# Tells the Facts and Names the Names OUNTER DUNCH

**APRIL 16-30, 1998** 

Ken Silverstein & Alexander Cockburn

VOL. 5, NO. 8

## **■ IN THIS ISSUE**

## BAD NEWS ABOUT GENERAL MOTORS AND JESSE JACKSON

- GM's Cover-Up of Its Racist Ways is Assisted by PUSH
- Minority Dealers
   Bitter at GM's Conduct
   And Angered by the
   Rev's Betrayal

## INSIDE THE FORTUNE 500

- CIA Dynast & Enron
- Amgen's Bloody Ledger

## Our LITTLE SECRET

- How Sid Blumenthal Really Treats His Wife
- Is Jonathan Alter World's Most Pompous?

#### INTERESTING?

"It's what makes working in Georgia so interesting. Because we are, in some ways, like some developing countries. In some parts of northern Georgia children are dying of hunger."

Jane Fonda, at the UN

## GM in Black and White

n the fall of last year we described here in CounterPunch the story of how racism pervades America's largest company, General Motors, and how the company had driven to ruin many of its minority dealers and harassed those dealers who spoke up about the company's discriminatory practises. As of last year GM had more than 9,000 dealerships, of which only 107 (1.3 per cent) were owned by blacks. We told how GM executives abused black colleagues. We also described how the black dealers had gone in April of 1997 to Jesse Jackson to champion their cause, only to find that Jackson had entered into secret parleys with GM executives, leaving them fearful and suspicious of Jackson's motives.

The public consequence of Jackson's negotiations with GM and its CEO, Jack Smith, was the appointment of a longtime Jackson friend, Weldon Latham, supposedly to undertake an independent review of GM's minority dealer program. Latham is a prominent black Washington DC attorney.

We'll come to the unpleasant truth about Jackson's choice of Latham later in this story. It is one that raises very disturbing questions about Jackson's motives and credibility in representing himself as the champion of victims of corporate America. But to understand just how badly GM had conducted itself, we must go first to the story of Jack Borman. There never was need for any new probe into GM's minority policies and conduct by Latham. In 1992 GM had hired Borman for precisely this purpose. He did an honest job and paid a heavy price for it.

Borman was born in Philadelphia into a Jewish family. The son of a car dealer he tells us that he had always wanted to work for GM. In his 30-year career he owned several successful dealerships and then became one of the auto industry's top consultants. In his heyday his company was bringing in more than a million a year.

In 1992 GM hired Borman to evaluate its troubled minority dealers program. In the course of the next two years Borman and his colleagues visited dozens of troubled

dealerships and brainstormed strategies for turning them around. As he began to look at these individual dealerships, Borman sent reports to GM that many of the black dealers had been assigned poor locations under conditions that rendered it virtually certain they would go bankrupt.

"My reports were objective", Borman tells us. "We didn't place all the blame on GM. The dealers came in for a lot of criticism as well. But the dealers were willing to listen, learn and change. GM wasn't. They didn't make changes that were necessary to help these dealers succeed and they didn't like the criticism." On several occasions, Borman tells us, he was asked by GM executives to rewrite portions of his reports to place the actions of GM in a better light.

Borman says that in 1993 GM hired him to do a comprehensive review of the minority program. In the course of preparing this report he compiled more than 10,000 pages of documents, interviews, studies of site locations and credit policies of GM. Borman tells us that by the time he had completed his report GM executives had turned against him. He reckons they never even looked at his findings, electing instead to launch a campaign to discredit him and destroy his consulting business. For example, Borman learned that a GM executive had unleashed a verbal assault on him at a company meeting, vowing - so Borman was told - " to teach that Jew-boy Borman a lesson."

Amid his deteriorating relationship with GM, Borman was asked by a struggling black dealer in Texas named Willie Carter to come out and advise him how to save his business. "Carter had bought my airline tickets and I was ready to go to Texas", Borman remembers. "Then he called me and said, 'Jack, GM won't let me bring you because of your association with Richard Wallace'." By this time Wallace, a former Chicago police officer who had been poorly treated by GM, had become a fierce spokesman for his fellow minority dealers.

A few days after this conversation with (Continued on page 5)

## Our Little Secret

### SID VICIOUS

Sidney Blumenthal is oddly presented in the right-wing press as Hillary's Machiavel. Though it's irksome to think of someone as silly as Sid shoving taxpayers' dollars into his trousers, he does in fact perform a useful function, a daily reminder that all the nonsense put up by journalists about "public duty" and "impartiality" is so much flim flam. Sid is loyally in the Clintons' corner whether he's at the New Republic or the New Yorker or in the West Wing of the White House. We can't see much wrong in that. What's a lot harder to swallow is his \$30 million libel suit against Matt Drudge, along with the demand that Drudge divulge his sources. Drudge said that Blumenthal beat his wife, scarcely a slur persuasive to anyone gazing upon Sid's sheep-like countenance. If Drudge had said Sid had inflicted grievous mental harm on his wife Jackie by forcing her to read his prose the slur would have carried far higher credibility.

Then again, Sid is no stranger to slurs. In 1992, around the time that the assiduous Clinton defender Joe Conason was saying George Bush had a mistress (thus,

Editors
Ken Silverstein
Alexander Cockburn

Co-writer
Jeffrey St. Clair

Design Deborah Thomas

Counselor Ben Sonnenberg

Published twice monthly except August, 22 issues a year: \$40 individuals, \$100 institutions, \$25 student/low-income CounterPunch.

All rights reserved.
CounterPunch welcomes all tips,

information and suggestions. CounterPunch

P.O. Box 18675 Washington, D.C. 20036 202-986-3665 (phone) 202-986-0974 (fax) in Joe's opinion, disqualifying him for the presidency) Blumenthal was writing that George Bush was a coward in World War II, prematurely parachuting out of his plane in the Pacific and leaving his comrades to die. We don't object to that, since George made endless capital out of his war record, and indeed one of us wrote more or less the same piece four years earlier. But then we've never had to clamber over the sort of double standards required if one is to remain in service to Bill and Hillary Clinton.

### PLUMBERS' HALL OF FAME

We have no time for Nixon, a crook who thought the proper use of the Bill of Rights was as a bit of paper for King Timahoe to crap on. But compare the efficacy of his plumbers with Bill and Hillary's. All through Watergate Carl Bernstein was in the habit of travelling once in a while to southern Vermont, to say hello to his cousin Shoshana Rihn, a woman who happened at the time to be living undercover, on the FBI's wanted list as a suspected Weatherperson. Shoshana eventually survived a trial intact and now works for all the good causes in Brattleboro, where she recently lost an election as town Selectperson by only two votes on a recount. Carl also had plenty of Communist associations in his family. Undoubtedly, had Nixon's people made the slightest effort to investigate one of their prime tormentors, such facts would have emerged. Bernstein would have been an easy target for red-bating by Nixon's defenders and indeed by the master red-baiter himself and it's conceivable that the Post would have given up on the Woodward-Bernstein probes. But, as Bernstein later remarked to us with some astonishment, the Nixon people never got onto him.

Now look at Clinton's plumbers, at Terry Lenzer, Jack Palladino and the others. Does anyone doubt that if Bernstein was performing a similar role against Bill today, the bloodhounds wouldn't have been on his heels? With absolutely no recrimination in the press, the Clintons have been running black ops for years. Back in the late spring of 1992, with the New York primary coming up, Bill Clinton was looking shaky. He'd barely survived the Flowers affair, and there were pressing ques-

tions about the Jackson Stevens money powering his campaign and also the role of Mena airport and of cocaine smuggling in Arkansas in the 1980s. Jerry Brown, mercilessly disparaged by most of the press, was making headway.

So what happened? A secret team of Clinton plumbers set up a bunch of California security guards to claim that as state troopers in Brown's gubernatorial quarters in Sacramento they'd seen uninhibited use of cocaine. (Given what Clinton had been up to his gubernatorial mansion in Arkansas this was the most amazing piece of chutzpa.) It worked. The Clinton-lovers in the press trumpeted the smears and Brown took the hit, organized in part by the Shearer family, one of whom-Derekbecame ambassador to Finland and another of whom, Cody, crops up as an associate of Lenzner's, amid the murky affair centering on the bilking of one of the poorest Indian tribes in America out of \$100,000 as a contribution to the Democratic National Comittee. Between having G. Gordon Liddy or Terry Lenzner on our case, Our Little Secret would choose Gordon any day. Next to Lenzner he's like Inspector Clouseau..

(We saw Jerry Brown not long ago at a rally in Oakland. These days Jerry is front-runner in Oakland's mayoral race. Although it probably will hurt him in Oakland, he's just turned in his Democratic Party card, and is listed as "non-partisan". He remembered the cocaine sting in 1992 vividly. One of the nastiest bits in that nasty bit of work Primary Colors (the book) is Joe Klein's slavishly pro-Clinton portrayal of this 1992 New York episode, accompanied by the insinuation that the Brown character in his novel was gay. Politically, Brown looks better and better. The liberal pundits never could stand him, because he really does have serious ideas and serious issues to raise.)

## THE HATED F(UN) WORD

Frank Rich is a loyal Democrat and New York Times columnist who will walk almost any pontificatory gang-plank if he reckons it will help his guy. Here he is on February 25, 1998: "When even accurate journalism is over-run by show-biz values...endless video replays of a public Presidential hug, news magazines 'exclusives' about Monica's salacious (but irrelevant) E-mail, constant soap operatic regurgitation of past plot developments...the 'Investigation of the President' show be-