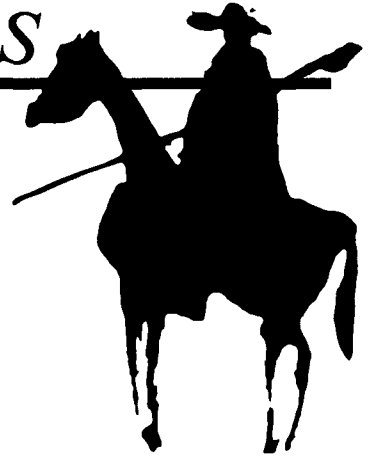


TILTING AT WINDMILLS



There is a proposed constitutional amendment in California that may go a bit too far, but you have to admit it's headed in the right direction. It would abolish the California Bar Association and prohibit its members from holding public office or practicing law in California courts. . . .

In September, the National Endowment for the Humanities released a study that testified to, among other things, a frightening ignorance of history on the part of the 8,000 17-year-olds surveyed. In the same month, ABC stopped airing "Our World," an excellent series of documentaries on modern American and world history. Since Thomas S. Murphy, the head of Cap Cities-ABC, is supposed to be one of the smartest businessmen in America, why can't he use some of his genius to figure out how to keep "Our World" going? Don't these guys have any desire to do good while they're making money?

Of course, we shouldn't leave virtue entirely to them. Both the networks and the stations they own are shared monopolies that should be regulated in the public

interest. We should demand shows like "Our World" in return for the money-machine franchises we give these companies.

I am a fervent capitalist, but I know that capitalism, left to itself, can maim, pollute, and monopolize. Regulation is the only way to control these tendencies. We need more of it now, not less. What we have to care about this time around is making the regulation sensible so that it won't reacquire the bad name that led to its demise under Ronald Reagan. . . .

It is rare that newspapers blow the whistle on themselves. So the *Los Angeles Times* deserves a pat on the back for having done so recently in a series on wine writers by David Shaw. The articles explain how critics receive free wine, free meals, and free trips to vineyards in Europe and California and that, coincidentally of course, the provider of these goodies usually is rewarded with praise from the writer. Shaw noted that such arrangements were forbidden by a few major papers, but not by the *Times*. He discovered that the *Times's* wine critic, Nathan Chroman, not only

got the free wine, the free meals, and the free trips—for himself and his wife—but that he also had "a financial involvement with at least three California wineries," and that the second edition of his book, *The Treasury of American Wine*, was subsidized by Inglenook Vineyards. The space devoted to Inglenook was doubled in the second edition. Coincidentally of course. . . .

It looks like the states that are honored in my Hall of Fame of Corruption—West Virginia, Massachusetts, New Jersey, Kentucky, Tennessee, Nevada, and Louisiana—will have to make room for a new star. It is New York, where previously naughtiness had been thought to be rare north of the Westchester County line. Now comes the FBI sting operation, where out of 106 officials from all around the state who were offered bribes, 105 accepted and the 106th declined only because he deemed the amount offered him to be inadequate.

But, despite the new competition, my home state, West Virginia, continues to maintain its lead in innovative approaches to

hanky-panky. Not long ago, for example, it was discovered that Blue Cross had overcharged the state \$6.4 million, and the state attorney general sued to get it back. After a ruling by the West Virginia Supreme Court made clear that the state would ultimately win, Blue Cross proposed a settlement. It offered the assistant attorney general handling the case, Cletus Hanley, \$1 million for the state—and \$241,251 for himself. Hanley accepted. . . .

Speaking of West Virginia, here is a statistic worth pondering: 8.5 percent of the state's workforce is now employed by the mining industry; 21.9 percent is employed by government. . . .

Why not have each presidential candidate present his own version of the federal budget for the next fiscal year, showing just how he would change the present level of expenditures? If he proposes increases, he should also indicate from where he expects to gain additional revenue. This idea was put forth this summer by the editor of *Science* magazine. I endorse it wholeheartedly and hope others will too. . . .

Only Bruce Babbitt has faced the need for increased taxes so far. In addition, Babbitt has had the courage to propose means testing for the entitlement programs, with less money going to the affluent and more to the needy. And only Babbitt has had the wisdom to support profit-sharing as a way to moderate wage demands in the interest of

competitiveness without stealing from the worker the rewards his sacrifice might make possible.

Yet Babbitt is dismissed by much of the press because his name sounds silly and because he managed to look pretty silly in the Houston debate. Note I said look; it was his appearance and bearing that offended, not the substance of what he had to say. Only *The Washington Post's* Paul Taylor and David Broder and the *Los Angeles Times's* Robert Shogan have shown any sign of appreciating Babbitt's superiority on matters of substance. . . .

Speaking of election coverage, *The New York Times* recently carried this observation about the candidates: "The emergence of competence and experience as key tests for the coming campaign would appear to

help such candidates as Senator Bob Dole, the Kansas Republican who has served as Senate majority leader, and Governor Michael S. Dukakis of Massachusetts, who has run a widely praised administration in a major industrial state. Those criteria would seem something of a handicap to relative outsiders like former Governor Bruce Babbitt of Arizona and Senator Albert Gore Jr. of Tennessee."

The competence and experience test could just as easily have come out in favor of Babbitt, who was also a highly praised governor. But Babbitt aside, the statement about Gore is just plain stupid. Gore does have faults, but they do not include a lack of competence and experience. Before his 1984 election to the Senate, where his mastery of arms control issues exceeds that of any of his colleagues, he was one of

The truth they didn't want told.

Newsweek reporter Richard Manning was expelled from South Africa last year for his hard-hitting reports on that nation's violent struggle with apartheid. That attempt to suppress resulted in "THEY CANNOT KILL US ALL," the most lucid, gripping, humane account of what it is for South Africans of every race, class and outlook to survive in their agonizing crucible. Richard Manning's eyewitness account brings us with unrivaled clarity the harsh truths of a nation in turmoil.

"No wonder the South African government asked him to leave; he is a brilliant and honest writer who dares to speak the whole truth."

—ROBERT COLES

"A gripping picture of South Africa in torment."

—ANTHONY LEWIS

RICHARD MANNING

"They Cannot Kill Us All"



An Eyewitness Account of South Africa Today

Houghton Mifflin Company
2 Park Street, Boston, Massachusetts 02108
© Houghton Mifflin Company 1987

the most respected—for competence—members of the House for eight years. . . .

My next complaint against the *Times* concerns a story that appeared on July 8, describing favorable action by the New York legislature on a bill that would supplement the pensions of retired state and municipal workers. The article quotes Mayor Koch as saying he would have to cut city services to pay for the increased pensions. It also quotes the state's comptroller, Edward V. Regan, as supporting the additional pension payments because the "vast majority of the retirees from state and city service have suffered significantly as a result of inflation."

This is the kind of objectivity through opposing quotes that drives me around the bend, offering us not one word of the information we need to know to decide who is right. Will Koch really have to cut services? What services? How much pension is the average retiree already getting? How much was he paid before he retired? In other words, what could he reasonably expect in the way of pension income? What evidence is there that what he is getting is inadequate? On all the questions the *Times* stands silent, leaving its readers with only the conflicting quotes and no way to evaluate them. . . .

Now for *The Washington Post*. On Saturday morning, August 15, I bounded down the stairs and out the front door, eager to pick up the paper and read about the first Redskins exhibition game, which had been played

the night before. Also, I was anxious to see how my favorite baseball team, the Cincinnati Reds, had done that evening. There was nothing about either game in the *Post*. There were no night baseball scores at all. Obviously I had received an early edition. But I don't reside at some RFD address or even in the suburbs. I live well within the Washington city limits.

We have often complained about how the *Post* has failed to meet the Night Baseball Box Score Test since the demise of the *Washington Star*. Once papers achieve monopoly status, they tend to get careless about making sure the previous night's sports results—and theater, music, and dance reviews—make it into the next morning's paper. At the *Post* this problem is compounded by its owners' refusal to spend the money necessary to figure out which reader receives which edition. I, and many other subscribers, can get a semi-final edition one day, an early edition the next, and a final on the third day, with none of the reviews and sports results that had been missing the previous mornings.

I decided to find out if the *Post's* brass suffers along with the rest of us, so I called a friend, Carol Trueblood, who lives a few doors from Katharine Graham. Carol didn't know there was a problem. It seems she gets the final edition every day. . . .

When Reagan decided last March to protect Kuwaiti tankers, he was told by his senior cabinet advisers that it could be done without any

increase in American naval forces in the Persian Gulf. This was reported in late August by Stephen Engelberg and Bernard E. Trainor of *The New York Times* and is confirmed by my own sources. It is a frightening comment on Carlucci, Weinberger, and Shultz. . . .

The 1980 census cost us \$1.1 billion. Senator David Pryor estimates that the 1990 bill could be nearly \$4 billion. Certainly some of the information the census unearth is vital, but many of the questions seem aimed primarily at providing information for private businesses. It is possible that the government has a legitimate interest in knowing whether we have a roof over our head, a car to get around in, and a telephone with which to reach the outside world. But who needs to know *how many* bedrooms or cars or phones we have? It is interesting to note the identity of those who rushed to object when OMB proposed that some questions be omitted from the 1990 census. They included, according to Donald Lambro, a columnist who has a keen nose for bureaucratic extravagance, the National Association of Home Builders and Dun & Bradstreet. . . .

California is a special place. In July, Missy Florez, the star of a porn film called *Behind the Green Door—The Sequel*, appeared before a state legislative committee to testify on an anti-obscenity bill. She argued that the bill might endanger efforts to educate the public about how to prevent AIDS, adding,

according to the Sacramento *Recorder*, "We have hands-on experience with safe sex."...

The Army Corps of Engineers owns three planes, including a 14-passenger executive jet. A recent study of their flights by the Army Audit Agency concluded: "Virtually all the flights were for routine matters and could have been accomplished with commercial aircraft." If the Corps sold its aircraft, it would gain \$6.4 million for the Treasury, and, if it used regular airlines, it would save \$1 million more in travel costs. The Army, by the way, has an interesting definition of routine. One of the Corps's plane trips carried wives of Corps employees to a conference of the International Association of Navigational Congresses in Helsinki. The wives' itinerary, according to the Associated Press, "included sightseeing, a fashion show, and visits to an old cottage and a candy factory."...

"The Drive to Increase Excise Taxes Could Drive Us Out Of Work," proclaims the headline on an advertisement in the September issue of *The Progressive*. The ad argues that proposed federal excise taxes on such products as telephones, gasoline, cigarettes, and beer would threaten the jobs of farmers, truckers, sales clerks, mechanics, and factory workers. The ad is illustrated with photographs of individuals who are identified as "members of sponsoring unions" and carries the names and logos of several large unions. Nowhere does it

mention that it is paid for by the Tobacco Institute, the public relations and lobbying arm of the cigarette manufacturers. *The Progressive*, to its great credit, refused to go along with this con game. It revealed all the foregoing information on page 9 of the same issue. . . .

Speaking of unions, Steven Waldman missed one in his list of losers in our last issue. It is Local 140 of the International Die Sinkers' Conference. Not long ago, it fined Charles Prag, an edger, cutter, and die worker at the International Drop Forge Company in Milwaukee, \$200 and placed him on probation for two years. His offense: he was overproductive. The union contends that Prag's high productivity deprived other members of their chance to get overtime on Saturdays. . . .

Just a few days before Caspar Weinberger was scheduled to testify before the Iran-contra committee, he gave a small dinner for his French counterpart, Andre Giraud. Among the guests was committee member Richard Cheney—invited, of course, only because of his lovely wife. . . .

The airlines are a splendid example of the need for more regulation. The evidence lately has been overwhelming. Most of it has been on the front pages, so I won't repeat it here. But you may have missed the tapes made by John King, a mechanic who was fired by Eastern for revealing its dangerously sloppy safety practices. One

of King's tapes reveals that a supervisor, who did not want to report a fuel leak because it might mean the plane would have to be taken out of service, said:

"I have no chance to move this aircraft with this stinking item in the logbook. . . . We don't want any showstoppers. We want the plane to fly away." . . .

The networks have been pressing the National Football League to shorten games, which have been running well over three hours. Yet the real culprit is the TV time out, the one that is called to permit the airing of commercials and seems to grow longer every year. Remember when there were only one or two commercials per time out? Now there are more likely to be four to six, which take a lot longer. Many time outs are called, not by the teams, but by the networks, and the length of each one seems to be controlled by that man with the orange sleeves on the sidelines, who in turn is controlled by the TV director. If you aren't convinced I'm right about this, let me tell you about a friend of mine who saw a replay of the Rams-Broncos exhibition game, played in London in August, on BBC television, without commercials. It lasted exactly one hour and 45 minutes. . . .

My suspicion that we are fast becoming a nation of snobs has not been diminished by the Hardees commercial that shows a tiny tot munching a hamburger and saying she wants to go to an Ivy League college. . . .

—Charles Peters

*The Wall Streeters who tell
you when and what to buy
and sell*

The Stock Analysts

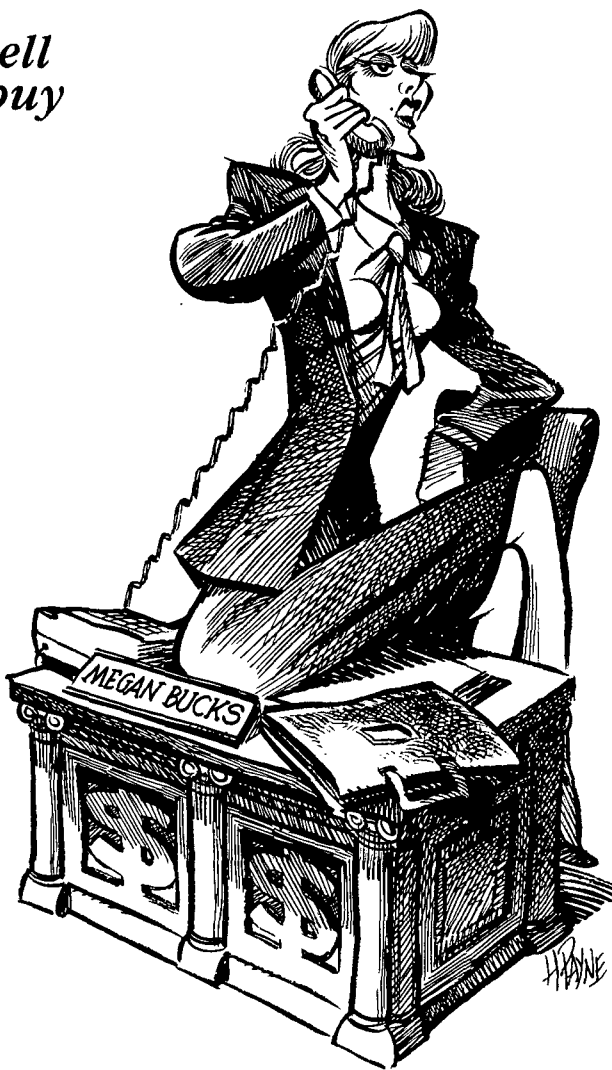
by John Rothchild

Have you ever thought of calling your analyst? I mean the stock market kind, not the other kind. The one who writes the reports that your broker sends you, along with the little note that reads: "Our firm highly recommends this purchase, as noted in the enclosed." For some reason, I never thought an analyst was an actual person you could contact, until I was helped along by the dozens of Wall Street insiders I met during my year-long foray into the world of high finance.

I attended a meeting—actually a small gathering of a committee—within the New York Society of Securities Analysts. Frankly, it was depressing. In this booming field, this was an unusually sad group of white-collar professionals in their mid-to-upper forties who were constantly complaining about the younger, more aggressive analysts that the brokerage houses now prefer. They've had some reason to fret since hordes of college seniors heading for Wall Street have been particularly eager to become analysts. I was surprised, then, but not too surprised to find out that of the 1,250 students who graduated Yale in 1985, over 400 applied to be analysts at First Boston.

Listening to their stories at the meeting, I found out several useful things: (1) there are 15,000 analysts at large in the country and mostly in New York; (2) analysts at brokerage houses are expected to serve us, the stock-buying public; (3) some analysts, called "quants," speak a form

John Rothchild is a former editor of The Washington Monthly. His book, A Fool and His Money: The Odyssey of an Average Investor from which this article is adapted, will be published by Viking Penguin in January.



of calculus, so nobody can understand a "quant" except another "quant"; (4) most analysts have MBA degrees and are very well-informed; and (5) they may be the first to know when to buy and when to sell stock.

This latter point was exciting, and made me sorry that I hadn't learned any of this earlier. The day after the meeting I watched the stock I had bought seven months before, 5,000 shares of Angstrom Inc., makers of high-tech dies, plummet as the Dow Jones average jumped 41 points. It was up more than 300 points since I started my journey—a fact I'd been trying to ignore. Worse than losing money in a bad market is losing it in this greatest bull market in history, as some already have called it. Frantically, I called my broker, Ms. Linda Garrett of Prudential-Bache.

As I picked up the receiver and started to dial,