

By John B. Judis

WASHINGTON

IN 1984 LIBERALS CLOSELY WATCHED THE CAMPAIGN of former National Organization for Women Vice President Jane Wells-Schooley, who was trying to unseat three-term Republican Rep. Don Ritter in Pennsylvania's predominantly Democratic and industrial 15th District. While Wells-Schooley championed abortion rights and opposed contra aid, Ritter appeared to be the typical neanderthal conservative—pro-Star Wars, pro-contra, anti-gun control, anti-regulation and anti-welfare. But Ritter won the election fairly easily, largely because his district's blue-collar Democrats were turned off by Wells-Schooley's feminism.

The story doesn't end there, however. While Ritter has continued to vote a straight conservative ticket on South Africa, abortion and contra aid, he has increasingly broken with the Republican Party leadership on trade and industrial issues. Last year, for example, Ritter backed textile, plant-closing and foreign-investment-disclosure legislation opposed by President Ronald Reagan and the House Republican leadership.

More importantly, Ritter, a former engineer who earlier opposed government intervention in the free market, has become a leading proponent of industrial policy. Along with Democratic Rep. Mel Levine (D-CA), Ritter co-chairs the House caucus on high-definition television. Ritter wants the government to support a private-public consortium to develop a new generation of televisions.

His support for industrial policy is symptomatic of a sea change taking place in American politics. The underlying issue that shaped politics since World War II was the Cold War competition between the U.S. and the Soviet Union, but with the emergence of Soviet Premier Mikhail Gorbachov, it is giving way to a new set of concerns. Americans are now worried not about the threat of communism, but the threat of economic decline. They are not concerned about Soviet SS-20s, but about Japanese VCRs and Korean automobiles.

Politicians like Ritter who respond to these concerns find that they must venture outside the bounds of both "liberal" and "conservative" politics. They have to find new allies and create new coalitions. In doing so, they appear to be creating the most significant realignment in American politics since 1932.

Imperial nostalgia: After Ronald Reagan's landslide victory in 1980, Republican strategists like Richard Wirthlin talked confidently of a new conservative Republican realignment. It is now clear that Reagan's 1980 and 1984 victories were not like the elections of 1932-48, which ushered in the Democrats' half-century long ascendancy, but rather like those of 1920-1928, which proved to be a conservative transition between Republican and Democratic progressivism.

In the 1980 and 1984 elections, Reagan adroitly fused Cold War fears of communism with new fears of economic decline. Reagan capsulized these fears in his 1980 pledge to "restore America's place in the sun" through increased military spending and reduction of taxes and regulations. In 1984 Reagan proclaimed a "new morning," but in his most negative ad warned of the Soviet bear that was still lurking in the forest.

Reagan and his advisers sought to exploit

An ideological guide to the 'decline' debate

Americans' wish to ward off the future by recreating the past, whether through restoring military supremacy of the early Cold War or the economic individualism of the old frontier. But the effect of Reagan's policies was to accelerate America's economic decline.

The facts are well known: during Reagan's years, the U.S. went from creditor to debtor nation and our trade and budget deficits soared to record heights. This continued decline, combined with the thaw in the Cold War, undermined the political basis of Reagan conservatism. George Bush's vicious 1988 campaign was a final attempt to summon up the ghosts of prior campaigns.

The change in American politics is apparent in shifting congressional coalitions

Over the next two decades American politics will revolve around our fall from economic predominance.

around trade and industrial issues. On these issues, the South and industrial North tend to back trade relief regardless of party or overt ideology. The only consistent Senate opponents to trade relief are Rocky Mountain Republicans like Malcolm Wallop (R-WY) and William Armstrong (R-CO). Surprisingly, Minority Whip Newt Gingrich (R-GA), the scourge of the Democrats, has been a leading critic of Eastern Airlines President Frank

Lorenzo and has backed union joint-ownership proposals.

The underlying political change has also registered in opinion polls. In an extensive poll released in June for the *World Policy Institute*, political consultant Stanley Greenberg found that anxieties about American economic decline and Japanese economic superiority had far outstripped the communist menace in the average voter's consciousness.

Greenberg found that nearly three-fourths of voters rated as "extremely serious" or "very serious" the threat posed by "foreign investors buying up American companies and land." Two-thirds of respondents were equally worried about "foreign competition for American industry and jobs," "the loss of America's lead in technology" and "America's trade imbalance with foreign countries." By contrast, only one-third of the voters surveyed believed that Soviet aggression was an extremely or very serious threat; and only 2 percent thought it was "the most important problem facing America today."

Judging from Greenberg's results, American politics over the next two decades will revolve around America's economic, rather than military, decline. If there is an external threat, it is likely to be identified with Japan rather than the Soviet Union. As before, there will be still be "liberal" and "conservative," "left" and "right" alternatives, but they will be redefined around these new issues.

Economic nationalism: In addressing the trade deficit and industrial decline, most politicians and policymakers agree on certain things like aid to education. But they strongly disagree about how the U.S. and its

corporations should conduct themselves in the world market. At the risk of oversimplifying matters, the following different approaches can be distinguished:

• **Progressive economic nationalism:** Progressives, hearkening back to Theodore Roosevelt's "New Nationalism," argue that America's economic ills are attributable not only to foreign trade barriers and unfair pricing, but to American corporate practices. They back aggressive policies that hold both our economic competitors and our own multinationals accountable.

• **Right-wing economic nationalism:** Right-wingers encourage xenophobic reactions to the Japanese threat—creating an unsavory brew of anti-Japanese, anti-immigrant and anti-black resentment. But the right has joined the left in pressing for action against both unfair traders and multinationals.

• **Corporate nationalism:** Many American business leaders are now ready to take action against Japan and other Asian countries for trade barriers and illegal dumping, but they are extremely wary of any attempt to regulate American-based multinationals. They have even opposed innocuous measures to gain greater knowledge of foreign investments in the U.S.

• **Liberal anti-nationalism:** Some current liberals identify any challenge to foreign trade barriers with xenophobia and racism. They blame America's problems entirely on American corporate behavior.

• **Geopolitical anti-nationalism:** State and Treasury Department officials reject any measure that might disturb the military arrangements between the U.S. and its Atlantic and Pacific allies.

• **Fifth-column anti-nationalism:** Last year Japanese firms alone spent more on lobbying in Washington than the top five American business organizations put together. Many American firms like Ampex are now so dependent on foreign suppliers that they act as "fronts" for foreign firms and governments. These firms and lobbyists can be expected to invoke the dogmas of free trade against any interference in the world market.

As the example of Don Ritter shows, Congress is increasingly dominated by the three varieties of economic nationalism. But a curious alliance of liberal, geopolitical and fifth-column anti-nationalism holds sway over the executive branch, the national media and the Washington establishment. Sen. Bill Bradley (D-NJ), *Newsweek* columnist Robert Samuelson, *Washington Post* columnist Hobart Rowen and Japan lobbyists Stanton Anderson and Robert Gray are each ready to cry "trade war" or "Japan bashing" any time someone suggests overseeing foreign investment or protesting Japanese or Korean trade barriers. This alliance has blocked congressional action, setting the stage for another populist fusillade against "Washington elitism." The only question is whether it will come from the left or the right.

The left is of two minds about economic decline. Since the early '70s, the labor movement has stressed progressive economic nationalism, but the survivors of the '60s left have either been indifferent to this issue or have charged that concerns about foreign trade and investment are racist. Such an attitude not only ignores the reality of a world in which the U.S. alone refuses to pursue a national economic strategy, but it also will condemn these leftists to irrelevance in the decades ahead.



Seth Tobocman, United Feature Syndicate

By Joel Bleifuss

The "pre-emptive defense"

A report in *Intelligence Newsletter* indicates that in 1982 the Justice Department was proposing legislation to outlaw the assassination of a foreign individual outside of the U.S., but the CIA objected and the bill was dropped. The information comes from transcripts, obtained by the Paris-based biweekly, of closed-door meetings of the Iran-contra committee. Those transcripts show that on August 19, 1987, Deputy Assistant Attorney General Mark Richard testified that when the legislation banning assassination was being drawn up, CIA Director William Casey "wanted assurances that this proposal would not reach authorized conduct of the agency." Further, both the CIA and the Pentagon wanted "comprehensive assurance ... that personnel—duly authorized—engaging in activities [such as assassinations] otherwise covered by the statute would not fall within the statute." Richard testified the CIA was represented in the matter by Stanley Sporkin, who before President Reagan appointed him in 1986 as a federal judge, was the CIA's general counsel. (According to Richard's testimony, Casey asked Sporkin in 1982 for a legal opinion on a CIA proposal to "neutralize" suspected terrorists. Sporkin concluded that such "neutralizations" were legal because they were not really assassinations; they were, rather, "pre-emptive defensive actions.") The Justice Department complied with the CIA request to the extent that the department provided a letter stating that the anti-assassination legislation was "interpreted as not applying to authorized government conduct." According to Richard, this did not satisfy Casey, who would settle for nothing less than "an express provision in the statute exempting authorized intelligence activities [like assassinations]." Faced with the prospect of officially legalizing U.S.-sponsored assassination, the Justice Department abandoned its proposal, which by maintaining the status quo achieved the same end.

The timeless truth of I.F. Stone

Groundbreaking journalist I.F. Stone died on June 18, as President Bush was pushing to decrease the capital gains tax—another drop in the steady stream of green that trickles up from Washington to the rich. *In These Times* was reminded of a story that appeared in *I.F. Stone's Weekly* on May 13, 1968, as thousands of poor people marched on Washington in the months after Martin Luther King Jr.'s assassination. The article was titled "The rich march on Washington all the time" and read, in part, "To see the Poor People's March on Washington in perspective, remember that the rich have been marching on Washington ever since the beginning of the republic. They came in carriages and they come on jets. They don't have to put up in shanties. Their object is the same but few respectable people are untactful enough to call it handouts.... The tax structure and the laws bear the imprint of countless marches on Washington; these have produced billions in hidden grants for those who least need them. Across the facade of the U.S. Treasury should be engraved, 'To him who hath shall be given.' One easy and equitable way to finance an end to abject poverty in this country would be to end the many tax privileges the wealthy have acquired.... Few people realize that our present tax and welfare structure is such as to encourage the wealthy to speculate and the poor to vegetate. If a rich man wants to speculate, he is encouraged by preferential capital gains and loss provisions.... But if a poor man on relief took a part-time job he had until very recently to pay a 100 percent tax on his earnings in the shape of a dollar-for-dollar reduction in his relief allowance.... Much of the crime in the streets springs from hunger in the home. Much of this hunger is also linked to handouts for those who do not need them.... One farm company in California, J.G. Boswell, was given \$2,807,633 in handouts by the Treasury [in 1966].... Such are the huge hogs that crowd the public trough. Other even bigger corporations live on the gravy that drips from the military and space programs.... The arms race and the space race guarantee the annual incomes of many in the country-club set.... Ours is a warfare, not a welfare state. And unless the better conscience of the country can be mobilized, it will wage war upon the poor, too.... At this dangerous juncture we need a crusade of the progressive well-to-do to supplement the efforts of the poor people's march.... And we need an army of young white idealists to ring doorbells in the suburbs and awaken the middle class to the crisis the poor may precipitate. What lies ahead may be far more important than the elec-



Blood on the tuna: More than 500 demonstrators descended on the headquarters of the American Tunaboat Association on June 13 to protest the killing of dolphins by the tuna industry. The protest was organized by, among others, Earth First! and Earth Island Institute to coincide with the International Whaling Commission (IWC) meetings being held in San Diego that same week. At those meetings representatives from New Zealand, Australia and the United Kingdom, three of the commission's 30 member nations, called on the IWC to protect all cetaceans, including the small whales and dolphins.

Our man in Recife

In December 1968, Ricardo Zarattini, a member of the Brazilian Communist Party, was picked up by the secret police for helping coordinate strikes by rural workers in north-eastern Brazil. Within days of his arrest and subsequent torture at the Department of Political and Social Order in the city of Recife, Zarattini was interrogated by an official from the local U.S. Consulate.

Last month Zarattini, now an aide to a Brazilian congresswoman, saw a photograph in a newspaper and recognized his former inquisitor—Richard H. Melton, the likely appointee U.S. ambassador to Brazil. The U.S. Embassy, while denying that Melton "participated in any episodes of that type," has confirmed he served as vice consul in Recife between 1967 and 1969.

President Bush has not yet officially announced who will be the

new ambassador. But in Brazil Melton's appointment is regarded as inevitable and, in most circles, unacceptable. The Brazilian Foreign Relations Ministry, which routinely approves appointments of all foreign ambassadors, refused to rule on Melton, leaving the decision to President José Sarney. Sarney, generally solicitous of the U.S., demonstrated a brief flash of independence on June 1 by ordering his diplomats "to prevent Melton from being nominated am-