounterPunch

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## ■ IN THIS ISSUE

### US Prepares to Embrace Butchers of Bentalha

- RAND Report Urges Warm Hello to Algeria's Taliban
- "What's a tiny Fatwa among friends?"

### Racism At America's Largest Firm

- Beaten, cursed and robbed ... by his own company: A day in the life of a black GM dealer
- How Gannett let the story die
- A silence that stinks: What does it take to keep Jesse quiet?

### Our Little Secret

- Drugs, booze and silence: Gore's son booted from high school, How Veep squelched story
- This exhibit backed by Arco: Smithsonian sells out
- The Tibet Richard Gere never knew
- How Nike peddles child pornography
- Godfather of Gardening: Coppola and pesticides

## How GM (with Jesse Jackson's Help) Screws Its Black Dealers

Eleven years ago Richard Wallace was a Chicago police sergeant on a promising career track. Then came an offer from General Motors to join the company's new black dealership program. GM's promises came fast and thick. On a personal investment of \$65,000 Wallace would soon be reaping millions from a Buick dealership. Wallace was persuaded, quit his job and enlisted in the training program.

After a few months he confidently expected the dealership to materialize in his own hometown. GM said no. Even though, astoundingly, there were no black dealerships in Chicago or even the state of Illinois, GM told Wallace that he had no choice. The company was offering him a Buick dealership in Kansas City.

Wallace and his wife talked it over. She gave up a good job and they moved to Missouri. They put in their \$65,000, and at once found themselves in a nightmare. The dealership was in one of the worst locations in town, and —

GM had not volunteered this information — it had lost \$5 million under its previous owner. Worse was to come. The rent subsidies and remodeling grants GM lavishly hands out to white dealers (one of whom in suburban New York received \$14 million in low interest loans to redesign his store) were not forthcoming. Credit, the lifeblood of any auto dealer, was routinely withheld by the General Motors Acceptance Corporation when Wallace's customers looked for financing. Wallace tells us that this happened both to black and white people trying to buy cars from him, although white customers later trying another white-owned

GM dealer in the area would usually get the loan. It wasn't long before his first dealership failed and a second dealership also in Kansas City was also imperilled.

An increasingly furious Wallace began raising a ruckus with senior GM executives. They dismissed his complaints out of hand. Wallace began to accumulate a file on the company's treatment of its black dealers, including 200 hours of tape recordings with the GM people, with other black dealers complaining of their treatment by the company and with customers jacked around by GMAC. Wallace also acquired evidence that GM management knew that the dealerships he was given had been the worst performing in the Kansas City area.

Wallace also found that a GM accounting executive named Jerry Wilson had spoken in harshly disparaging terms about him at a mid-level management session. As the quote was later relayed to Wallace by a white GM official, Wilson said, "This nigger won't be around much longer. The nigger failed in his first store, and he's going to fail in this one."

Perhaps a less robust character than Richard Wallace would have accepted GM's charge that he's been a bad businessman and that the failure of his two dealerships was entirely his fault. Wallace not only knew how GM had given him the poor locations, had denied him financing given to whites and had refused loans to his customers, but he was also now in possession of a truly damning file of calculated and brutal racism on the part of the largest company in the United States.

(continued on p. 5)

# Our Little Secret

## GORE KID COVER-UP

Al Gore's 13-year old son, Albert Gore III, lacking the safety valve of rap catharsis, was suspended from the swank St. Albans high school last year because he was caught smoking marijuana and drinking alcohol on school grounds. The reason you didn't hear about this is that the Veep frantically telephoned to friends in the Beltway press corps and pleaded with them not to report the story. His watchdog chums, including editors at Rupert Murdoch's *Weekly Standard*, speedily agreed. Meanwhile, the Stanford college paper fires a columnist for daring to write about Chelsea.

The powers-that-be at St. Albans — a \$25,000 a year institution — did not

report the case to police, so Albert III was spared the embarrassment of fingerprinting and having his mug shot snapped. Such courtesy surely would not have been extended to a student caught in similar circumstances at a school in one of Washington's poorer neighborhoods. Thus protected, Albert III has since transferred to Sidwell Friends, Chelsea Clinton's old stomping grounds.

## OUR FEUDAL FRIEND

Our Little Secret is no friend of the Chinese government, but the sanctification of the Dalai Lama is sometimes a bit hard to swallow. By our count, there are some 400 Tibet solidarity groups, many of them levitating well above conventional reality.

Before the Chinese invasion of 1950, Tibet was no Shangri-la. It was a semi-feudal society with the manorial estate as its core institution. Peasants were tied to the land as serfs and given only a small plot on which to grow their own food. They spent most of their time working on land that belonged to aristocratic lords, monasteries and individual lamas. Mel Goldstein, a professor of anthropology and expert on Tibet at Case-Western University, tells us that landowners had considerable legal authority, including the right to bring back peasants forcibly who tried to flee.

The Dalai Lama's exiled government is also not free from taint. It is said to be highly corrupt with a democratic facade concealing the continued influence of the old feudal elites.

You won't hear much about this in the current wave of movies and magazine cover stories that portray Tibet as *Paradise Lost*. The hero of the film *Seven Years in Tibet*, the Austrian Heinrich Harrer (played by Brad Pitt) who later became the Dalai Lama's tutor, was a sergeant in the Nazi SS. This inconvenient fact is omitted from the movie.

At the end of *Seven Years in Tibet*, a trio of vicious Chinese generals fly to Tibet to oversee the country's subjugation. As Goldstein points out, this

scene could not have taken place since Tibet didn't have a single airport in 1950 — other than the clandestine landing strips that the Dalai Lama had put at the service of the CIA for its anti-China activities.

The new Richard Gere flick, *Red Corner*, might have been made by the late Sam Fuller in his *China Gate* phase, employing racist stereotypes that portray the Chinese government as being far worse than the Nazis. About the Dalai Lama, Gere says, "He's the greatest living human. No one comes close." (Curiously, the Dalai Lama's favorite actor is John Wayne.)

*Kundun*, the pro-Tibet movie from Martin Scorsese, made Disney execs so nervous that they hired Henry Kissinger to help smooth any ruffled feathers with China. Disney President Michael Eisner was especially fearful that the Chinese might react by reneging on an agreement to allow his company to build a theme park near Peking.

At the same time, China's claims, repeated by Jiang Zemin during his recent visit, that it invaded Tibet to do away with the feudal system, is entirely bogus. For the first eight years of its occupation, China left the feudal order in place and tried to recruit local allies to rule the country for it. When that strategy failed, the Chinese began dismantling the manorial system and from that point on have pretended that putting an end to serfdom inspired the invasion in the first place.

## NIKE'S NAUGHTY NANNY

For five years Nike has widely touted its concern for the welfare of its workers. CEO Phil Knight says that Nike "is a family-friendly company" which shows a special sensitivity to the plight of working mothers. As evidence, in 1992 Knight invited the national press corps to attend the gala opening of the company's Joe Paterno Center for Childhood Development. Knight hailed the center, named after the Penn State football coach and longtime Nike spokesman, as the most advanced day care facility in the world, serving the needs of 165 "Nike children". In fact, the center is in the most elite suburb of Portland and caters mainly to Nike execs.

But now, fate has dealt the Nike PR department a cruel blow. On October

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