overtime pay, anti-discrimination law, and even "equal pay for men and women." The left has been pushing a nationwide "comparable worth" scheme for a decade. What better way to enact this egalitarian nonsense than to bypass state and federal legislatures and make it continent-wide?

To oversee all of this, the Labour Accord establishes a "Labour Commission" with a "Ministerial Council," an "International Coordinating Secretariat," and a "National Administrative Office." And like the environmental agreement, it sets in concrete some of the worst aspect of the U.S. regulatory state.

Our government is ordered to "promote compliance and provide for effective enforcement" of our "domestic labour law" through "on-site inspections," "mandatory reporting and record keeping," and "mediation, conciliation or arbitration." And unions are granted advantage over management in disputes over "health and safety," "employment standards," and "industrial relations and migrant workers."

The accord transfers responsibility for labor policy from Americans to the Ministerial Council of Nafta. It is charged with unifying standards on "occupational health and safety," "child labour," "human resource development," "work benefits," "social programs for workers and their families," "labour-management relations and collective bargaining procedures." It will also promote "legislation relating to the formation and operations of unions, collective bargaining and the resolution of labour disputes."

This is the agenda of the left-wing International Labour Organization, and the agreement says that Naftacrats will "draw on the expertise and independence of the ILO."

If the texts themselves leave any doubts, Kantor explained to the *Wall Street Journal* (8-17-93) that "the supplemental agreements will help ensure that the enforcement of domestic environmental laws and workplace standards and requirements will be strengthened" and "that no nation will lower labor or environmental standards, only raise them."

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President Clinton called government spending "investment" and tax increases "contributions." Now he is calling international socialism "free trade." ■

The Ghost of Decatur

by L.H.R., Jr.

In the escalating struggle over mortgages and race discrimination, lenders have learned to fear the newspaper mini-series. For example, "The Color of Money" (*Atlanta Journal-Constitution*, May 1988) announced: "Banks favor white areas by 5-1 margin." Reporter Bill Dedman claimed that lenders were violating their "affirmative obligation" under the Community Reinvestment Act to make loans in low-income neighborhoods. Because of "institutional racism," "predominately" white areas were getting more mortgages than "predominately" black ones.

The story included a list of guilty banks and s&ls and activists stormed their lobbies. As the Atlanta City Council scheduled hearings, Atlanta's frightened banks and s&ls agreed to distribute $65 million at below-market rates to black borrowers who would otherwise not have qualified. Downpayments would be 3%, and closing costs held to $300, so Atlanta's subsidy to low-income home buyers would cover most out-of-pocket expenses.

Yet the study was deeply flawed. The reporter looked at whole neighborhoods, not at banks' actual loan applications, and counted blacks living in mostly white areas as whites. He also ignored alternative lenders who made low-income loans.

Tucked away in the story was the real explanation for the disparities: "In 1984, the median household net worth of whites was nearly 12 times that of blacks. That's $39,135 versus $3,397." (By 1989, the white-non-white gap had widened to $58,500 vs. $4,000.) Net worth, more than income, is a good predictor of repayment because it distinguishes a future orientation from a present one.

One s&l on the *Journal-Constitution*'s offender list, Decatur Federal, did not participate in the special loan program, however. Loose loans were the last thing it needed. But that didn't cut any ice with the U.S. Justice Department, which initiated a four-year inquisition. This only became public in July 1992 after a weakened Decatur announced its coming merger with First Union Corp., a Charlotte-based bank. First Union, although not named as a perp by the newspaper, had agreed to give special loans.

Though the leak may have been a coincidence, community activists know that the best time to hand a your-money-or-your-life note to the teller is just before a merger. Sure enough, the merger was held up until Decatur signed a consent decree in September 1992.

The government charged that Decatur failed to give special consideration to black loans and had excluded black customers by "rarely or never" advertising in black media. "We categorically deny" the charges, chairman Robert McMahan told the *Journal-Constitution*, but he called it "futile" to resist.

Decatur agreed to pay $1 million to 48 blacks turned down for loans, to advertise heavily in black media, to give bonuses to loan officers who made loans to blacks, to hire an "underwriter" to examine all applications, to conduct sensitivity training for white employees, to open an additional low-income branch, and to hire discrimination "testers." Perhaps to make up the cost, Decatur laid off 190 white employees.

History is repeating itself. In the *Washington Post* (June 1993), the series "Separate and Unequal" by Joel Brenner and Liz Spayd said that local blacks are twice as likely as local whites to

Rating Senate Republicans

August 3 was a dark day for Senate Republicans, a day they caved on three nefarious Clintonian appointments. One, on Ruth Ginsburg for the Supreme Court, we've already dealt with; only Helms, Nickles, and Smith rate pluses for voting against the "moderate" left-feminist, all the other Republicans score minuses.

Another appointment was the notorious Sheldon Hackney, president of the University of Pennsylvania and Mr. P.C. in Academia, for head of NEH. Hackney was approved 76-23, with Republicans split, 22 for the odious Hackney, and only 22 against.

Sheldon Hackney

Alaska	Murkowski	—
	Stevens	—
Arizona	McCain	+
Colorado	Brown	+
Delaware	Roth	—
Florida	Mack	+
Georgia	Coverdell	+
Idaho	Kempthorne	+
	Craig	+
Indiana	Coats	—
	Lugar	—
Iowa	Grassley	+
Kansas	Dole	+
	Kassebaum	—
Kentucky	McConnell	+
Maine	Cohen	—
Minnesota	Durenberger	—
Mississippi	Lott	+
	Cochran	—
Missouri	Bond	+
	Danforth	—
Montana	Burns	+
New Hampshire	Gregg	—
	Smith	+
New Mexico	Domenici	+
New York	D'Amato	+
North Carolina	Faircloth	+
	Helms	+
Oklahoma	Nickles	+
Oregon	Packwood	—
	Hatfield	—
Pennsylvania	Specter	—
Rhode Island	Chafee	—
South Carolina	Thurmond	—
South Dakota	Pressler	+
Texas	Hutchinson	—
	Gramm	+
Utah	Bennett	—
	Hatch	—
Vermont	Jeffords	—
Virginia	Warner	+
Washington	Gorton	+
Wyoming	Wallop	+
	Simpson	—

be turned down for loans. The reporters naturally ignored individual applications and looked only at neighborhoods, while omitting the difficult truth, reported in the November 1992 *Federal Reserve Bulletin*, that minorities have "weaker credit histories, fewer liquid assets, and lower net worths and incomes than white applicants." Despite the inevitable special deals from area banks, Congress is holding hearings.

Can any bank that doesn't cooperate expect to go the way of Decatur? They can if Ralph Nader has anything to say about it. In August 1993, the Nader-front group Essential Information, Inc., announced " the most comprehensive computer study of mortgage lending practices ever performed." (It was actually a rehash of Fed data, translated into color computer graphics.)

Nader charged that "minority neighborhoods" are getting fewer loans than "white neighborhoods." Like the others, he ignored credit ratings, assets, incomes, marital status, and job histories. He even claimed that blacks are being "induced" *not* to apply, and called on Janet Reno to do everything but surround banks with the BATF.

Nader and his allies cited a 1992 Boston Federal Reserve study by Alicia Munnell, now a high Treasury official, who had told the A.P. that whites "seem to enjoy a general presumption of creditworthiness." This, she said, is "discrimination in the mortgage market."

But Peter Brimelow and Leslie Spencer of *Forbes* confronted Munnell with the racially identical default rates in her own data, which indicate impartiality. If blacks were being held to a higher standard, i.e. discriminated against, they would have *fewer* defaults. She had "no evidence" of racial discrimination, Munnell admitted. "No one has evidence."

The evidence in fact runs the other way. In 1989 the New York State Banking Department examined ten New York banks accused of discrimination. The department looked at specific applications and concluded that the banks had been fair. Objective factors, in other words, explained the racial gap.

A vestige of institutionalized merit, the credit rating, is on its way out, to be replaced with welfare.

As the left sees it, however, objectivity is not enough. That's why Rep. Joseph Kennedy (D.-Mass.) is pushing quotas in lending. A last vestige of institutionalized merit, the credit rating, is on its way out, to be replaced with a new and almost invisible form of welfare. Among lenders, no one is resisting, for the ghost of Decatur haunts the future victims. ■

P.C. Watch

by L.H.R., Jr.

Sweet Lips

Campaigning in New Jersey, Jack Kemp shouted "Give me some sugar, woman," at a black housing official. Kemp then said that gubernatorial candidate "Christie Whitman and I recognize that there can be no politics when it comes to ownership, entrepreneurship, and jobs [i.e., no dissent on Kemp's pet welfare programs]. Unfortunately, on the far right there are Republicans who don't support this idea." (*Washington Times*, 9/12/93)

KKKon

It was worldwide news when Diane Alexander, the Alabama widow of Henry Alexander, a Klansman and FBI informant, said that he had confessed on his deathbed to murdering a black man, Willie Edwards, in 1957, pushing him off a bridge. Twice, to the *Montgomery Advertiser* and to NBC, Diane said she had not and would not accept any money for her story. She only wanted to tell the truth.

It turns out that Diane—who was the common-law "wife" of Henry—had signed a movie deal, and is now trying to get out of it to accept a more lucrative one. Her advisor is Morris Dees, the rich, left-wing "poverty" lawyer. Did Diane make it all up? Strap her in a lie detector and let's find out. (*Montgomery Advertiser*, 9/14/93)