

to do is simply play the old New York game, which *Spy* is now playing so well: figure out who's Out a step ahead of everyone else—for instance, anticipating that Gutfreund would be Out—then reap the praise. That is the more cynical explanation of Wolfe's prescience in writing this book. Then again, cynicism is now In, as *Spy*'s success tells us.

Whatever the explanation, *The Bonfire of the Vanities* is clearly missing some critical sense of commitment. It's not enough, in literature, simply to stand up for bravery. The question should always be: Courage for what? Moral courage? The courage of convictions? The courage required for love? In attacking the liberal dogma of the 1960s, Wolfe showed the social and journalistic equivalent of physical bravery. Another variation would be the Wall Street courage to bet the house on a hunch, as Sherman might do. But

committing capital—or New York social suicide—is not the same as committing yourself. For years, Wolfe has had the courage to say what he is against, while avoiding the responsibility to say what he is for. Doing so might put him at risk of looking foolish. It might open him up to the ridicule of some new Tom Wolfe.

But suggesting that Wolfe (not to mention *Spy*) need some "commitment" is not an argument for ruining them. Cervantes and Shakespeare proved that humor and commitment can coexist; they loved the men they made fun of.

With similar empathy, Wolfe's powers of observation could have been harnessed to something more noble than tweaking New York. If he had mustered the courage to stand up for something he believed in, the novel would have been richer—indefinitely richer than Lopwitz—and the world in which it is set a less forsaken place. □

THE DEMOCRATS: TWENTY YEARS AFTER RFK

Robert Kuttner should learn it takes more than money to make a good Democrat

Stop Pandering to the Middle Class

by Matthew Cooper

In a campaign that's not brimming with memorable one-liners, the best is probably Paul Simon's: "I'm not a neo-anything." It's a claim we've heard before. The I'm-the-real-Democrat speech has become a staple of presidential races. In 1980, Ted Kennedy ripped into Jimmy Carter for abandoning the Democratic faith. In 1984, Walter Mondale boasted that he was no imposter, just "a down-home Democrat who believes in fighting for people."

But what does it mean to be a good Democrat? Since 36 states have voted consistently Republican

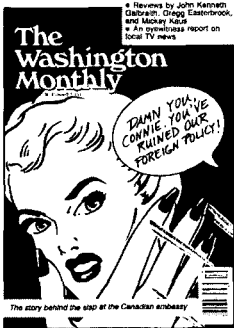
Matthew Cooper is an editor of The Washington Monthly

in four of the last five presidential elections, would it be wise and considered counsel for Democrats to rethink their party's attachment to programs like Medicare and Social Security? Or is it better to bolt the door, draw the shades, and start firing from the second floor?

Those who want to pull out their Smith & Wessons will find a ready ally in Robert Kuttner. An economics writer for *The Boston Globe* and *The New Republic*, Kuttner warns Democrats not to become like those neo-anything's who want to cut entitlement programs. His last book focused on economics, arguing that the liberal programs of the New Deal and the Great Society are not

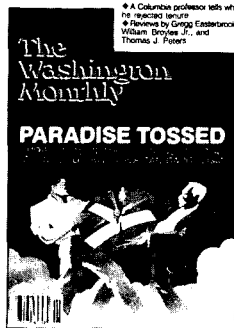
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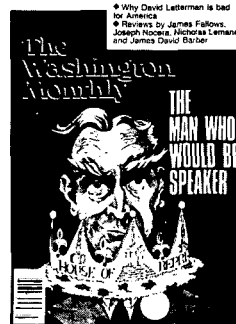
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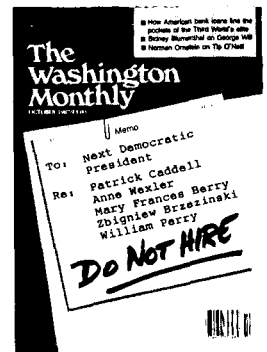
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only fair but spur growth. Now he turns his attention to politics,* contending that Democrats who expand benefits like Social Security and Medicare can earn a round of applause in the voting booth. For Kuttner, the political salvation of Democrats, “the life of the party,” is economics. Hazy themes of a “new generation” (Gary Hart), or “leadership” (Walter Mondale), or even important questions of foreign policy (George McGovern), or social issues (George Wallace) won’t fly.

If you’ve read his articles, many of which were adapted for this book, you know Kuttner is not only sharp but a competent writer. (To my mind he’s pulled off the most impressive of achievements—being able to begin sentences with “The dollar” and take them to the period in a way that you can both enjoy and understand.) And it’s refreshing to read something so fiercely opinionated that it treats “bipartisanship” like a four-letter word. For Kuttner, “partisan” is an accolade; politicians he likes are dubbed “good Democrats.”

Much of his political blueprint for the party seems well designed. Democratic politicians should spend fewer afternoons lunching with PAC contributors and more late nights coming up with a plan to reach out to working-class voters. But Kuttner’s careful criticisms of the Democratic party make his reckless proposals, like his insistence that it expand entitlements without targeting those in need, all the more disheartening. The adrenalin that fuels the book also drives it into ditches. Like Paul Simon, he seems to have convinced himself that he’s the sole keeper of the flame. (Democrats and policies he doesn’t like are “bloodless,” “sterile,” “managerial.”) But in his obsession with economics, Kuttner has produced a vision of the Democratic party that seems antiseptic. In his defense of liberalism, he disregards much of what ails it and can revive it.

Coal and turkey

For Kuttner, how the Democratic party squandered its majority is the story of its failure to bring home the goods. Franklin Roosevelt endeared voters to the government and the party through Social Security, rural electrification, and veterans’ benefits. “‘Tax and tax, spend and spend’ is a scornful description of the Democrats popularized by Ronald Reagan,” writes Kuttner.

**The Life of the Party: Democratic Prospects in 1988 and Beyond*. Robert Kuttner. Viking, \$18.95.

“But the original version of the phrase, attributed to FDR’s aide Harry Hopkins, went: ‘Tax and tax, spend and spend, *elect and elect!*’” Truman and Kennedy kept the flame burning, writes Kuttner. With the Great Society, Lyndon Johnson bound more voters to the party. “Although the older local Democratic party machine—of the much sentimentalized bucket of coal and Christmas turkey—was quite moribund by the 1960s, the newer federal programs served just as well to cement party allegiances.”

But by the end of Johnson’s term, the party was falling apart, not only over war and race, Kuttner says, but over a failure to retain its commitment to expanding those pocketbook programs. “The party of all the people, which made room for factory workers, urban bosses, uptown reformers, Southern racists, socialist intellectuals, rural populists, diverse ethnic minorities, and more, was bitterly divided over ideology, class, cultural style, and party rules,” writes Kuttner. “The fault lines in a coalition party became open chasms. Its sprawling strength had become brawling weakness.”

Then came Carter whom Kuttner all but calls a wimp, not because he wouldn’t stand up to Brezhnev, but because he wouldn’t expand health care, student loans, and housing subsidies. Without the party sticking to its guns on economic issues, its increasing liberalism on social issues became its weakness.

This is a truncated picture of how Americans shifted party loyalties over two generations. The political balance between the two parties was altered by a large assortment of factors which Kuttner gives short shrift. For instance, the Democrats have hardly been helped by the widely held perception—often an accurate one—that the party is soft on crime. And to suggest that the tax-spend-elect formula can work as well today as it did during the Depression seems nostalgic. Now that government spending is 38 percent of GNP, it’s no great rallying cry.

Still, Kuttner is basically right to urge the Democrats to talk bread-and-butter. Money resonates in a way that appeals to generational solidarity don’t. Baby Boomers want houses, not political ads with Beatles soundtracks. Kuttner doesn’t elaborate on it, but his thesis was dramatically borne out by the experience of blacks, who before Franklin Roosevelt’s administration had been overwhelmingly Republican. The Democratic party was enemy turf, with even northern liberals like Woodrow Wilson segregating the Civil Service and southern segregationists keep-

ing FDR from supporting anything so benign as an antilynching bill. Yet blacks, by the 1936 election, were pouring into the Democratic camp. The sway of government assistance, such as the WPA, proved more compelling than the memory of Lincoln.

Not surprisingly, then, Kuttner makes a strong case that the Democratic party should do more to enlist poor voters. In the 1980 presidential election, 73.8 percent of people with incomes of \$25,000 and over actually voted, but only 48.8 percent of those with incomes between \$5,000 and \$9,999 cast votes. Homeowners went to the polls at almost twice the rate of renters. True, politicians such as Mario Cuomo and Jesse Jackson have tried registration drives on a large scale and have met with mixed success. (Those who had never bothered to register didn't find the enthusiasm to go to the polls. Those who did vote were usually, but not predictably, Democratic.) Still, Kuttner is persuasive in his claim that if they were recruited, not just by petitioners at supermarkets but with a strong economic appeal, even those poor Americans who are likely to vote Republican, like evangelicals, might be brought into the Democratic fold. And don't think Americans are so affluent that the numbers of lower-income voters can be ignored. As recently as 1983, 38 percent of American families had incomes of less than \$15,000. The poor are the Democratic equivalent of Prudhoe Bay oil—difficult to tap but potentially rich.

Cranston's banker

If Kuttner has good things to say about bringing the poor into the party, he has even better things to say about kicking corporate freeloaders out. He seems to take special delight in skewering liberals turned lobbyists and the hundreds of PACs (3 to 1 corporate over labor and liberal) that shape public policy. This is Kuttner at his best. Many critics on the left can't write about business interests without lapsing into conspiracy theories. Kuttner is a liberal critic. But he is subtle, and all the more devastating. What is insidious about PACs, he says, is not that they simply buy influence, but that they sever the party from its ideological mission of helping the poor. "The Democrats' cash crisis and their identity crisis are happening simultaneously and they are hard to disentangle," writes Kuttner. "Between 1933 and 1968, Democratic money was not at odds with most of the Democratic platform." The checks came from unions, small contributors, and a few

wealthy liberals, most of them Jewish. Today, the party gets piles of cash from corporations urging it to help them, not the poor. The new Democratic financiers are PACs like the Hughes Aircraft Company Active Citizenship Fund and the civic-minded Committee for Responsible Government, sponsored by the Nevada Bankers Association. "Because too many private-sector plans had to be greased to buy continuing support for the program," writes Kuttner, "social housing, American-style, is more of a bonanza for developers than for tenants."

To his credit, Kuttner is not squeamish about taking on liberal politicians whose policies he often admires. Kuttner, who is a former Senate Banking Committee staff member, recalls how the staff of Senator Alan Cranston took cues from campaign contributors, such as the Realtors, the Savings and Loan League, and the American Bankers Association. And he has a nice sketch of that man of the people, Charles Manatt, the former chairman of the Democratic National Committee who, before leaving his post, lobbied for a provision in the tax code called "Safe Harbor Leasing" (translation: the sale of tax shelters).

A special jab is aimed at Tony Coelho, the House Majority Whip and former chairman of the Democratic Congressional Campaign Committee. Under his tenure, PAC contributions grew 15-fold. One congressman said Coelho delayed votes "lest members be put in the awkward position of voting on the interests of businesses that Coelho was shaking down for campaign money." Fortunately, Kuttner offers a way out of the PAC trap, including forcing broadcasters to provide free airtime and free postage to candidates, thereby making money less important, and a 100 percent tax credit for small contributors who live in the same state as a candidate.

Unfortunately, in his business-bashing Kuttner goes too far, all but suggesting that the Democratic party become like the British Labor Party and organize itself completely along class lines. "Democrats can regain their status as the majority party only by rebuilding a majority coalition of ordinary, wage- and salary-earning people whose political and economic interests are not identical to those of the wealthy." But sometimes those interests do coincide. The Democratic party should be for business insurgents and entrepreneurs. The party shouldn't dish out dubious tax breaks and subsidies to major corporations, but it should have a set of policies aimed at encouraging the entrepreneur.

Kuttner dismisses this, saying that entrepreneurs are already well-organized and don't need help from the Democrats. But Washington's business lobbies, groups ranging from the Chamber of Commerce to the American Frozen Food Institute, rarely champion the cause of entrepreneurs. Their membership rolls include gigantic corporations and asset-shufflers. These lobbies can be counted on to fight for government favors, many of them wasteful, for their most established members. They cannot be trusted to fight for good programs to help their less influential but most creative members. In Washington, the voice of the entrepreneur is rarely heard above the chorus of the entrenched business establishment.

"Most entrepreneurs have lousy politics," Kuttner told *Mother Jones* in 1985. Entrepreneurs may well oppose Democrats on questions of social reform. But who cares? So long as the entrepreneur is the only one who can create the wealth necessary to fund social reform, he should be embraced by the Democrats.

While Kuttner rails at corporate interests for raiding the U.S. treasury and turning the party's attention away from the downtrodden, he can't bring himself to criticize universal entitlement programs like Social Security that similarly siphon money to those who don't need it. In fact, entitlements are the bigger culprits. In 1968, the federal government spent \$46 billion on social programs without regard to need. By 1986, it was \$400 billion. He admits that "in theory, targeting social spending to the certifiably poor would make for a more efficient as well as a more equitable welfare state." But he argues that Social Security is a work of "genius" that manages to help the poor precisely by putting them in the same category as the middle class, which provides the lobbying power to ensure that the program escapes the ax of budgetary pressures or mean conservatives.

There is little doubt that the program's middle-class constituency provides it with political armor. When President Reagan suggested Social Security cuts in 1981, he was defeated 96 to 0 in the same Senate that had just shaved billions from need-tested programs. But Kuttner is wrong to contend that the poor would be shafted by giving the middle class a smaller take. First, it can be done in stages. Right now, half of Social Security benefits are taxed, something that would have been unthinkable as recently as a decade ago. Yet there has been no discernible drop in the program's support. Kuttner himself says that full taxation

of Social Security benefits is a good idea. If that doesn't erode the political constituency, then why would denying benefits to those who earn more than, say, \$50,000? Kuttner frets that those one dollar below a cutoff point would receive no aid. But this is absurd. Benefits could be doled out over a range of incomes, just as taxes are collected over a range of incomes.

Kuttner also makes the "hurt-feelings" argument against means-testing, charging that it would lead to "invasive procedures and other indignities" for poor people. Kuttner, I'm sure, would have few problems with intrusive safety inspections or a tax audit. What is so wrong with making sure that the recipients of a program who are supposed to be poor really are? Besides, we should level with the poor and honestly acknowledge their plight rather than pretend it isn't so.

It would be one thing if Kuttner touted entitlements simply as good policy. But he goes so far as to claim that they have a great civic purpose—binding Americans into a single community. At one point he likens them to universal public education. Why means test one and not the other? The answer is simple. For all their faults, public schools really are places where kids of different stripes mingle, immigrants become acculturated, common values and a shared history are instilled, and so on. What solidarity is there in everyone cashing their government-green Social Security check on the fifteenth of the month?

Taxing just 85 percent of Social Security benefits would save \$20 billion per year. A means test would obviously save many billions more. And that would be money available for the poor. Kuttner may see that as hopelessly naive and say that the constituency for poor people would dissolve. But it is naive to go on as we are. Huge, universal entitlement programs crowd out other things that we as a nation need to do. As Peter Peterson, a former secretary of commerce, wrote in the *Atlantic*: "This growth in entitlements over the past 21 years is equivalent to 6.1 percent of GNP—an amount greater than the entire investment we currently make in all business plant and equipment, plus all civilian R&D, plus all infrastructure." If a politician can point to more worthwhile programs the savings would be put toward—radically improving the public schools and repairing crumbling roads—it's not impossible to sell entitlement cuts.

It seems there are odd limits to Kuttner's vision of class warfare. While he is willing to sound the trumpets against business, he is loath to

challenge wealthy individuals. He's perfectly willing to see them stay on the dole for Social Security and other entitlements. And he certainly won't insist that they sully their hands by doing their fair share of military service. Some populist.

The defense of entitlements is just one problem with the "bucket of coal and turkey"—reward the constituencies—Democratic party that Kuttner wants. It rewards organized constituencies, not those who are really poor. Kuttner says that it is possible to do both. In his trickle-down view, you help the constituencies and everyone gets helped. But those at the bottom, without brokers, can get shafted. For example, the Davis-Bacon Act, which requires that public service workers be paid union-scale wages, makes it all but impossible to launch a public works program that would help the disadvantaged.

Kuttner knows perfectly well how bureaucracy can keep well-intentioned programs from working. (He has, for instance, written for *The Washington Monthly* about the failure of the Pentagon to enforce its antidiscrimination programs.) But this new book barely mentions the countless hassles that Americans experience when they do so much as file their 1040. In fact, he chides critics of the civil service for bureaucrat-

bashing and demoralizing our public employees. But he doesn't seem to understand that if liberals aren't willing to take on government's faults, conservatives will be more than happy to step into the breach.

A public that sees Superfund reserves sitting idle, Bradley Fighting Vehicles that sink, Guaranteed Student Loans that don't get repaid, and GS-9s who don't work after four p.m. is a tad wary about funding what we have, let alone the Kuttner Agenda. Republicans, who with few exceptions are more wary of the state, can afford to smile and watch the gears grind. Democrats can't. More importantly, the programs liberals believe in won't work and won't help the disadvantaged unless something is done to repair the bureaucracy. For an example one need only look at Washington, D.C.'s Department of Human Services which spends almost \$3,000 a month to house a single homeless family in a dilapidated motel.

Learning from Canarsie

No doubt some working class voters can be drawn into the party solely through the economic appeals that Kuttner advocates. But not all issues



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have dollars and cents attached to them and not everyone, to put it crudely, can be bought. With his expertise in economics, Kuttner seems to forget that. Democrats will have to go after working-class voters with more than dollars. They'll have to take on issues, such as crime and affirmative action, that Kuttner would have them "downplay."

In Canarsie, Brooklyn, a community of hard-hats, teachers, and clerks living in modest houses, the loyalties are still nominally Democratic, but the party's grasp on the Jews and Italians in this neighborhood is, at best, tenuous. Jonathan Rieder settled in the community a few years ago to write about its fears—that America was becoming a sucker in the world, that blacks were encroaching in nearby tenements, and that the community was losing its way. Listening to Canarsians, it's hard to see how their exodus from the Democratic party would be halted solely with fatter checks. As Rieder wrote in his book *Canarsie*, their concerns centered on "busing, tipping [racial] neighborhoods, crime in the streets, scatter-sight low-income housing, judicial leniency, the safety of schools, white flight, and the

death penalty." These are the issues that Canarsians talk about on Flatlands Avenue and at meetings of the Knights of Columbus and none of them "fit neatly into the familiar categories of the New Deal party system."

To stake out the moral high ground, the Democrats will have to find a vision of community larger than Kuttner's bucket of coal and turkey. They'll have to convince those Canarsians that they are determined to protect them from criminal violence, while insisting on their commitment to helping those left behind—whether it's funding drug clinics or accepting fair housing.

The candidate who can embrace, not shun, divisive social issues and address them in the parlance of religion and values sincerely and specifically (not just by passing out flags at the Democratic convention as did the aides of Walter Mondale) will go a long way toward taking back the mantle of patriotism that so many Americans still feel belongs to Ronald Reagan. The candidate who can do all this and take on business interests as Robert Kuttner would will be more than electable or even a good Democrat. He'll be a great president, too. □

What Robert Kennedy could teach today's Democrats

... And Start Helping the Underclass

by Jason DeParle

Lafayette Walton lives in a Chicago housing project. He is 12 years old. On his birthday last summer he headed across the project lawn with eight dollars in his pocket, aiming to buy a radio. Then the sound of gunfire intruded, and Lafayette crawled back home to safety.

Jason DeParle is an editor of The Washington Monthly.

Gunfire is a sound familiar to him. In the apartment where Lafayette lives with his mother and his five siblings, the curtains have bullet holes. He's seen two children shot and watched one die on his doorstep. His brother, Pharoah, shakes uncontrollably at loud noises.

The Wall Street Journal told Lafayette's now-famous story in October, as six Democratic can-