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## It isn't class warfare, just class welfare

One day in 1985, when he was governor of Arizona, Bruce Babbitt got a call from Charles H. Keating, a wealthy Phoenix businessman who was chairman of California-based Lincoln Savings and Loan. As Babbitt tells it, Keating said, "Bruce, I want you to call Ed Gray at the [Federal] Home Loan Bank Board and get him off my back." Babbitt refused, suggesting that if Keating were in trouble he should go out and get himself a lawyer. Instead, Keating first stopped contributing to Babbitt's campaign fund—"probably figured he wasn't getting a good return on his investment," Babbitt says. Then he went out and got himself five senators.

The senators—Alan Cranston (D-CA), Dennis DeConcini (D-AZ), John Glenn (D-OH), John McCain (R-AZ) and Donald W. Riegle Jr. (D-MI)—collected a total of \$1.5 million in donations to their personal campaign funds and their political action committees, and DeConcini's top campaign aides received more than \$50 million in real-estate loans from Lincoln. In return, the senators did what Babbitt had refused to do. They met with Edwin J. Gray, then the head of the Federal Home Loan Bank Board (FHLBB), and leaned on him to ease up on an investigation of Keating for fraud and making illegal loans. As it happened, Gray ignored them but was overruled by M. Danny Wall, head of the FHLBB, who delayed the shutdown of Lincoln for two years.

"I have done this kind of thing many, many times," says Sen. McCain, explaining that he views his efforts on behalf of Keating as identical with "helping the little lady who didn't get her Social Security." But, of course, it's not quite the same, since the two-year delay in closing down Lincoln Savings and Loan—made necessary by Keating's squandering of his depositors' money—will end up costing the public a record \$2 billion in federal deposit insurance funds. As former House Speaker Jim Wright said when asked about the five senators, the real question was, "Would these fellows work so hard for a poor guy out there who can't afford to contribute?"

Wright, who resigned his House seat last June, in part because of allegations that he, too, had interceded on behalf of similarly corrupt Texas savings and loans, said that he didn't know the answer to his own question. But if you stopped 10 people on the street and asked them Wright's question, you would be lucky to find one who shared his uncertainty—or anyone who would believe McCain's explanation.

**All in the game:** If this were an isolated case of members of Congress taking money in exchange for favors, or using their offices to enrich themselves and their friends and associates, it wouldn't be so bad. But betrayals of the public trust like this are so routine that the five senators may not even be officially chastised. Consider, for example, Sen. Alfonse D'Amato (R-NY), whose relatives, friends and

campaign contributors have all received Housing and Urban Development (HUD) grants designed to benefit people unable to find affordable homes.

In D'Amato's home village of Island Park in Hempstead Township, HUD mortgage subsidies earmarked for lower-income couples and to help integrate the 97-percent-white community were funneled instead into construction of a \$1 million swimming pool, and to insiders, including a D'Amato cousin. Some of these cronies parlayed their good luck into substantial profits. Not surprisingly, D'Amato insists that his attempts to influence HUD funding decisions were proper. "I went to bat for every single thing that had merit," he says. "I've done it for my constituents ... and the attempt to make it look like it's for my contributors, that's totally wrong."

That, of course, is precisely what the five senators say, although Cranston at least acknowledges that money was a consideration in his actions. Not without some validity, he says that the large sums needed for Senate campaigns require legislators to curry favor with major donors like Keating.

**The public be damned:** Cranston's point has implications far beyond the question of sleazy politicians like D'Amato enriching their friends and relatives. Indeed, it goes to the heart of the corruption of our political system and helps explain why congressional priorities are so at odds with the social needs of the nation.

A good case in point involves Rep. Doug Bereuter (R-NE), the only Republican in the House to vote against a cut in the capital gains tax in September. Bereuter, a six-term veteran with a safe seat, opposed the cut because it would "exacerbate a growing income inequality and contribute to the federal deficit." He could do so, he said, because Nebraska does "not have as many wealthy people as a typical state," and because he has no desire to seek a higher office.

But Bereuter recognized that his situation was unusual. He had been asked by the Republican leadership to run for the Senate next year but decided against it. If he had decided to run, Bereuter admitted, his vote on capital gains would have been more difficult. "In terms of vote-getting appeal," he explains, his vote against the tax cut "will be positive." But if he had been "thinking about raising a lot of big bucks for a statewide campaign, a vote for [the tax cut] would be advantageous." That is why a "significant number" of his fellow Republicans in the House privately commended him on his courage and good judgment. They told him, he says, that "in reality, you cast the right vote."

In other words, as even many Republican lawmakers know, the capital gains tax cut is both a bad and an unpopular idea, but a vote for it is advisable in the absence of an aroused public. When the cut passed the House in September, the media crowed about the public's rejection of "class-warfare politics." But in fact the vote had nothing to do with the public's wishes or interest and everything to do with the wishes of the wealthy contributors to congressional campaign funds.

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"...with liberty and justice for all"

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(ISSN 0160-5992)

Published 41 times a year: weekly except the first week of January, first week of March, last week of November, last week of December; bi-weekly in June through the first week in September by the Institute for Public Affairs, 2040 N. Milwaukee Ave., Chicago, IL 60647, (312) 772-0100.

Member: Alternative Press Syndicate

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This issue (Vol. 14, No. 3) published Nov. 15, 1989, for newsstand sales Nov. 15-21 1989.



# LETTERS

## Earth First! ideas

WE ARE STUDENTS AGES 4-10 AT THE KALEPAE-  
deia House in Newfield, N.Y., and we  
read your article about redwood trees (*ITT*,  
Oct. 25). We had just read *The Big Tree* by  
Mary and Conrad Buff. It was about the old-  
est living redwood tree. The Indians called  
it Wa-wo-na. Wa-wo-na was almost cut  
down by early white lumberjacks. It is 5,000  
years old. Redwoods take 150 years to make  
cones, so they can't grow back very fast. If  
the forest is clear-cut the animals have no  
homes to live in.

These are some suggestions we kids had  
that maybe Earth First! could think about:  
Build a huge metal fence around the trees,  
outlaw clear-cutting of redwoods and put  
out guards, destroy machinery and shoot  
out tires, put signs on trees against clear-  
cutting, educate the workers and convince  
them that it's not good to cut such old and  
beautiful trees. We hope that our ideas will  
be some help to Earth First! Thank you for  
the great article.

AnnaLee, Dorian, Erika, Tara,  
Deborah, Jesse, Lamanjá, Beth, Scott  
The Kalepaedia House  
Newfield, N.Y.

## Inconclusive

MY ARTICLE, "MEXICO'S MODERNIZATION IGNITES  
old-fashioned rage," (*ITT*, Oct. 11), was,  
as expected, well edited. Yet, one of the  
sections you decided to cut was the original  
conclusion, which significantly shifted the  
nature of the story. The published piece  
ends with a somewhat sensationalistic tone,  
quoting oft-expressed frustrations by peas-  
ants to the political situation, "Cardenas  
doesn't want violence. But my gun is ready  
when he does." This was meant as a drama-  
tic illustration of certain sentiments but not  
as a summation of all popular expression  
today. The point is a real one but not meant  
to stand alone. Indeed, what is now most  
astounding in Mexico is that it is not at the  
brink of a chaotic explosion of violence but  
rather that new popular forces are emerging  
to confront the ruling elite in unpre-  
cedented ways.

The original conclusion notes that the  
threads of common struggle continue to  
create hope in the building of an organized  
opposition despite enormous odds. The un-  
edited version ends with a description of  
an event that illustrates the extraordinary  
capacity of the popular movement to forge  
new democratic spaces: a dramatic invita-  
tion by a leader of the popular urban move-  
ment to officials to join him in taking a bite  
of the "forbidden fruit of democracy." The  
key point in understanding contemporary  
Mexico is that the popular movement and  
its initiatives are transforming the tradition-  
al features of Mexican power politics into  
a politics of the people.

David Brooks, Director  
Mexico-U.S. Dialogos  
Brooklyn, N.Y.

## Rain-forest spraying

TODD STEINER'S "DRUG WAR VICTIMS: A RAIN FOR-  
est, restless natives and U.S. pot smok-  
ers" (*ITT*, Sept. 20) is fine. But does Steiner  
know that the same spraying with the same  
herbicide, glyphosphate, with the same  
effects on rain forests, is going on in the  
U.S.?

Among the affected forest areas there is  
terrain representing every stage of natural  
laboratory prized by ecologists worldwide  
who seek to understand the process of re-  
colonization and regrowth of a natural land-  
scape. Only fragments of lowland rain forest  
remain, and they are the last of their kind.  
They are also the only remaining examples  
of the lowland tropical rain-forest ecosys-  
tem in the U.S.

The most recent aerial spraying program  
is taking place within Hawaii's lowland rain  
forests. From our home we can see the  
helicopters entering and leaving their target  
areas, hovering and making repeated pass-  
es over irreplaceable rain forests here in  
our immediate neighborhood in lower  
Puna, Island of Hawaii, U.S.A.

Maja Gossom  
Pahoa, Hawaii

## Groggy?

I'VE ALWAYS APPRECIATED DANIEL LAZARE'S IN-  
sightful comments, especially when he  
worked for the conservative and proudly  
anti-union *Bergen Record* in northern New  
Jersey. He was much farther downstream  
than his assignment editor.

Unfortunately, it appears that in "Drugs  
'R' Us" (*ITT*, Oct. 18) some of this past asso-  
ciation has remained glued to his conscious-  
ness. How else could he argue that legalized  
marijuana use would be limited to blue-col-  
lar workers ("laborers, taxi drivers and con-  
struction workers"), while other—presum-  
ably classier—folks would feel too  
"groggy." This is a kind of white-collar arro-  
gance that doesn't fit the Daniel Lazare who  
found ways to express a class perspective  
in the *Bergen Record*.

Philip J. McLewin  
President, Bergen County  
Central Trades & Labor Council

## Thankful

JEFF SALAMON'S REVIEW OF JACKSON BROWNE'S  
*World in Motion* (*ITT*, Sept. 20) is very  
heartening. While criticizing the album for  
its generalities, Salamon's review offers  
hope for whites who may be sensitized to  
the injustice going on in the world but who  
feel they have nothing to say: "He [Browne]  
doesn't imagine that an affluent white man  
can have anything worthwhile to say about  
suffering people—as if our own country  
hasn't had its struggles, as if Browne didn't  
live through some of them, as if he weren't  
living through some of them now. As if many  
of the freedoms we enjoy aren't the ones  
people all over the world are fighting for."

I agree with Jeff Salamon that "this self-  
abnegation is a shame." It gives people like  
me an excuse—guilt—to continue doing

and saying nothing, to continue the silence,  
claiming that we are so paralyzed by our  
guilt that we don't know what to do. Guilt  
that does not move us to action is useless,  
even narcissistic and selfish.

Jeff Salamon's review goes beyond mere  
criticism of Browne's generic social com-  
mentary to the larger issue: the difference  
between mere bandwagon protests and real  
solidarity. I'm thankful for that.

Rick Reid-King  
New Haven, Conn.

## A new radicalism in Canada

TO THIS NEW DEMOCRATIC PARTY MEMBER, LAW-  
rence Kootnikoff's article on the leader-  
ship race within Canada's New Democratic  
Party (*ITT*, Oct. 18) was disappointing. So-  
cial democracy in Canada is in serious  
crisis, but not as the corporate media or  
party's establishment perceive it.

Over the years the NDP has increasingly  
become a purely electoralist machine, yet  
at every national election it has finished in  
third place behind the Liberal and Progres-  
sive Conservative parties. In its attempt to  
appeal to the lowest common denominator  
in voter support, the party's establishment  
has attempted to water down what it con-  
siders the party's "too radical" edges. It has  
shunned extraparlimentary activity and  
shut out left/socialist forces, but the subse-  
quent shifts to the right have failed to break  
the party out of its third-place position.

The party establishment believe that flair,  
charisma, flamboyant rhetoric and bombast  
are the essentials of party leadership—and  
the way to an NDP electoral breakthrough.  
But they are not the substance of politics—  
especially socialist politics.

The party establishment is split in its sup-  
port for two candidates, and the important  
labor sector support is, as yet, uncommit-  
ted. Yukon Member of Parliament Audrey  
McGlaughlin was first touted as the estab-  
lishment's choice, but her performance dur-  
ing candidate debates proved embarrass-  
ingly wishy-washy. Some in the establish-  
ment jumped ship to endorse the bombastic  
Dave Barrett, who quickly fractionalized the  
party regionally (with many unionists re-  
membering his legislating of striking British  
Columbia workers back to work when he  
was premier of that province).

Of the six candidates in the race, only  
one has clearly differentiated himself from  
the others—Member of Parliament Steven  
Langdon, the party's former trade critic.  
While the other contenders still look to the  
legislation of an NDP government to "make  
the system run better," Langdon has pro-  
posed a "new radicalism": a commitment to

a socialist vision, democratization of the  
party, emphasis on economic issues, and  
the importance of social and working-class  
extraparlimentary movements as agents of  
social change. Implicit in his message is  
socialist politics to empower and democ-  
ratize.

Much to the disgruntlement of the party's  
establishment, many rank-and-file New  
Democrats and labor delegates are listening  
to Langdon's message. Delegates to the  
convention will be searching for answers  
and alternatives to the failed strategies of  
the past, and Langdon's proposals may build  
the labor, environmentalist, red/green coal-  
ition with other constituencies such as  
women, peace activists, etc., to change  
things around on the convention floor.

Len Wallace  
Windsor, Ont.

## Some capital gains should be encouraged

NEITHER YOUR EDITORIAL ON CAPITAL GAINS TAX-  
ation nor the usual political propaganda  
pro and con makes an effort to explain how  
favorable capital gains taxation *could* be  
beneficial to all of us.

Obviously, if someone buys shares of  
stock on Wall Street for an existing com-  
pany in January and sells them in December  
for a profit, he has not contributed money  
for expansion of industry. He has only spec-  
ulated in stocks for a "fast buck," and there  
is no sense in giving him a tax break on  
this kind of capital gains.

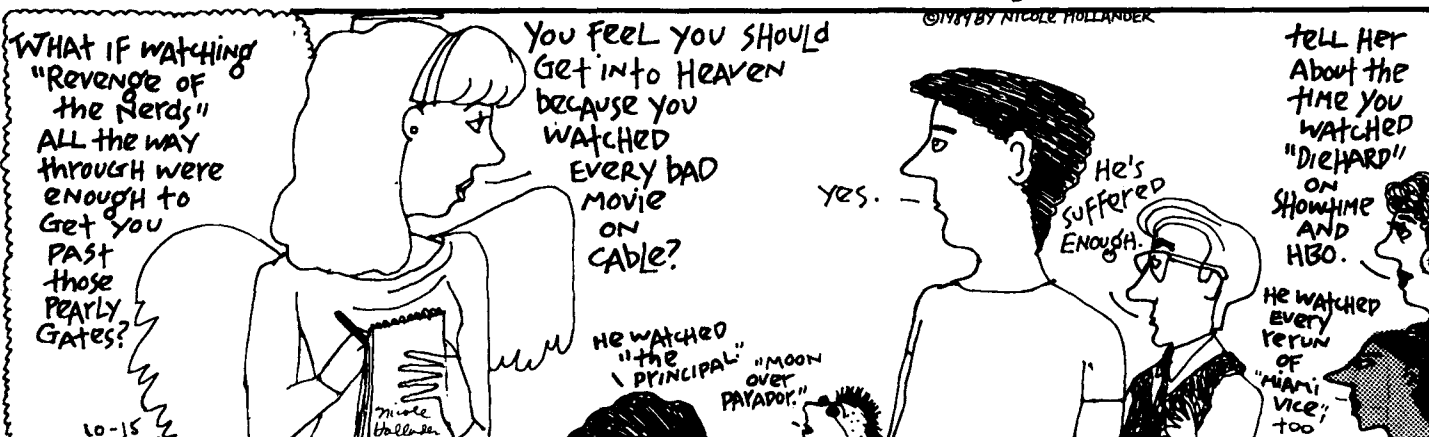
However, if someone invests money in a  
new stock issue intended to raise capital  
for the construction of new factory capacity  
and holds on to this stock for a number of  
years, accepting the risk that the new fac-  
tory facilities may not prove successful, he  
has a fair claim to a tax break if he sells  
the stock for a profit. His money was placed  
where it could create new jobs and new tax  
revenue.

Capital gains tax breaks therefore can  
lead to a net gain in tax revenue, but they  
need to be restricted to long-term profits  
on new stock issues for this purpose.  
Neither the Democrats nor the Republicans  
in Congress make this distinction in their  
partisan bickering.

Frederick Lightfoot  
Greenport, N.Y.

**Editor's note:** Please try to keep letters under  
250 words in length. Otherwise we may have  
to make drastic cuts, which may change what  
you want to say. Also, if possible, please type  
and double-space letters—or at least write  
clearly and with wide margins.

## SYLVIA



by Nicole Hollander