

SOUTHERN EXPOSURE

A JOURNAL OF POLITICS & CULTURE

VOL. XVII NO. 1 \$5.00

Meltdown on Main Street

THE S+V
CRISIS:
LET THE
RICH CLEAN
UP THEIR NEST

ALSO *Skinheads in Atlanta*
Mississippi Still Burning

New Fiction
by Clyde Edgerton

SOUTHERN EXPOSURE

Managing Editor: Eric Bates

Design: Jacob Roquet

Cover Photo: Mark PoKempner

Editorial Intern: Susan Saenger

Circulation: Sharon Ugochukwu

Fiction Editor: Susan Ketchin

Special thanks to: Page McCullough, Sally Gregory, Jim Overton, Kay Alexander, Barry Yeoman, Grace Nordhoff, Wells Eddleman, Allan Troxler, John James, Carolyn Schwartz, Laurie Taylor, Leonard Zeskind, Sheila Rhodes, Angela Darden, Lauri Lawson, Leigh Dingerson, Mab Segrest

Institute for Southern Studies Board of Directors: Cindy Arnold, Julian Bond, Cynthia Brown, Pat Bryant, Marilyn Butler, David Cecelski, Christina Greene, Robert Hinton, Jim Lee, Tema Okun, Jim Overton, Joe Pfister, Len Stanley, Dimi Stephen, Sue Thrasher.

Executive Director: Meredith Emmett

Research Director: Bob Hall

Southern Finance Project: Tom Schlesinger, Marty Leary, Laura Benedict

Spring Issue: Copyright 1989, Institute for Southern Studies, 604 W. Chapel Hill Street, Durham, NC 27701.

The Institute for Southern Studies is a nonprofit, publicly supported corporation working for progressive change in the region. In addition to publishing *Southern Exposure*, the Institute sponsors a variety of research, education, and organizing programs. At the center of each is an emphasis on (1) building effective grassroots organizations with strong local leadership and well-informed strategies; (2) providing the information, ideas, and historical understanding of Southern social struggles necessary for long-term fundamental change; and (3) nourishing communication and understanding among the diverse cultural groups in the South.

Southern Exposure is published quarterly by the Institute for Southern Studies. Annual subscriptions are \$16 for individuals and \$20 for libraries and institutions. *Southern Exposure* is indexed in *Alternative Press Index*, *The American Humanities Index*, and *Access: The Supplementary Index to Periodicals*. Address all editorial and subscription correspondence to *Southern Exposure*, P.O. Box 531, Durham, NC 27702. Second-class postage is paid at Durham, NC 27702 and additional offices. ISSN: 0146:809X. Post Office No. 053470.

POSTMASTER: Send form 3579 with address changes to *Southern Exposure*, P.O. Box 531, Durham, NC 27702.

To reach new subscribers, we occasionally exchange our mailing list with other progressive organizations and publications. We believe you will have a keen interest in what these groups are doing, but if you do not want your name given to other groups, just drop us a note asking that your name not be included in future list exchanges.

A CALL FOR ARTICLES *Southern Exposure* is seeking feature and investigative articles, interviews, and literature and photography for two forthcoming cover sections:

Mental Illness in the South This cover section will examine a range of mental health issues in the region, from institutional abuses to community-based alternatives.

The Legacy of the Civil War This cover section will examine how the war continues to shape Southern culture and politics. Why does the Confederate Flag remain such an important symbol? What does it mean to say the South "lost" a war that freed some four million Southerners?

All ideas and inquiries must be received by June 30. If you have an idea for an article, send a query letter and samples of your work to:

Southern Exposure, P.O. Box 531, Durham, NC 27702

LSU PRESS

The Great Cypress Swamps

JOHN V. DENNIS

Photographs by STEVE MASLOWSKI



As he travels from the raised bog of the Great Dismal Swamp, to the open, watery glades of the Okefenokee, through some sixty southern cypress swamps in all, John V. Dennis relates the swamps' histories and oddities, discusses their preservation and recreational value, and describes their flora and fauna.

\$29.95

Telling Memories Among Southern Women

Domestic Workers and Their Employers in the Segregated South

SUSAN TUCKER



"Susan Tucker makes a wonderful contribution to our understanding of the lives and feelings of black and white southern women. The voices that emerge from her interviews ring absolutely true, by turn loving and angry, compassionate and thoughtless, but always distinctly southern."—Elizabeth Fox-Genovese, Emory University

"A fascinating study of a hitherto neglected area of social history."—*Library Journal*

Illustrated

\$24.95

Depression Post Office Murals and Southern Culture

A Gentle Reconstruction

SUE BRIDWELL BECKHAM



During the 1930s, some three hundred artworks, primarily murals, were installed in federal buildings throughout the South. Sue Bridwell Beckham investigates the cultural implications of these murals, offering an informative commentary on southern society and a penetrating look at a vital New Deal agency.

Illustrated

\$32.50

Louisiana State University Press
Baton Rouge 70893

FEATURES

- 8 **Mississippi Still Burning** *By Ann Long*
Public employees are at the heart of the most important labor organizing the South has seen in years.
- 30 **Hill v. Board of Education** *By Mike Hudson*
Thirty-five years after the Supreme Court outlawed school segregation, Oliver Hill is still raising hell.
- 54 **Warriors for the Cause** *By Topper Sherwood*
Neo-Nazi leader William Pierce is trying to recruit children — with the help of some nice tax breaks.
- 57 **A Deadly New Breed** *By Mab Segrest*
A murder trial reveals the ugly consequences of letting hate groups organize in your hometown.
- 61 **Southern Skinheads** *By Julie Hairston*
Neo-Nazi youth gangs have shattered the serenity of one Atlanta neighborhood — and the violence is spreading to the rest of the region.

COVER SECTION

- 14 **Q&A: The Savings & Loan Crisis**
Everything you wanted to know about the S&L mess — but were too bored to ask.
- 16 **Outrage in Little Rock** *By Eric Bates*
In Arkansas, where they say S&L stands for Squander and Liquidate, people are fighting mad.
- 19 **A Blueprint for Financial Reform**
The Financial Democracy Campaign has a program that could solve two crises at once.
- 20 **Blue Sky and Big Bucks** *By Curtis J. Lang*
The high-flying S&Ls of Texas were the first to fall, but the rest of America may not be far behind.
- 26 **Redlining Black Faces** *By Bob Hall*
When is the color of money black and white? When S&Ls are doing the lending.

**DEPARTMENTS**

- 2 **Dateline: The South** *Compiled by Susan Saenger*
- 4 **Southern News Roundup**
- 34 **Fiction: Songs of Men** *By Clyde Edgerton*
- 40 **The Story in Numbers** *By Bob Hall and Barry Yeoman*
- 44 **Southern Voices: Abolition Then and Now** *By Bruce Ledewitz*
- 47 **Book Reviews**
- 64 **The Last Word** *By Allan Troxler*

DATELINE: THE SOUTH

AUSTIN, Texas (Dec. 1) — Clarence Brandley, a black janitor convicted by an all-white jury of the rape and murder of a white teenager, was granted a new hearing after his attorneys protested that his trial was racially biased. Prosecutors say a new trial will be difficult because law enforcement officers have "lost" lab reports and other evidence from the original trial.

TEHLEQUAH, Okla. (Dec. 2) — A caravan of 20 covered wagons and 50 horseback riders arrived here today after a 1,000-mile trek from Red Clay, Tennessee along the infamous "Trail of Tears." The caravan followed the same route taken by 12,000 Cherokee and other native Americans 150 years ago when white settlers forced them from their homes. More than 4,000 people died on the original journey.

NEW ORLEANS, La. (Dec. 5) — A dozen people, including a member of the Mayor's Advisory Committee on the Homeless, camped out near City Hall today to protest plans to cut annual funding for homeless programs from \$273,000 to \$16,000. An estimated 10,000 people in New Orleans are forced to live on the streets.

DALLAS, Texas (Dec. 23) — District Judge Jack Hampton, who admitted giving murderer Richard Bednarski a lighter sentence because the two men he killed were gay, apologized for calling the victims "queers." The apology came after outraged citizens called for Hampton's removal from the bench. The judge said he regretted offending anyone, but added that he would have given Bednarski a harsher sentence if the victims had been "a couple of housewives out shopping."

WAYNESBORO, Ga. (Dec. 30) — Investigators ruled today that Georgia Power Company broke federal laws protecting whistleblowers by harassing and demoting two safety coordinators who insisted that safety violations at the Vogtle nuclear reactor be corrected. The Vogtle plant ranks third in the nation for safety violations and equipment failures — 75 in 1987 alone.

HOUSTON, Texas (Dec. 30) — Dub Wilkinson was fined \$25 for refusing to force his 14-year-old son Travis to cut his hair. Travis was suspended from high school because his hair falls below his shoulders, a violation of the dress code. Wilkinson said his son had the right to wear his hair however he wanted and called the dress code a form of sex discrimination.



MEMPHIS, Tenn. (Dec. 31) — Twenty-eight prisoners filed a \$5.6 million suit against Shelby County today, saying deputies in the county jail beat them with clubs and kicked them with steel-toed boots. A deputy jailer who witnessed five of the beatings said the prisoners were attacked by officers who were called in to force the inmates to clean up a toilet that had overflowed.

MILLEDGEVILLE, Ga. (Jan. 5) — Tactical squads used tear gas to evacuate the Rivers Correctional Institute after prisoners rioted for five hours to protest overcrowding. The prison has 950 inmates — 285 more than it was designed to hold — and prisons statewide are warehousing prisoners at 43 percent over capacity.

TAMPA, Fla. (Jan. 7) — A judge fined a developer \$24,000 and ordered him to devote 40 acres to a wildlife preserve after construction on a housing subdivision disturbed the nest of two bald eagles. The \$9 million project was 90 percent complete when the nest was discovered. The bald eagle is an endangered species.

GREENSBURG, La. (Jan. 6) — Black and white children attended school together here for the first time as the longest-pending desegregation suit in the nation drew to a close. The suit — filed in 1952 — officially ended when the school board announced it could no longer afford to maintain separate schools for whites and blacks.

SELMA, Ala. (Jan. 8) — A decade-old voting rights lawsuit finally ended today when a court created three majority-black voting districts in Dallas County. Although the county is 55 percent black, at-large elections have prevented the majority from electing a black to office, even though black candidates have run in 34 races since 1966.

KING WILLIAM, Va. (Jan. 12) — Two Pamunkey Indian sisters who married white men have started a petition drive to change a tribal law which forces women who marry outside the tribe to leave the reservation. Pamunkey men who marry white women are permitted to continue living with the tribe.

NEW ORLEANS, La. (Jan. 12) — Bands played and choirs sang as billboard industry officials from Naegle Outdoor Advertising gave the city 50 billboards worth \$47,000 for an ad campaign designed to combat illiteracy. The city council recently proposed regulations which would outlaw new billboard construction.

MEMPHIS, Tenn. (Jan. 14) — Local black leaders expressed outrage when an advertising agency labeled Rev. Martin Luther King's birthday "National Nothing Day" on promotional calendars distributed to 65 McDonald's franchises. The agency claimed the slur was unintentional, but the NAACP said it plans to look into affirmative action agreements it has with area McDonald's.

BEAUFORT, S.C. (Jan. 15) — Barbara Baum, a former Marine corporal, was released from military prison today after serving six months behind bars. Her crime: having sex with another woman. Military law considers homosexuality a criminal offense, and two other women remain in prison for their sexual practices.

MONTGOMERY, Ala. (Jan. 17) — State NAACP President Thomas Reed and 13 black lawmakers were convicted of trespassing today for attempting to climb the dome of the state capitol last year to remove the Confederate flag. The legislators called the flag a symbol of continuing bigotry and oppression against blacks.

IVERNESS, Fla. (Jan. 24) — A woman who missed three weeks of work when her son was kidnapped came home on Super Bowl Sunday to find a note stuck to her door telling her she had been fired from her job at a local horse farm and evicted from her company-owned home. Her boss said the publicity around the kidnapping had hurt his business.

RALEIGH, N.C. (Feb. 6) — Tobacco growers meeting in the state capital complained that they won't have enough farm workers this spring because so many migrants have applied for permanent residency under the new federal immigration law. The growers said they fear the immigrants will use their new legal status to earn more in other industries. Most growers pay migrant farm workers less than the minimum wage.

COLUMBIA, S.C. (Feb. 18) — Vandals spraypainted swastikas on the front doors and windows of the Trustus theater, which is currently running *Bent*, a play about a gay man who resists the Nazis. The owners of the theater decided

MIAMI, Fla. (Dec. 30) — A federal judge today gave police the go-ahead to arrest homeless people on misdemeanor charges just to get them off the streets. The ACLU protested the arrests, saying they violated people's civil rights. The city ordered the arrests to clean up the streets for tourists and national TV coverage during the Orange Bowl and Super Bowl.

to leave the swastikas on the building so audiences can see that prejudicial hatred still exists.

MIAMI, Fla. (Feb. 21) — The Dade County Commission voted to allow police to arrest anyone who approaches a stopped car to wash its windows. Most street window washers are homeless people trying to earn money.



PORT GIBSON, Miss. (Feb. 23) — A new version of *Romeo and Juliet* premiered in this racially segregated town where blacks go to public schools and whites attend an exclusive private academy. The play portrays Romeo as a black student and Juliet as a white. In the original, the violence which leads to the young couple's death is triggered when Tybalt calls Romeo a villain. In the new version, Tybalt calls Romeo a nigger.

CORDELE, Ga. (Feb. 24) — A black family spending their first night in an all-white neighborhood was driven

from their new home when someone burned a cross in their front yard. Two days later, the house was gutted by fire. City Manager Mark Mitchell called the attack an isolated incident. "I don't think we're going backwards," he said.

COLUMBIA, S.C. (Feb. 26) — Dozens of public schools in Sumter County are pressuring low-income families to pay off fees of up to \$35 for supplies like workbooks and paper. Some schools withhold report cards and diplomas, and one requires students to pay off their debts by doing janitorial work.

CAPSHAW, Ala. (Feb. 28) — Prisoners who test positive for the AIDS virus in the Limestone Correctional Facility say they are being held in a "prison within a prison." The 132 prisoners in the AIDS isolation cell block are restricted to small cells and deprived of educational programs available to other inmates.

WATER VALLEY, Miss. (Mar. 4) — High school students began their spring break two weeks early today after several white students waved Confederate flags during a Black History Month celebration. Black athletes responded by boycotting the football and baseball teams, and school officials sent students home ahead of schedule, fearing racial tensions would erupt in violence.

Illustrations by Steven Cragg



GE BOYCOTT SPREADS ACROSS THE REGION

Esther Nighbert believes in boycotts. So when the retired teacher heard that General Electric was being boycotted for its production of nuclear weapons, she and a few friends began collecting petition signatures in front of a birth center in Gainesville, Florida. Since then, Esther has hit libraries, churches, supermarkets, and any large gatherings she can — from arts fairs to Hiroshima Day. So far, she and her friends have gathered 1,600 names.

Esther is one of the growing number of Southerners supporting the GE boycott called by INFACT, the Boston-based group that led the successful seven-year boycott of Nestle for its unethical marketing of infant formula. Participants are being asked to refrain from purchasing any products made by GE until the company halts all nuclear weapons work and “redirects its resources to peaceful production.”

The boycott stems from some of the not-so-good things about GE that INFACT has brought to light. For starters, GE is reaping huge profits by manufacturing weapons for the arms race. As the country’s third-largest weapons contractor, GE makes components for virtually every first-strike weapon, including the neutron “trigger” for every hydrogen bomb in the U.S. arsenal. Most of the profits come directly from taxpayers — \$11.1 billion of government research and development grants from 1984 to 1986.

GE does much of its business in the South. The company employs nearly 50,000 people in 13 Southern states, where it collected more than \$300 million in government contracts in 1987 alone. More than \$125 million of those contracts went to one facility — the GE “neutron trigger” plant in Pinellas, Florida.

Southern groups have responded with a variety of approaches. The Immanuel Community of St. Petersburg, Florida, began holding rallies and pickets at the Pinellas plant in 1982, four years before the organized boycott. In February 1987,

members of the group presented plant officials with boycott petitions containing 10,000 signatures.

Other Florida activists have written protest letters, sold buttons and bumper stickers, and conducted protests on college campuses where GE recruits. “We just do what we can,” Esther Nighbert says. “My only regret is that there aren’t enough people . . . the campus is so apathetic, and most of my friends work.”

In Nerinx, Kentucky, the Loretto Disarmament/Economic Conversion Committee holds no demonstrations in front of GE’s appliance plant in Louisville. “We’re trying to single out management’s responsibility,” says Sister Patricia Jean Manion. “Some of those employees drive 35 miles to work.”

Retired Naval Commander William Withrow of Ellenboro, North Carolina — a boycott supporter — lectures on defense issues and the military-industrial complex to groups such as Kiwanis and the American Legion. “Their response is generally favorable,” Withrow says. “Until recently, people have thought that nuclear and defense issues are too complicated for laymen; they’ve left it up to the ‘experts.’ But mistakes have shown that experts can be fallible.”

So what chance do peace groups and dedicated individuals have against a

diverse transnational giant like GE, survivor of 65 antitrust suits? The way INFACT figures it, all the chance in the world. Even though GE is a huge defense contractor, the group notes, its nuclear operations represent less than 12 percent of its overall profits. With over two million consumers actively supporting the boycott, INFACT expects mounting sales losses will inevitably force the company to consider whether it can afford to continue making nuclear weapons.

The boycott has already scored some dramatic victories. A sympathetic architect cancelled a \$25,000 order for GE appliances, and one hospital bought \$250,000 in diagnostic equipment from a GE competitor.

But most boycott participants have stories more like Dick Rustay of Asheville, North Carolina. Rustay was looking for an alternative to GE products and finally located a handicapped group selling light bulbs. “And you know, some of *them* were GE,” he says. “So I bought the ones that weren’t and wrote a protest letter.”

—Kay Alexander

For more information on the boycott or a copy of the 137-page report, “INFACT Brings GE to Light,” contact the INFACT Field Office, P.O. Box 3233, South Pasadena, California 91030.

Photo courtesy INFACT



THERE ARE 10 SCHOOLS WITHIN A TWO-MILE RADIUS OF THE GE PLANT IN PINELLAS, FLORIDA THAT MAKES THE TRIGGER FOR EVERY U.S. NUCLEAR BOMB. NEARBY LAND IS CONTAMINATED WITH RADIOACTIVE WASTE.

HUNDREDS PROTEST NUCLEAR SUBMARINE BASE IN GEORGIA

The Navy spent \$1.3 billion upgrading the Kings Bay Submarine Base in Georgia to hold 10 Trident nuclear submarines — but some people apparently didn't think the money was well spent. When the first of the subs, the *USS Tennessee*, arrived at the base on January 15, it was welcomed by 200 protestors who denounced it as a symbol of aggression and war.

During the greeting ceremony at the dock, the protestors demonstrated on the beach outside the base. Guarded by 50 state troopers, they staged a mock funeral with black coffins to dramatize the destructive capability of the Trident subs, each of which carries at least 192 nuclear warheads — the explosive equivalent of 175 billion tons of TNT.

Protestors from the Metanoia Community, a local pacifist group, were joined by 25 other peace organizations from across the country. Some of the demonstrators traveled to Kings Bay from Bangor, Washington, where the Navy has a second Trident facility.

Government officials seemed undaunted by the protest. U.S. Senator Sam Nunn of Georgia hailed the Trident sub as a "weapon of peace," and Kingsland Mayor Keith Dixon said he expects the 12,000 military personnel scheduled to be stationed at the base will give the local economy a boost. "Every day in Kingsland is a Navy day," Dixon said.

While the festivities continued, state troopers guarding the main gate arrested nine demonstrators for trespassing. The peace activists tried to sing and give speeches, but they were drowned out by the noise of a military helicopter that circled overhead for 10 minutes. When a member of the Metanoia Community asked to have the helicopter called off so the protestors could be heard, troopers threatened to arrest him.

—Susan Saenger

DOVES OUTNUMBER HAWKS IN NEW POLL

Public opinion in the South has shifted dramatically since the early days of the Reagan presidency — and the shift has been largely to the left, according to a recent poll by the *Atlanta Journal and Constitution*.

In a January survey of 1,806 people in 12 Southern states, the newspaper found that more Southerners now favor cutting military spending, negotiating reductions of nuclear weapons, and conducting talks with the Palestinian Liberation Organization.

The results "indicate a dramatic shift of opinion in the region during the eight years of Ronald Reagan's presidency," the newspaper reported. In a 1981 poll, 63 percent of the Southerners surveyed said military spending should be increased, and 6 percent wanted it reduced. This year, only 28 percent support a spending increase, while 31 percent favor military cuts.

The shift in public confidence in arms negotiations was even more striking. In 1981, only 35 percent thought Reagan would negotiate an arms treaty with the Soviet Union. This year, 77 percent said they think Bush will negotiate more reductions.

Other notable highlights of the poll:

- ▼ 54 percent oppose a return to a military draft.
- ▼ 75 percent want more nuclear weapons reductions.
- ▼ 53 percent say the U.S. should cut NATO spending and other defense commitments.
- ▼ of those expressing an opinion, most said the U.S. should negotiate with the PLO even if Israel objects.

Given the number of people polled, the newspaper calculated, there is a 95 percent certainty that the results represent the views of all Southerners, plus or minus two percentage points.

CENSUS SHOWS LAG IN SOUTHERN GROWTH

When the latest Census Bureau report was released a few months ago, the media reported that the South continues to gain residents faster than the rest of the nation. A closer look at the Census figures, however, reveals that population growth in the region is not as rapid — or as widespread — as it appears.

According to the Census data, the South as a whole gained 2.76 million residents between July 1985 and July 1988 for a 3.8 percent increase in population, surpassing the national growth rate of three percent. Yet the figures also show that only six of the 13 Southern states actually outpaced the national average — Florida, Georgia,

Virginia, South Carolina, North Carolina, and Tennessee. Four other states in the region trailed the national average, while Kentucky recorded no growth and Louisiana and West Virginia lost a combined total of 1.2 million residents.

Florida grew faster than any state in the region, with a population growth of 8.9 percent population. The state gained more than one million new residents, putting it over the 12 million population mark for the first time.

Georgia was close behind, with a 7 percent population increase that boosted it to 6.4 million people, and Virginia recorded a 4.9 percent growth in population.

For most Southern states, however, the population boom trumpeted in the headlines might as well have been taking place in a different region. Alabama, Arkansas, Mississippi, and Texas all grew at a slower pace than the nation as a whole, picking up a combined total of only 590,000 new residents. The population of Kentucky remained stagnant, and West Virginia lost 3.1 percent of its population in the three-year period tracked by the Census.

Unfortunately, the Census figures weren't the only ones that indicated growth in much of the South is lagging behind the rest of the country. The Bureau of Labor Statistics released data showing

WHO'S GROWING, WHO'S NOT

The latest Census Bureau report reveals two Souths. One is gaining residents faster than the national average, while the other is growing slower or losing residents. Population figures are in millions.

	1985	1988	% Increase
Florida	11.37	12.38	8.9
Georgia	5.98	6.40	7.0
Virginia	5.71	5.99	4.9
S. Carolina	3.33	3.49	4.8
N. Carolina	6.26	6.53	4.3
Tennessee	4.77	4.92	3.1
U.S. Rate	238.60	245.80	3.0
Alabama	4.02	4.13	2.7
Arkansas	2.36	2.42	2.5
Texas	16.38	16.78	2.4
Mississippi	2.61	2.63	0.8
Kentucky	3.72	3.72	0.0
Louisiana	4.48	4.42	-1.3
W. Virginia	1.94	1.88	-3.1

Source: Census Bureau

that job growth in eight Southeastern states fell below the national average last year for the first time since 1985.

According to the labor figures, economic expansion across the region slowed dramatically last year. Southeastern employment increased by 2.3 percent, compared to a 3.5-percent expansion nationwide. Unemployment declined slightly, but the regional joblessness rate of 5.3 percent moved ahead of the national average of 5 percent for the first time since 1984.

The slowed growth came as no real surprise. Construction employment, which expanded by 10 percent during the 1984 building boom, grew only 0.7 percent last year, strangled by overbuilding and rising mortgage rates. Other mainstays of regional growth — notably financial services and retailing — also dropped off last year. The type of employment that is now growing fastest in the Southeast, the labor bureau reported, is low-paying service jobs.

NASHVILLE BIDS SAYONARA TO COUNTRY MUSIC

It was the end of an era for the Nashville music business. On January 3, CBS Records bought Tree International Publishing — the largest country music publisher in the world — effectively eliminating local control of music publishing in the city.

For decades, locally owned publishing companies in Nashville kept the country supplied with country music — but in recent years, the firms have been sold off one-by-one to music industry giants. Since 1980, local publishers like House of Gold, Acuff-Rose, Cedarwood, and Combine Music have all been bought up by out-of-town conglomerates. Tree International was the last major publishing property in the city that had not been snapped by up a multinational corporation.

The sale — reportedly valued at \$45 million to \$50 million — effectively moves the capital of country music from Nashville to Tokyo. CBS is owned by the Sony Corporation, which bought the No. 1 record company for a reported \$2 billion in late 1987.

Buddy Killen, the long-time owner of Tree, insisted that the company will remain in Nashville. "The sale offers us

many, many opportunities simply because CBS has the ability to commit so much money," Killen said. "Nothing changes but the cash flow."

CBS now controls the music of 40 country songwriters under exclusive contract to Tree, as well as the publisher's copyrights to more than 35,000 songs, including the standards of Willie Nelson, Buck Owens, Merle Haggard, Harlan Howard, and Roger Miller.

MIAMI UPRISING ROCKS BLACK NEIGHBORHOODS

On January 16, Clement Anthony Lloyd and Alan Blanchard were riding a motorcycle home from a Miami parade honoring Dr. Martin Luther King Jr. A police officer received a radio report that the two men were speeding. When he saw them approaching, he took out his service revolver and shot Lloyd in the head, killing him instantly. The motorcycle crashed, throwing Blanchard into the windshield of an oncoming car. He later died of his wounds.

In any other city, the incident might have drawn little attention. But in Miami — where police have a reputation for killing unarmed black residents — the deaths of two more black men sparked three days of explosive riots that left one dead and eight wounded. Police

eventually closed off a 130-block area of the Overtown and Liberty City neighborhoods and used tear gas and clubs to quell the uprising.

In many ways, the deaths and the ensuing riot recalled the Liberty City uprising that was touched off in 1980 when an all-white jury acquitted five white Miami police officers of charges that they beat a black motorcyclist to death. Since then, black leaders say, Miami police have killed or beaten at least 21 blacks under suspicious circumstances.

The recurring riots underscore the tremendous poverty in Overtown and Liberty City. Thirty-five percent of Dade County blacks live below the poverty line, in communities overrun by run-down apartment buildings and trash-strewn vacant lots.

"The first thing you notice about Miami is how different it is from other American cities," says Donald Jones, University of Miami law professor. "It's as if the civil rights movement passed it by."

Racial tensions in Miami are also complicated by the recent influx of Cubans and other Hispanic immigrants, who now represent a majority in the city. The mayor, city manager, and three of five county commissioners are Hispanic, as is nearly half the police force — including the officer who killed Clement Lloyd and Alan Blanchard. With black unemployment at 10.4

Photo by UPI/Bettmann Newsphotos



RIOT-EQUIPPED POLICE IN MIAMI STAND GUARD AS FIREFIGHTERS EXTINGUISH THE SMOLDERING RUBBLE OF A WAREHOUSE THAT WAS BURNED DURING RIOTS SPARKED WHEN A POLICE OFFICER KILLED AN UNARMED BLACK MOTORCYCLIST.

percent and the Hispanic jobless rate down to 5.8 percent, many blacks also complain that Cuban and Nicaraguan immigrants are given more government help finding housing and jobs.

As a result, many blacks now view Hispanics as the new establishment — and took out their frustrations by looting and burning white and Hispanic-owned businesses during the January riots. The day after the uprising, a black-owned market in Liberty City sold fruits and vegetables a few feet from where a Cuban-owned meat market stood gutted. A black-beauty supply store was open for business next door to a white-owned furniture store which had been stripped bare.

Since the riots, many blacks have expressed outrage at how authorities have handled the deaths of Lloyd and Blanchard. The officer who killed them has been suspended — with pay — and booked on two counts of manslaughter. One bitter Overtown man said, "As long as the police shoot us, they get manslaughter. If we shoot one of them, or a Cuban or a white, it's first-degree murder."

—Susan Saenger

MAJORITY RULE WINS AGAIN IN KEYSVILLE

When black residents of Keysville, Georgia went to the polls last year to vote for a mayor and city council, it was no ordinary election. White leaders had disbanded the majority-black town during the Great Depression, and it took blacks 50 years to reincorporate as a city and hold elections. When the votes were counted, Emma Gresham, a retired black school teacher, took office as the first mayor of the reborn community.

As it turned out, however, the historic election was just the beginning of the struggle for majority rule in Keysville. Some white residents asked the U.S. Supreme Court to declare the elections invalid, claiming the city boundaries were improperly drawn. The high court refused to rule on the case, clearing the way for a second election in Keysville in January.

The latest results were much the same as the first vote. Blacks re-instated Gresham as mayor and elected five blacks and one white to the city council. Residents hope the presence of an elected government will help attract industry to the area. Keysville already has a new post

office, regular police patrols, a literacy program, and a day care center. Leaders say they plan to set up public water and sewage systems as well — a significant move in a town where many families are without running water or indoor toilets.

Despite the improvements, whites in Burke County continue to fight the new municipal government. When the county commission followed the city's lead and renamed the Keysville-Hephzibah Road in honor of Dr. Martin Luther King Jr., a large group of white residents protested. The whites said they were used to the old name, and that changing it would be "too bothersome." The pressure worked, and the commission rescinded its decision.

The portion of the road that falls within the Keysville city limits, however, now bears Dr. King's name. According to Mayor Gresham, white residents who protested the change "need to gain a little more knowledge about what Dr. King meant not only to his race, but to America."

—Susan Saenger

TV PREACHERS LOSE VIEWERS AND MONEY

The religious broadcasting empires of televangelists Jerry Falwell, Oral Roberts, and Pat Robertson have suffered a dramatic decline in the number of viewers — and donations — following the back-to-back scandals that rocked the TV ministries of Jimmy Swaggert and Jim Bakker last year.

According to the Arbitron rating service, the number of households tuned in to the five largest religious broadcasts dropped by nearly 44 percent between February 1987 and November 1988. Overall, the number of households watching the televangelists fell from 6.1 million to 3.4 million in the same period.

Donations have also fallen off. According to *Christianity Today*, an evangelical magazine, the Falwell ministry lost \$6.5 million last year, while Pat Robertson reported a 30 percent drop in contributions to his Christian



Televangelism's Plunging Ratings

Average number of households tuned in to religious broadcasters has dropped dramatically through latest rating period

	Feb. '87	Feb. '88	Nov. '88
Jimmy Swaggart	2,161,000	1,961,000	881,000
Robert Schuller	1,698,000	1,556,000	1,295,000
Oral Roberts	1,149,000	627,000	642,000
Jerry Falwell	616,000	372,000	385,000
Pat Robertson	444,000	271,000	208,000

Source: Arbitron (Does not include cable viewers)

Broadcasting Network since 1987.

The declines follow widely publicized allegations that both Swaggert and Bakker consorted with prostitutes and plundered their ministries to pay for their extravagant lifestyles.

"We're all feeling the effects of it," said the Reverend Gerald Derstine, a religious radio broadcaster in Bradenton, Florida. "We had our worst year in 1988."

Derstine said the Swaggert and Bakker scandals sparked an "insurrection" in his ministry and cut contributions by \$1.5 million — a 25 percent decline. Derstine relies on donations to help pay for a "missionary operation" that aids the Nicaraguan contras.

Despite evidence of declining viewership and contributions, the number of religious broadcasters is actually on the rise, as smaller ministries scramble to pick up a share of the market sacrificed by the bigger broadcasts. According to industry statistics, the number of religious television stations grew from 259 to 336 last year — a 30 percent leap — while religious radio stations increased from 1,393 to 1,485.

"For every Goliath that's fallen, you've got a dozen little Davids grabbing the microphone," said Dr. Jeffrey Hadden, a sociology professor at the University of Virginia. "A lot of little guys can prosper on a small portion of the wealth of giants."

News departments compiled by Susan Saenger.

Readers are encouraged to submit news items to *Southern News Roundup* and *Dateline: The South*. Please send original clippings or photocopies with name and date of publication, or articles of no more than 300 words.

Mississippi Still *Burning*

By Ann Long

Lena Tyler was just a child when her mother began fighting to improve Mississippi schools in the 1950s and '60s.

"She told us that many doors would not be open to us because of our color," Tyler remembers. "I didn't understand what that meant then. When we marched — the Ralph Brown marches and the Martin Luther King marches — we marched because she marched. It wasn't until much later that I knew what she meant."

Today Tyler, a state welfare worker, knows exactly what her mother meant. As a leader of the Mississippi Association of State Employees — known as MASE — Tyler is at the heart of some of the most important labor organizing to sweep the state in years. She and hundreds of other state employees are struggling to build what they call "a civil rights movement for workers" — and like those before them, they say, they intend to fight until they win.

"My mother said that this struggle is like a relay race — you run as far as you can, and then you pass the stick on," Tyler says. "After she ran as far as she could, she passed it on to the next generation, which was me. And I haven't regretted it."

WORKING POOR

State employees like Tyler have good reason to organize. With 38,000 people on the government payroll, the state is the largest employer in Mississippi — and it is also one of the worst. An estimated one-third of all state employees live below the poverty line, and many make less than \$14,000 a year. Roughly half are single mothers, most of whom have to work second jobs simply to make ends meet.

As a result, thousands of state employees have

been forced to apply for welfare — and it is not uncommon for professional welfare workers with college degrees to find themselves sitting on both sides of the table.

"It's discouraging to see more and more state employees come in for food stamps, Medicaid, and Aid for Families with Dependent Children," says Betty Miller, a 16-year veteran with the Hinds County welfare department.

Yet perhaps even more important than low wages, employees say, are the miserable working conditions typical of state jobs. Many workers are subjected to dangerous and unsafe conditions, and say they want their employer to treat them with dignity and respect. "I'm over half a hundred," says one University of Mississippi employee, "but they still call me boy."

It was out of such conditions that MASE was born. Although it is still in its infancy, the fledgling union has already made great strides.

Photos by Lauri Lawson



Public employees are at the heart of some of the most important labor organizing to sweep the state in years.

Last June — only eight months after workers started building the union — 300 state employees converged on Jackson to officially found MASE and ratify a “Bill of Rights” for state workers (see sidebar, page 11). The meeting united employees across the state, forging an organization that crosses professional and racial boundaries.

State labor leaders were stunned. “I had never seen anything like it,” said Neal Fowler, president of the state AFL-CIO. “It was sort of a feeling of surprise to see that many state employees. The feeling was one of elation that this many people would come together, especially considering how many state agencies they came from. It’s just one of those things you get wrapped up in. You just want to go with the flow.”

SCHOOL LESSONS

Although the rapid rise of MASE took the state by surprise, it was actually the product of more than a year of hard work and careful organizing. It started in 1987, when a handful of frustrated state workers and a few committed organizers began talking about how to create a unified voice for state employees that would be heard — and respected — in the halls of the state capitol.

Two developments in Mississippi spurred state employees to take action. The first was a series of dramatic political moves by school teachers. In 1985, for the first time in the history of the state, teachers staged a walkout to demand decent pay. The strike eventually spread to include more than 9,000 strikers — more than a third of all Mississippi teachers — and 466,000 school children. Teachers later took their anger to the ballot box, helping to elect a slate of progressive legislators who gave teachers a pay raise early this year.

The teacher’s new-found political activism made a deep impression on state employees. “The teachers taught us last year, if we don’t stand together, we won’t get anywhere,” says welfare worker Betty Miller.

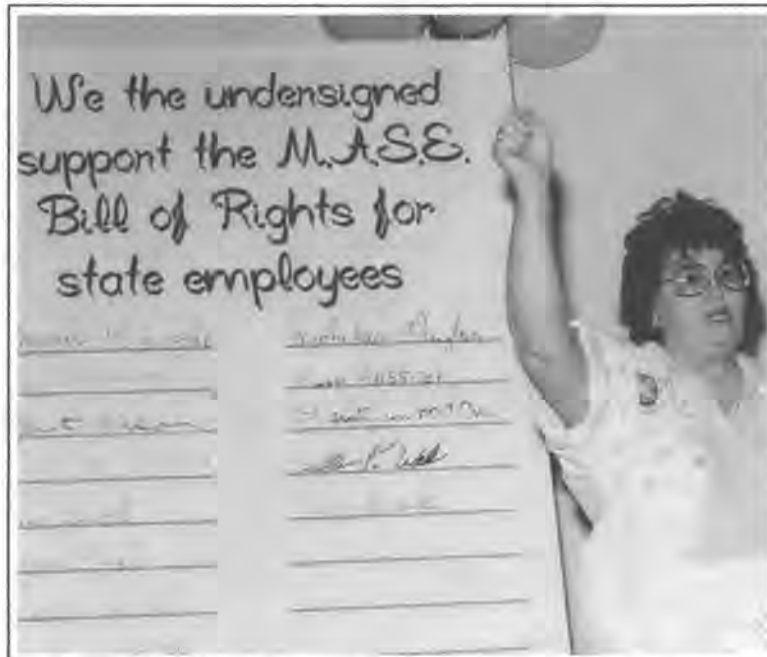
The second development

that galvanized state employees was the election of Ray Mabus as governor in 1987. As state auditor, Mabus had put dozens of crooked county supervisors behind bars, gaining him a reputation as a reformer intent on rooting out corruption.

During the campaign, Mabus vowed to raise teacher salaries to the Southeastern average, reform the county government system, slash the number of state agencies, and make each agency more accountable to the governor. Voters, rankled by the national image of their state as an American backwater, responded to his campaign promise that “Mississippi will never again be last.”

The public responded, and so did state employees. Even before they had so much as an organizing committee, a handful of workers assembled on the steps of the state capitol to endorse Mabus and condemn the State Employee Association of Mississippi (SEAM), a group which claims to represent state workers. SEAM had endorsed Jack Reed, the Republican candidate for governor known for paying workers in his garment factories substandard wages.

“SEAM has never represented the interests of a majority of state workers, it has represented the interest of managers and administrators,” said Jesse Alred, a psychiatric aide at the Mississippi State Hospital and one of the founders of MASE. “No group representing average state employees would have endorsed a sweatshop boss for governor.”



STATE LABOR LEADERS WERE STUNNED WHEN 300 STATE EMPLOYEES CONVERGED ON JACKSON LAST JUNE, FORGING A UNION THAT CROSSES RACIAL AND PROFESSIONAL BOUNDARIES.

AROUND THE CLOCK

By the time Mabus won election, organizers like Alred were working around-the-clock to build MASE into a powerful voice for state employees. Alred would work a midnight-to-eight a.m. shift at the state hospital at Whitfield and then drive four hours to organize employees on the Oxford campus of the University of Mississippi, returning to Whitfield just in time to start his next shift.

In many ways, Whitfield was one of the most important institutions in the state system to begin organizing. The third largest facility in Mississippi, its horrible working conditions give it a reputation as one of the worst places in the state to work. An overwhelming proportion of the employees are black women, stuck in dead-end jobs that pay as little as \$7,000 a year.

Jay Arena, another Whitfield employee who was working to organize MASE, recalled how many of his co-workers had to pay Whitfield part of their wages to drive them to and from work along circuitous routes that added hours to their travel time.

“I remember one co-worker, she was making \$620 a month, living with her two kids in a shotgun house,” Arena said. “On top of that, she had to pay Whitfield \$50 a month for transportation to work and back, which added two hours to her work day.”

Although Whitfield employees work in dozens of buildings scattered across the hospital compound and have almost no contact with each other, Arena and Alred

were soon able to collect hundreds of names on a petition to “support the formation of an organization to stand up for our rights in the workplace and the legislature.”

While Alred and Arena were talking to state employees at Whitfield, other workers were focusing on the Oakley Training School, a juvenile detention center where runaways and first-time shoplifters are locked up with convicted murderers. Employees accused the administration of deliberately creating dangerous working conditions and making no attempt to rehabilitate

youth offenders. When MASE began organizing at Oakley, more than 80 percent of the workforce signed a petition calling for the resignation of the director.

The initial victories — and the endorsement of Mabus — started to attract media attention to MASE and increase its public exposure. Employees from across the state began calling the group and asking for help, and the small staff of volunteer organizers found themselves stretched thin.

Most of the organizers were young activists who were working full-time jobs to support their full-time organizing. One worked in a library, another at a radio station; one even delivered pizzas to pay the bills. In their off hours, they fielded phone calls, organized press conferences, and criss-crossed the state holding house meetings with state employees to discuss the new union.

"We were just a ragtag organization that had accidentally stumbled across a tremendous need in Mississippi at a time when there was a lot of political change in the state," recalls one organizer. "We were trying to build the union piece by piece, but we knew we needed the support of an established union if we were going to build a statewide organization."

Fortunately for MASE, the Amalgamated Clothing and Textile Workers Union (ACTWU) took an interest in its efforts early last year. While other unions shied away from the mammoth task MASE had undertaken, ACTWU agreed to commit organizing expertise and financial support. Working with Jonathan Lange, Southern organizing director for ACTWU, state employees decided to organize MASE as a statewide political organization that could put pressure on the legislature to increase pay and improve working conditions. Employees began planning the June meeting, hoping to get 100 leaders to attend.

PEOPLE VS. MONEY

Instead, more than 300 state employees showed up, and MASE was officially born. The atmosphere at the meeting was euphoric, as workers began to realize there was a groundswell of support for building a statewide union of state employees.

"There are two kinds of power," Lange told employees at the meeting, "the power of money, and the power of people. They may have the power of money, but we have the power of people."

By September, MASE had pulled off an even larger meeting. This time, nearly 800 workers descended on Jackson State University for the union's first statewide convention.

As the meeting wore on, worker after worker approached the microphone to "testify" about the low pay and daily struggles on their jobs. Hewie Gipson told of working for the Lamar County welfare department for 18 years, only to learn that his counterparts in New Jersey get a starting salary of \$16,000.

"Ladies and gentlemen, I'm just now reaching that \$16,000 mark after 18 years," Gipson said. "I have a solution to this. It's called M-A-S-E."

As MASE grew, its success and style prompted some to compare it to a full-fledged movement. Not even a year old, it was already drawing hundreds of workers to statewide meetings, grabbing headlines

in newspapers, and translating the frustrations of workers all over the state into a cohesive political campaign.

Although most MASE supporters stop short of describing it as the heir to the civil rights movement, it has struck a deep chord with state employees who remember the early days of struggle in Mississippi. In country churches and rural homes across the state, MASE leaders have heard years of pent-up frustrations from workers who still vividly recall the dreams and victories of the Freedom Movement. Many lived through the assassination of Medgar Evers and other civil rights workers, the marches, sit-ins, and demonstrations.

"It is the mission of every labor union to address civil rights in the workplace," says Charlie Horhn, president of the Mississippi A. Philip Randolph Institute. Indeed, bringing civil rights into the workplace may prove to be the strongest link MASE is forging. State employees point out that there never really was a "civil rights movement for workers" in Mississippi, and many are eager to pick up where the activists of the 1960s left off.

While the civil rights movement made great strides in overcoming racism in public life, Horhn and others point out that racism remains a useful tool for factory owners seeking to divide white and black workers. According to Charles Tisdale, publisher of the *Jackson Advocate*, "Factory owners have conceded certain privileges to white workers that are not con-

ceded to black workers," splitting the workforce and undercutting the racial solidarity unions need to succeed.

The same forces are at work in the state civil service in Mississippi. Unlike federal employment, a state job is no guarantee to upward mobil-



ity for blacks or whites. Many state employees work for years in dead-end jobs that pay poverty wages and offer virtually no chance for advancement.

BREAKING BARRIERS

From its inception, MASE has sought to break down racial barriers and bring black and white workers together—a goal that has eluded many unions in Mississippi in recent years. And from the look of its two first statewide meetings, it may well succeed. A sizable number of white state employees showed up at both meetings, and dozens of white and black textile workers who belong to ACTWU came to the meetings together to show the newest members of their union that solidarity across race lines was a goal worth striving for.

White employees like Betty Miller say they recognize the need for MASE to build on the legacy of the civil rights movement.

"It's good that as employees, black and white, we're trying to band together to make it better for the people of Mississippi. The union's stronger to have black and white together," she said. "Things have changed in Mississippi—we would not have had this even 10 years ago. We have a lot to learn from each other. We've grown closer together. Not as races, but as individuals, we are learning to stand up for each other."

The way MASE crosses job classification, race, and gender has set it apart from traditional organizing drives. Organizers say the typical union model used in the private sector—signing up workers on membership cards, demanding recognition from the employer, and holding shop-floor actions—simply wouldn't work for a group as large and diverse as the 38,000 state employees. Instead, MASE has opted for a low-key political strategy that uses a broad Bill of Rights to bring blacks and whites, men and women, janitors and professionals together around a common agenda that directly addresses their self interest.

As one MASE leader told a group of

disability specialists, some of the highest-paid state employees: "We're not talking about a union just for you up on the eighth floor. We're talking about the whole building, right on down to the man out there mowing the grass."

Despite its early successes, few question that MASE is in for a long, tough fight. Like all labor unions, it must find a way to translate its energy and large meetings into strong local organizations that can fight it out on the shop floor. When it does, many observers say, it may find that

BILL OF RIGHTS FOR STATE EMPLOYEES

- ▼ The right to a living wage above the poverty level.
- ▼ The right to dignity, respect, and security on the job.
- ▼ The right to promotions based on seniority and merit, not favoritism.
- ▼ The right to come together in an organization that gives state employees a voice.
- ▼ The right to safe, healthy, and sanitary working conditions.
- ▼ The right to due process, to be innocent until proven guilty.
- ▼ The right to work in an environment free of corruption.
- ▼ The right to have adequate staff training and resources to do our jobs.
- ▼ The right to fair and consistent work rules and job descriptions.
- ▼ The right to be recognized for the vital services we provide to the people of Mississippi.

the "new Mississippi" heralded by Governor Mabus will turn out to be a poor defense against the organized resistance of mid-level state managers.

"A whole lot of people just hoped MASE would help without too much controversy," says former state Senator Henry Kirksey, a civil rights activist and long-time labor supporter. "The thought of management was, it won't succeed. As long as it's not hurting, there's no sense

putting on the boxing gloves. Once MASE begins to organize, then you'll see management coming out. It sounds progressive not to hammer away at unions, and they want to sound progressive."

Such concerns underscore the difficulty MASE faces as a union of workers who have the entire state government as a boss. Mississippi has no collective bargaining law for state employees, making it difficult for them to negotiate a contract.

Without a contract, MASE will have to find creative ways to collect dues from members and represent workers who are mistreated on the job. The state personnel board currently allows workers who are disciplined or fired to appeal, but the union has not always been permitted to represent workers in grievance hearings.

For now, though, the major task facing MASE is to spread the word and bring state employees together for the first time. State Senator Alice Harden, who signed the MASE Bill of Rights, says she believes the union can accomplish what no other organizing drive has accomplished in Mississippi.

"The sky's the limit," Harden says. "MASE is to be commended for its organizing efforts. The state convention was an excellent effort—now they have to move on from there. They have to convince people that it can work."

Garry Ferraris, international vice-president and Southern director of ACTWU, told workers at the statewide convention last September that it *can* work. He said the union is committed to putting its best resources into the effort, and urged workers to continue organizing until their Bill of Rights becomes a reality for all state employees.

"I believe if we're patient enough and we're disciplined enough," Ferraris said, "the governor of the state of Mississippi will come before you and proclaim MASE's agenda is Mississippi's future." □

Ann Long, a former staff writer for The People's Voice, worked on the MASE campaign and other Mississippi labor projects. This story was financed in part by the Southern Labor Fund of the Institute for Southern Studies.

Meltdown on Main Street

When Houston developer Roy Dailey bought First Savings of East Texas for \$1.25 million, he ran the small savings and loan like his personal fiefdom. In those days, Texas real estate was hot, so Dailey dumped the deposits of First Savings into shady land deals all over town. Within two years assets had nearly quadrupled, from \$29.2 million to \$118 million.

Before long, however, Dailey's questionable lending style led to confrontations with federal regulators, who stripped him of control twice in 1985. Dailey was furious. In February 1986 he marched into First Savings, flanked by an armed force of six off-duty police officers. The banker and his hired guns held the S&L hostage for several hours before finally surrendering control to authorities. A year later, the FBI began investigating Dailey for bank fraud.

Guns, money, greed — the tale has all the elements of a best-selling novel. In fact, such stories have been all-too-common in recent years, as white-collar criminals like Dailey literally looted the deposits of hundreds of hometown savings and loans across the country. In all, they ripped off \$100 billion, bankrupting more than a thousand S&Ls. By the end of 1987, there were 7,350 cases of bank fraud awaiting FBI investigation.

As a result, the federal agency that insures S&L deposits is now also bankrupt — and President Bush has proposed the biggest bailout in history so it can close more insolvent thrifts and pay off depositors. The size of the bailout is almost too enormous to comprehend. Some estimates put the cost as high as \$335 billion — bigger than the Marshall Plan to rebuild post-war Europe and the bailouts of New York City, Lockheed, Chrysler, Penn Central, and Continental Illinois combined.

Such numbers underscore how the collapse of the financial industry affects each of us directly. If approved, the Bush plan would take at least \$1,000 from every taxpayer in the country and use most of the money to refund the accounts of the large investors who helped cause the crisis in the first place by teaming up with the likes of Roy Dailey. In essence, Bush wants to tax the poor to

subsidize the rich. At current tax rates, the plan would cost Southern taxpayers \$89.7 billion — enough money to run the entire government of West Virginia until the year 2014.

The numbers are numbing, the controversy shrouded in technical detail and boring regulations. It can all seem so distant, so removed from our daily lives. But in truth, the crisis in the savings and loan industry hits dangerously close to home.

Above all, the current financial crisis is about housing — and homelessness. Savings and loans were actually created to make affordable home loans to first-time homebuyers, and for decades they served as safe havens for small investors. Most Americans put their money in their homes, and S&Ls earned the nickname “thrifts” for their dedication to thriftiness and home ownership.

All that changed in the 1970s — beginning in Sunbelt states like Texas and Florida. As Curtis Lang reports in his article on page 20, the region's real estate market was booming, and Southern savings and loans were eager to sink their deposits into speculative land deals. Squeezed by inflation and high interest rates, they pressured their states to deregulate the industry — to let them invest more money into commercial real estate — and they succeeded. The federal government followed suit in 1982, giving S&Ls the go-ahead to gamble deposits on risky land deals while still pledging to pay off depositors if the bets fell through.

The result, it turns out, was like releasing a house cat in the jungle. The once-tame thrifts were suddenly unleashed to make wild real estate investments — and they got eaten alive. They poured billions of dollars into risky loans for new office towers and fast food restaurants and condos. Before long, the market was overbuilt, with more buildings than occupants. Real estate values plunged, and S&Ls were stuck with billions of dollars in defaulted loans.

The savings and loan crisis soon spread from Texas to the

rest of the region. The South is home to only a third of all S&Ls, but half of the insolvent thrifts are located in the region — including 39 of the 50 most deeply in debt. Four Southern states outrun the national average for the percentage of their S&L assets that have been repossessed — Texas, Arkansas, Mississippi, and Louisiana.

Even thrifts in Southern states like North Carolina, considered to have a thriving economy and a stable S&L industry, are exhibiting the symptoms that preceded the collapse in Texas. In recent months, the largest S&Ls in Charlotte and Raleigh reported huge year-end losses as a result of soured real estate deals.

All of this has serious implications for who will own homes and land in the South. As the savings and loan crisis has unfolded, the housing crisis has worsened. Since 1974, the number of homeowners under the age of 25 has dropped by 40 percent. What's more, those who do manage to get home loans are more likely to be white than black, as S&Ls continue to deny home loans to black applicants solely on the basis of race.

The warning signals are widespread. Boarded-up homes abandoned by bankrupt S&Ls stand empty in the neighborhoods of Little Rock. Homeless people swell the streets of Atlanta. The government auctions off repossessed property in Florida and Texas to overseas investors to pay off depositors of insolvent thrifts. In the words of U.S. Representative John Bryant of Texas, "America is selling off its family jewels to pay for a seven-year night on the town."

Incredibly, the Bush bailout plan says nothing about housing, nothing about restoring the S&L industry to its original purpose. Taxpayers are being asked to pay billions to shore up a system that no longer serves their needs. Like the boarded-up houses in Little Rock, the financial system that helped most people gain their piece of the American Dream — a home — has simply been abandoned.

In many ways, the financial industry today resembles the nuclear power industry. It appears complicated, technical, beyond comprehension. It operates with little supervision, and it generates huge profits for a select few. The government lends a hand with tax breaks and direct aid — and tells us to leave our worries to the experts. And like the nuclear power industry of the past decade, the financial system has suffered a complete meltdown — one that has driven many people from their homes and forced many more to live on the streets.

But just as the environmental movement proved it is possible to penetrate the scientific jargon that enshrouds nuclear power, we must now educate ourselves about the closed-door dealings of high finance. The success of the environmental movement reminds us that we not only *can* understand the intricacies of the financial industry — it reminds us that we *must* understand

them. It is our willingness to look the other way that allows the status quo to proceed unchecked.

In the final analysis, the savings and loan crisis is about the most fundamental issue of all: we are, in essence, talking about the *capital* in capitalism. Who controls our money? How is it spent? Who is given credit? Who pays off the debts? In an economy where public priorities often follow the flow of private capital, such questions underlie every issue — struggles for decent housing, a clean environment, good jobs, safe workplaces, better education, day care.

Like every crisis, this one offers us an opportunity to reform the system — a chance to bring a measure of democracy to the world of high finance. Just as the banking crisis of the late 1800s ignited the Southern Populist movement, Southerners today have already taken to the streets over the current financial crisis, placing themselves in the forefront of those demanding sweeping reform. It is the beginning of a new movement — a movement its leaders are calling a campaign for financial democracy.

—Eric Bates

Photo by Marc PoKempner



SOUTHERNERS HAVE TAKEN TO THE STREETS TO DEMAND SWEEPING REFORMS IN THE FINANCIAL INDUSTRY.



Everything you ever wanted to know about the savings and loan mess — but were too bored to ask.



What is an S&L?

S&L stands for savings and loan — a type of “housing bank” established in the 1820s to pool money from small depositors and make loans to first-time homebuyers. The original savings and loans were completely non-profit. Citizens who deposited their money owned the S&L, and often drew straws to see who would receive the first mortgage. When every depositor had a home, the S&L was dissolved.

Why couldn't homebuyers just get a loan from a bank?

Most banks considered it too risky and too unprofitable to give long-term loans to average homebuyers. During the New Deal, the federal government institutionalized the separate functions of banks and S&Ls, also known as thrifts. Unlike banks, savings and loans were required to lend most of their deposits to homebuyers — and in return, they were allowed to offer slightly higher interest rates to attract depositors.

Did this system work?

For the most part, yes. For half a century, small-town thrifts operated smoothly. Combined with federal programs that encouraged veterans and others to buy homes, S&Ls enabled generations of moderate-income families to get home loans. America became a nation of

homeowners — and S&Ls were the simple and unseen foundation of the system. Indeed, S&L managers had such an easy job that they jokingly referred to the formula they followed as “3-6-3” — pay depositors three percent, lend at six percent, and tee up on the golf course by three p.m.

Were there any problems?

Certainly. From the beginning, S&Ls — like banks — were fraught with racism. Often run by good-old-boy networks of local white men, thrifts systematically refused to lend money to blacks and other minorities — no matter how good their credit ratings. This institutional discrimination became known as *redlining*, because S&L officials often drew red lines on maps around inner-city neighborhoods that were off-limits for loans.

Redlining did more than hurt individual borrowers, however. By determining who got loans and where homes were built, bankers helped split American towns and cities into affluent white suburbs and inner-city slums. The sharp divisions created a system of de facto housing segregation that remains to this day.

So why did the system fall apart?

As inflation soared during the 1970s, investors who had their money in long-term investments like bonds began to panic, because their investments were rapidly dropping in value. The Federal Reserve Board —

acting against the wishes of Congress and the president — decided to use its control of the money supply to drive up interest rates, hoping to choke off borrowing and throttle inflation. By 1981, interest rates had skyrocketed to over 20 percent.

What effect did rising interest rates have on housing?

A big effect. High interest rates priced average citizens right out of the housing market — they simply couldn't afford a mortgage. With no incentive to build moderately priced homes, builders turned to glitzy developments and investors began buying and selling existing properties — a game that only the rich could afford to play.

With few affordable new homes being built, many would-be homeowners — especially single mothers and young families — were driven into the rental market. That in turn drove up rents, and higher rents increased homelessness. In short, higher interest rates condemned many to live in substandard housing — and many others to live on the streets, without adequate shelter.

High interest rates also had another effect: they fueled the spread of “financial inventions” like NOW accounts, certificates of deposit, and money market funds that offered depositors a better return on their investments. The response was the equivalent of a run on the bank — depositors took their money out of S&Ls and put

it into higher-interest accounts at banks and investment houses.

How did high inflation and interest rates affect S&Ls?

Thrifts were in a double bind. Federal regulations limited the interest rates S&Ls could pay depositors, and also required them to devote most of their loans to home mortgages. They lost deposits by the billions to money market funds, and inflation took a big bite out of the money they made from fixed-rate loans. More than 800 thrifts closed during the 1981-82 recession, and the first round of S&L failures was under way.

How did the industry respond?

Thrifts used their powerful lobbying groups in Washington to push for financial deregulation. Their solution was simple: they wanted to abandon their historic role as the provider of home loans and sink more of their deposits in speculative investments like commercial real estate. In essence, S&Ls wanted permission to gamble with deposits. If they won, they'd pocket the winnings. If they lost, they'd let taxpayers pick up the losses through the Federal Savings & Loan Insurance Corporation (FSLIC), which insures S&L deposits.

What did the federal government do?

Just what the thrifts asked — it deregulated the financial industry, freeing S&Ls to offer higher interest rates to attract more depositors and invest those deposits in commercial deals. At the same time, federal budget cuts hampered S&L examiners who were already stretched thin, making lax supervision even weaker. The industry got what it asked for. Unfortunately, deregulation set the S&Ls up for a fall.

Why was deregulation so disastrous?

Almost overnight, S&Ls started investing in casinos, bowling alleys, windmill farms, luxury shopping malls, fast-food chains, and the junk bonds that pay for leveraged buyouts. Management misconduct and outright criminal activity exploded. The share of S&L lending devoted to home loans fell from 65 percent in 1981 to 39 percent last year.

So the problem was a few greedy managers who took advantage of deregulation?

No — but that's what the industry wants us to believe. In fact, deregulation

created a financial system that actually encouraged corruption and criminal misconduct. Managers were driven to make the highest return on investments no matter how risky the deal, knowing that federal deposit insurance would pick up the costs of the bad loans and speculation. In June 1987, the FBI reported it had 7,350 cases of S&L and bank fraud pending.

So what went wrong with the scam?

The system set up by deregulation was so fragile that any little jolt was bound to bring it down. The first jolt came in Texas, where S&Ls were buying and selling real estate at a frenzied pace. When oil prices fell in the 1980s, the Texas economy plummeted — and S&Ls were stuck with bad loans on miles of vacant office buildings that no one wanted. By 1987, hundreds of Texas thrifts had hit the skids.

If all this is so serious, how come we didn't hear about it during the presidential campaign?

Good question. Apparently, both parties decided to ignore the issue, since both receive large contributions from the thrift industry and both were responsible for deregulating the industry. As a result, S&Ls were barely discussed until after the election, when dozens of ailing thrifts were sold at bargain prices and George Bush announced the biggest bailout plan in history.

What is the Bush plan?

In February, Bush called on taxpayers, banks, and S&Ls to pay an estimated \$126 billion over 10 years to bail out collapsed thrifts. The money includes \$40 billion already pledged in government-assisted takeovers, \$50 billion in new bonds, plus billions in interest payments on those bonds. The money would allow the government to close about 500 insolvent S&Ls. Bush also proposed requiring S&Ls to have bigger cash reserves to cover losses and to pay higher fees to insure deposits.

Who pays under the plan?

Although Bush labeled the plan "the fairest system that the best minds in this administration can come up with," the proposal would put more than half the bailout burden on average taxpayers. If approved, the plan will cost every household in the country at least \$1,000. Much of that money will go to pay billions of dollars of interest on the bonds Bush

wants to sell to finance his bailout plan — bonds that will make even more money for investors who have already benefited from financial deregulation.

Why should we pay for cleaning up the S&L mess?

We shouldn't. Ordinary taxpayers did nothing to cause the collapse of the S&Ls, nor did we benefit from the big-time investments that caused the collapse. In fact, most taxpayers are net debtors and have been victimized by the record-high interest rates and instability caused by financial deregulation.

Does the Bush plan address the housing crisis?

No. Not one word of the president's proposal refers to the national housing crisis — the very dilemma that S&Ls were created to solve.

Will the plan reform the financial industry?

No. The plan ignores the basic problems that torpedoed the thrift industry. It does nothing about the large number of S&Ls that are hiding their insolvency with bookkeeping tricks. It does nothing to get deposit insurance out of the bailout business and restore it to its original purpose of protecting small investors. It does nothing to open financial institutions and their regulators to greater public scrutiny and participation.

So what will we get for our money?

Not much. Bankrupt S&Ls will be closed or sold off. But those that remain open will continue to benefit from a host of public protections — paid for by the average taxpayer. The result is likely to be increased concentration of ownership in the financial service industry, with large financial institutions swallowing up small-town savings and loans.

Is there an alternative?

Yes. The collapse of the savings and loan industry offers a rare chance to restructure the way high finance does business in this country. The Financial Democracy Campaign, a coalition of hundreds of grassroots groups, has made specific recommendations that would restore public priorities to the financial industry and ensure that such a calamity won't happen again. For more details on the recommendations, see page 19. □

Outrage in Little Rock

By Eric Bates

Arkansas has been hard hit by the S&L crisis — and citizens across the state have decided to hit back.

LITTLE ROCK, ARK. — Foster Strong bought his modest frame home on the west side of town in 1963. He was in the dry cleaning business in those days, a good business, and he didn't have any trouble getting a \$10,000 mortgage from a local savings and loan.

For 25 years, Strong made his \$85 monthly payments on time, every time — 300 payments and never missed a one. He grew old with the tree-lined neighborhood, retired, set up an upholstery shop in his garage, and started taking it easy.

Then one day he picked up the newspaper and read that FirstSouth, the savings and loan that held his mortgage, had been shut down by federal regulators. FirstSouth, it seemed, had loaned more than \$600 million to top stockholders — enough money to give every family in Little Rock a home loan like Strong's. With huge losses on its loans, FirstSouth was broke — and federal officials turned Strong's mortgage over to First Commercial Bank.

"They sent me a letter," recalls Strong, 72. "They said they had recalculated my mortgage — something about not enough money in escrow, yakity-yak-yak. They upped my payment from \$85 to \$132 a month. I thought I had a fixed rate, but I can understand what happened — somebody got greedy."

For retirees like Strong who live on fixed incomes, an extra \$564 a year in house payments is a lot of money. "It's a struggle," he says. "I'm making the payments, but it's a struggle."

PEELING PAINT, BROKEN WINDOWS

Few states have been as hard hit by the collapse of the savings and loan industry as Arkansas. A third of all Arkansas thrifts have folded since 1986, swallowing half of the \$8 billion deposited in S&Ls statewide. That's more money than the state government spends in an entire year — enough to give every man, woman, and child in Arkansas \$1,750 in a state where the average annual income is only \$11,343 per person.

The staggering loss has sent shock waves through city neighborhoods and small towns across the state. Hundreds of houses owned by insolvent S&Ls have been seized by the federal government and boarded up. Homes that were once the pride of the community now stand empty, their paint peeling, their windows broken. And with billions of dollars of S&L mortgage money gone for good, families eager to buy homes are finding it tougher than ever to get a loan.

"Arkansas is a comparatively poor

state, so anything negative that happens here has a greater impact on poor people than it would in a more prosperous state," says Arthur Cross, a disabled nursing assistant who is concerned about the thrift crisis. "Many of our communities are very small and rural. In those areas, citizens often have only one financial institution in the whole town. When it becomes insolvent, the effects can be devastating."

The direct and immediate effect of the financial crisis has spurred residents like Cross and Foster Strong to take direct action. In the past six months, angry citizens in Arkansas have demonstrated at banks and savings and loans, confronted federal regulators in Texas and Arkansas, and taken the government to court to force it to open the books when it auctions off S&Ls.

Now, some residents say they are fed up with the growing number of abandoned houses going to waste in the city. Led by the Association of Community Organizations for Reform Now (ACORN), a grassroots group based in Little Rock, residents are demanding that the federal government turn over all foreclosed houses to the city or the local housing authority so they can be used by people who need them.

If their demands are not met soon, residents say, they are prepared to take

over the houses and fix them up themselves — with or without the permission of the government.

“I think we’re going to see increased activity around those houses,” says Zach Polett, regional director of ACORN. “People are saying that they can’t afford to wait for someone else to fix them up — we have to fix them up ourselves before they destroy our neighborhoods. People are just going to start bringing out the paint scrapers and paint brushes and fixing up those houses and moving families in.”

“MAKES ME ANGRY”

It doesn’t take a financial wizard to see what has driven residents in Arkansas cities like Little Rock and Pine Bluff to talk about seizing abandoned federal property. Driving along the streets of Little Rock, even the most casual visitor cannot fail to miss the signs of urban decay. As in many Southern cities, the neighborhoods are a study in contrast. Wide-porched homes stand next to tiny shacks and vacant houses. Here, crossing from a rich neighborhood to a poor neighborhood can be as simple as crossing the street.

Lillian Minton lives on West 13th Street, a bit south of downtown, in a neighborhood that exemplifies the stark contrasts. Three-story Victorian homes — immaculately restored with cut-glass doors, mahogany floors, and gleaming brass appointments — stand alongside shells of gutted and roofless buildings. The neighborhood is home to the governor’s mansion, as well as the comfortable suburban house seen in the opening credits of the TV sitcom *Designing Women*.

On March 10, Minton joined dozens of other ACORN members who demonstrated outside the downtown headquarters of the Federal Savings & Loan Insurance Corporation to demand that foreclosed homes be turned over to the community. It was the first protest Minton ever attended. She carried a sign that read: “We need houses!”

“Next door to me they’re tearing down a big house,” Minton explained. “Makes me angry. That house could be lived in with a little work. But drifters are sleeping in it, and somebody’s been tearing off the siding. They’ve even broken into my

house three or four times. And it’s all because of what’s happening in my neighborhood.”

Such stories are not uncommon. Although federal officials refuse to disclose how many houses they have foreclosed, Foster Strong has counted eight abandoned homes in his neighborhood — and he knows that at least two of them belong to the government.

“I know something could be done other than letting the houses sit here and rot, devaluing the neighborhood property,” Strong says. “I feel like, if the government is going to take our tax money and bail out the S&Ls, then why can’t somebody use those houses and pay a smaller amount of money over a longer

Photo by Sandra McGuire/CameraWork



LITTLE ROCK RESIDENT LILLIE MINTON ATTENDED HER FIRST PROTEST. “THEY’RE TEARING DOWN A BIG HOUSE,” SHE SAID. “MAKES ME ANGRY.”

period of years? The point is, they are just going to hand our money to the S&Ls. The rich get a little more money to put in their pockets, and the houses will just fall down. What I want to know is, what’s going to happen to all these people living out in the streets? What’s the government going to do for them?”

Fellow ACORN member Arthur Cross agrees. “If a house is sitting empty, the government is ultimately responsible for it. We feel that in a sense the savings and loan crisis and the housing shortage — the homeless people on the street — go hand in hand. If these houses were used instead of just sitting vacant, it would be to everybody’s benefit.”

THE ANGER SPREADS

Arkansas citizens angered by the savings and loan crisis haven’t been content to simply voice their outrage at the local level. In February, ACORN members drove 300 miles to Dallas to confront regulators at the Federal Home Loan Bank Board who were using secret bids to auction off six failing thrifts in Arkansas and Texas. Determined not to allow the troubled S&L industry to take any more action behind closed doors, the Arkansas group demanded that all bailout deals be open to public scrutiny. When officials refused to disclose any details of their dealings, the group filed a lawsuit under the Freedom of Information Act.

Then on March 2 — less than a month after George Bush proposed rewarding the S&L industry with the biggest bailout in history — Little Rock residents took their anger directly to Washington. Former ACORN president Elena Hanggi attended a press conference to help kick off the Financial Democracy Campaign, a national coalition of nearly 200 civil rights, labor, church, and community groups calling for comprehensive reform of the financial industry.

“I’m from Little Rock, Arkansas, and we are the pulse of what’s happening in this Financial Democracy Campaign,” Hanggi told reporters. “In Arkansas, S&L has come to stand for squander and liquidate.”

“We’re tired of being taken for granted in the S&L mess,” she continued. “Our frustration grows daily. This is a roar of anger that cannot be silenced and will not be ignored. We did not create this mess. We did not benefit from this mess. And we should not have to pay for this mess.”

The campaign proposed a variety of

remedies as alternatives to the Bush bailout plan — and housing needs were at the heart of the recommendations (see box, next page). Hanggi and other members of the coalition called on the government to outlaw discriminatory lending practices, turn vacant homes over to those who need them, force firms that buy insolvent thrifts to invest in local communities, and require all financial institutions to commit money to low- and moderate-income housing.

“Any bailout must be linked to returning savings and loans to the business of housing Americans,” said Jesse Jackson, a spokesman for the campaign. “There must be some commitment to the original purpose of savings and loans — they must be in the business of making housing affordable.”

Jackson said the burden of any bailout plan should fall on wealthy investors who have profited from financial deregulation — not on citizens who have suffered from it.

“Let those who had the party pay for the party,” Jackson said. “Over the past decade, the after-tax income of the majority of Americans has been stagnant or worse. The after-tax income of the top five percent increased by more than a third; that of the top one percent by 75 percent. They benefited from high interest rates and massive tax breaks. Low- and moderate-income people did not cause this crisis; they were damaged by it — as mortgages grew more costly and less secure. It does not make sense that those who never were invited to the party should be asked to pay to clean up the mess.”

REGNAT POPULUS

Sitting in his home in Little Rock, looking through the book of higher mortgage-payment slips the bank sent him, Foster Strong echoes that thought.

“They are bailing out the S&Ls with our tax money,” Strong says. “Nobody can tell me that with the deregulation that has gone on in this country in the past few years, that 90 percent of what’s happening with the S&Ls is not either carelessness or greed. There is a lot of money that wound up in people’s pockets. And the way it’s set up, they will never have to account for it.”

“You can’t tell me that all of these guys are going down the drain through *bad investments*,” he scoffs, rejecting the standard explanation for the collapse of the S&L industry. “What do you mean, *bad investments*? With deregulation, I can loan my brother \$10 million, and I don’t have to account for it and he doesn’t have to pay it off. Is that a bad investment?”

Polls show that most people agree with Strong. According to a recent survey by Lou Harris, 60 percent of all Americans oppose the Bush plan to make average taxpayers shoulder the burden of the S&L bailout.

If the Financial Democracy Campaign succeeds at channeling such widespread popular frustration into effective grassroots action, organizers say, it could fun-

investment. Working with ACORN, community volunteers have formed their own non-profit development corporation to renovate existing homes for low-income families. The group has already housed six families and is currently working to fix up two more houses.

“We realized that part of the housing solution has to be us doing it ourselves,” says Zach Polett, ACORN regional director. “We hope that by establishing this model and a good track record, it will encourage investment by the financial community.”

The renovation efforts in Little Rock serve as a vivid reminder that the effects of the savings and loan crisis extend far beyond the bank board rooms and glittering office towers. Beneath the current financial crisis lies the national housing crisis, the widespread shortage of decent and affordable homes, the growing number of homeless people in the big cities and small towns of states like Arkansas.

The renovation efforts also serve as a reminder of the power and potential of community organizing. In a state that boasts the lofty motto *Regnat Populus* — “The people rule” — some citizens are beginning to suggest that democracy should extend to the all-too-political world of high finance.

“We don’t have a mass movement sweeping across Arkansas like a prairie fire,” Polett says, “but what has happened here shows that organizing works. If people are given the information they need, they are really ready to move.”

Foster Strong was one of those who was ready to move. Although it has been only a few months since he started organizing neighbors to take action, he is convinced that the answer to the crisis in the savings and loan industry will come from Southern communities like Little Rock and Pine Bluff.

“There are a lot of people who think, what can I do?” Strong says. “I just came from a city council meeting tonight, and the feeling of a lot of people who were there was, I am wasting my time — I don’t have a voice in what goes on. Well, one person doesn’t have a voice. But together, a lot of people do.” □

Eric Bates is managing editor of Southern Exposure. Fred Causey, a Little Rock writer, contributed additional reporting for this story.



Photo by Sam Kittner

FORMER ACORN PRESIDENT ELENA HANGGI HELPED KICK OFF THE FINANCIAL DEMOCRACY CAMPAIGN, A COALITION OF NEARLY 200 GRASSROOTS GROUPS.

damentally change the way the nation’s financial industry does business. Groups in the coalition say they plan to conduct community hearings, flood congressional offices with postcards, testify before Congress, file lawsuits to demand full disclosure, and meet with S&L officials and federal regulators across the country.

In many ways, the national campaign mirrors community action already underway in Arkansas. But some residents in Little Rock have taken things a step further — they have decided to show big-time developers that low-cost housing is a smart

A BLUEPRINT FOR FINANCIAL REFORM

Photo by Sam Kittner

The Financial Democracy Campaign has put together a detailed alternative to the bailout plan proposed by President Bush. The remedies call for vigorous prosecution of high-flying managers of bankrupted S&Ls, a renewed commitment to decent and affordable housing, and expanded supervision of the financial industry.

The remedies also insist that those who benefited from the mess should pay for any federal cleanup. Banks, S&Ls, big-time developers, wealthy investors and their brokers — all profited from years of high interest rates and deregulation of the financial industry, and all should pay for the bailout through higher taxes and increased fees.

In essence, this blueprint for reform is founded on a simple principle: If the government is going to continue to stand behind the financial industry through deposit insurance programs and the Federal Reserve System, then the industry must be required to serve the public interest.

CLEAN UP THE MESS

✓ **Include all bailout costs in the federal budget.** The Bush plan calls for selling long-term bonds to finance the bailout and hiding most of the costs off budget. Putting the plan on the books will provide greater accountability and cut interest expenses.

✓ **Limit the bailout to no more than 10 years.** Spreading the bailout over 30 years, as Bush proposes, would only prolong the interest payments. A congressional study estimates that paying the bonds back in 10 years would save taxpayers \$80 billion.

✓ **Raise taxes for the richest one percent.** Individuals who make more than \$200,000 reaped a bonanza of interest income from financial deregulation. Raising their tax rate to 33 percent — the highest bracket — would provide billions of dollars for the bailout.

✓ **Slap a one-time penalty on brokerage firms.** Companies like Merrill Lynch, which invest money for customers, kept billions of dollars flowing through hopelessly broke S&Ls, milking the industry for higher interest rates. They were part of the problem — and a one-time fee would make them part of the solution.



JESSE JACKSON, A SPOKESMAN FOR THE CAMPAIGN, SAID, "LET THOSE WHO HAD THE PARTY PAY FOR THE PARTY."

✓ **Base insurance premiums on the size of accounts.** Banks and S&Ls should pay bigger fees on large accounts and lower fees on small ones. Some of the extra money raised should be devoted to the bailout, while the rest would strengthen insurance funds.

✓ **Spread bailout costs among all financial institutions.** Every firm that does financial business in the U.S. is protected by taxpayers, so all should contribute reserves to a new Financial Markets Stabilization Fund. The fund would pay to merge or close troubled financial units, starting with insolvent S&Ls.

PROVIDE AFFORDABLE HOUSING

✓ **Create a new fund to make loans for housing.** All financial firms should be required to invest in a Home Opportunities Fund, which would provide low-cost financing for first-time homebuyers and developers of affordable low- and moderate-income housing.

✓ **Require S&Ls to invest in community development.** The 12 dis-

trict Federal Home Loan Banks that regulate thrifts should earmark some S&L money for non-profit groups working to develop low-cost housing.

✓ **End discriminatory lending.** S&Ls and other lenders should be required to report all rejected loan applications by race, income, and gender. In addition, federal regulators should be given enough resources to adequately watchdog lending.

✓ **Give vacant buildings to those who need housing.** The federal government should sell any buildings it acquires from bankrupt S&Ls to first-time homebuyers or low-income housing developers. Money from the sales should also be used to fund affordable housing.

REFORM THE INDUSTRY

✓ **Restore deposit insurance to its original mission.** Financial firms must be required to demonstrate that they invest publicly-insured deposits in a manner that is safe, sound, and in the public interest.

✓ **Require full public disclosure.** The financial industry and its regulatory agencies must be required to routinely report their actions to the public. Congress should also reexamine all sales of insolvent thrifts over the past year and create terms that are more favorable to the public.

✓ **Restrict S&L investments.** Congress should remove thrifts from the business of risky real estate deals and require them to devote most of their lending to housing.

✓ **Give the public a voice.** Public representatives should be placed on the governing boards of all

financial firms that result from any merger or acquisition assisted by public funds.

FOR MORE INFORMATION

For a complete package of remedies, background reports, a legislative program, and details of how you or your group can take direct action, contact the Financial Democracy Campaign at 604 W. Chapel Hill Street, Durham, N.C. 27701 or 522 8th Street SE (2nd floor), Washington, DC 20003.

Blue Sky & Big Bucks

By Curtis J. Lang

The savings and loan crisis began with a burst of Texas boosterism. Will the rest of the nation undergo Texification?

SAN ANTONIO, TEXAS — Jesus Cardenas arrived at the Centro de Artes del Mercado in Market Square promptly at nine a.m. the morning of March 10. For the first time in over a month of damp chill, the sun shone in a cloudless sky. Cardenas had not come to the marketplace to shop — he was an hour early for a special meeting of the U.S. House Committee on Banking, Finance and Urban Affairs scheduled to investigate George Bush's proposed \$278 billion bailout of the savings and loan industry. The bailout is a response to the largest regulatory banking scandal in history.

San Antonio Congressman Henry B. Gonzalez, chairman of the powerful House banking committee and a long-time foe of banking deregulation, had picked the perfect stage for the hearings. After all, the savings and loan scandal started in Texas, and most of the insolvent S&Ls are scattered across the state. Now, 100 years after the Populist movement reached its peak in Texas, Gonzalez had come to a town hall sandwiched between sidewalk cafes to hear what average citizens had to say about the Bush bailout plan. Echoes of the state's agrarian past reverberated through the all-but-deserted tourist trap early that morning.

Cardenas, a silver-haired, 75-year-old ex-hotel staffer, grinned through his moustache as he explained that he had a personal stake in the way the nation's thrift industry bailout will be handled. "I'm a depositor, concerned about the effect of this bailout on economic cycles in this country," Cardenas explained.

Marge Zimmerman, a retired realtor from the up-scale Alamo Heights section of San Antonio, was more angry than concerned. She and her husband T.K.



U.S. REPRESENTATIVE HENRY GONZALEZ OF SAN ANTONIO, CHAIRMAN OF THE POWERFUL HOUSE BANKING COMMITTEE, HELD PUBLIC HEARINGS IN HIS HOME STATE TO GIVE CITIZENS A CHANCE TO VOICE THEIR CONCERNS ABOUT THE SAVINGS AND LOAN CRISIS.

Zimmerman expressed fears about the safety of family deposits in a San Antonio thrift. "One thing I'd like to see them do is something with these crooks that ran away with all the money," Zimmerman told the *San Antonio Light*. "They should

do to them like they do to dope dealers."

Cardenas and Zimmerman were among dozens of concerned citizens who gathered in the meeting room throughout the weekend, along with a score of reporters, thrift industry experts and regulators,

U.S. representatives and their staffs, and members of the Financial Democracy Campaign — a nationwide coalition of community, church, and grassroots groups which has put forward a populist alternative to the president's proposal to restructure the thrift industry and its regulatory agencies.

"This savings and loan crisis is proof that the workings of the country's financial system — a system that decides which economic sectors and which individuals get capital and what price they must pay for it — are too important to be left to a handful of bankers," announced Jim Hightower, agriculture commissioner of Texas and a spokesman for the campaign. Hightower produced a volu-

Photo by Sam Kittner



minous report showing that the concentration of ownership of savings and loans has resulted in the curtailment of small business loans in rural areas of Texas.

"The truth is that any banking system is dependent on public trust," Hightower

continued. "For good reason, we don't trust this one. Neither can we trust an industry restructuring that is designed by the same closed fraternity responsible for the crash of the old system, that concentrates control of our capital in fewer hands that are further removed from our communities, that asks taxpayers to bear all the risk, and that offers no public service or community involvement in return for our money."

Although national news media tend to regard the savings and loan crisis as a peculiarity of the oil-patch economy, which collapsed when oil and real estate values plummeted in 1984, the staggering size and scope of the industry bailout has sparked a genuinely populist response across the country. Depositors, taxpayers, and community leaders have articulated the first national political agenda in generations designed to hold the financial industry accountable to the public.

"The present S&L crisis threatens to undermine the confidence of the American people in our country's financial system and in the integrity of government," testified Arthur Cross, a member of the Arkansas chapter of the Association of Community Organizations for Reform Now (ACORN).

Cross offered a simple prescription for the S&L crisis. "A void quick-fix deals made behind closed doors," he demanded. "Take advantage of this opportunity to place savings institutions back on solid ground of service to their local communities."

DEEP IN THE HEART OF TEXAS

The savings and loan crisis in America is first and foremost a Texas crisis. At the San Antonio hearings, officials testified that up to half of all federal bailout monies will flow into Texas to deal with problem thrifts throughout the state.

Indeed, the beginnings of the S&L scandal can be traced to Texas. By 1982, when Congress deregulated the industry, wheeler-dealers at Texas thrifts were already profiting from a booming economy and state regulations that allowed them to invest up to 100 percent of their assets in speculative real estate deals. Other states and Congress looked to Texas as a model. The new federal policy, coupled with expanded insurance coverage on thrift deposits, did more than unleash corruption — it set up a system that actually encouraged high-flying investments while providing virtually no accountability. Deregulation was a green light for greed, and

Texas savings and loans plunged even further into reckless real estate deals, abandoning their historic commitment to providing loans to first-time homebuyers.

S&L executives in Texas created an intricate scheme of "land flips" — selling themselves the same properties over and over at progressively inflated prices. (See box, page 23.) As a result, their assets soared, from \$23.8 billion in 1979 to \$83.1 billion in 1986. To ensure that no one looked too closely at the shady deals, the industry made hefty political contributions to key congressmen and offered underpaid and overworked federal and state examiners high-paying jobs on the S&L payroll.

"Even though an S&L owner abused the system, made himself loans, pulled money out, acted in conflict of interest, the upcurve is like a steamroller," explains T. W. Weston, a Houston S&L consultant and developer. "Even if you stole a million off the top, no one would notice, because during the same time period, the property went up in value \$5 million."

"If you didn't do it, you weren't just stupid — you weren't behaving as a prudent businessman, which is the ground rule," Weston adds. "You owed it to your partners, to your stockholders, to maximize profits. Everybody else was doing it."

By 1984, however, falling oil prices had wrecked the Texas economy, leaving S&L officials stuck with hundreds of millions of dollars of commercial real estate loans that no one was going to pay. Hundreds of savings and loans found themselves swimming in red ink. Many were losing as much as \$15 million a day.

An investigation by Texas Congressman Jack Brooks found that 80 percent of the 210 S&L insolvencies from 1984 to June of 1987 involved serious misconduct by thrift officials.

But that's just the tip of the iceberg. Federal regulators released data to Brooks showing that fraud and insider abuse exist at an additional 313 "unhealthy" S&Ls still in business, and at another 295 healthy S&Ls. In other words, roughly one out of every four S&Ls suffers from fraud, management misconduct, or insider abuse.

The day before he was to appear at the San Antonio hearings, H. Joe Selby, a former federal regulator in Dallas, told the Senate Banking Committee that up to half the losses sustained by the thrift industry insurance fund in Texas and adjoining states may be the result of fraud.

"The combination of irresponsible

deregulation of banking practices, unprecedentedly high interest rates for home loans, extraordinary tax cuts for the super-rich, and miserly budget reductions for housing programs was part and parcel of the 'Voodoo Economics' we've been practicing throughout the '80s," Hightower testified. "Sure enough, just as we knew it would, the Voodoo has hit the fan."

A BITTER PILL

In the best tradition of Texas boosterism, Texans are having trouble facing up squarely to the world-class problems in their financial system.

"What they deny is a simple, old-fashioned problem," said Ned Eichler, visiting professor of business at Stanford and the University of California, who testified at the San Antonio hearings. "Texans seem to do everything bigger. This is the largest regulatory banking scandal in world history. Texans never imagined that oil prices wouldn't keep going up. They thought that God so loved Texans that he ordained that oil prices must keep going up at all times. Now, they won't even say that with all this real estate, what happened was a whole lotta shit got built that never should have been built. Now, it overhangs the market until somebody occupies it."

Experts agree that rosy projections — combined with unbridled speculation and a traditional Texas distaste for government regulation — were a big part of the problem. What resulted was a business culture in which fraud and collusion flourished and government deregulation essentially socialized losses and privatized profits for the politically well-connected.

Texas businessmen have traditionally abhorred critical thinking of any kind. Not just because they're anti-intellectual, but because any negative thoughts might interfere with the power of positive thinking and the creation of a positive public image. This mindless boosterism and uncritical acceptance of elite norms of behavior are the values Texas corporate culture enshrines as the ultimate moral, intellectual, and spiritual achievements.

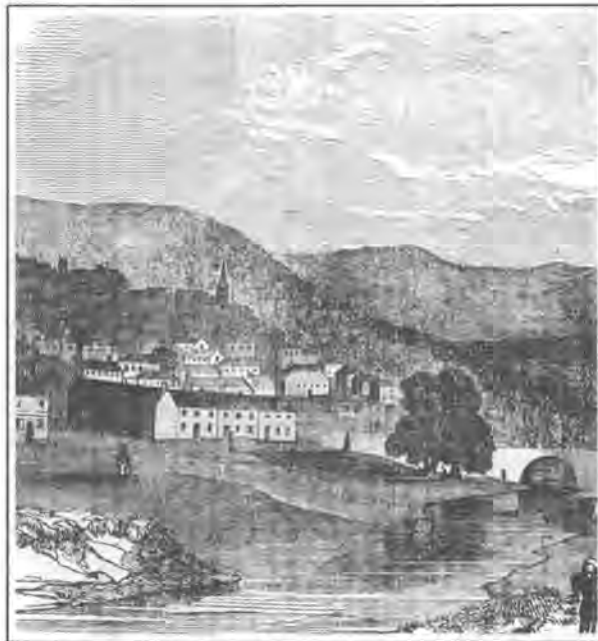
This denial of reality coupled with aggressive boosterism has a long and time-honored tradition in Texas — as exemplified in a 19th-century advertisement for "Texas Universal Pills." In the 1830s, the newly envisioned city of Houston, created

in a swamp, had image problems, and a reputation for unhealthy living conditions. Despite the fact that one-twelfth of the population died during the fever season of 1839, local newspapers downplayed news of the epidemic. In the ad for "Texas Universal Pills," the copywriter suggested that it was a Texan's patriotic duty to take the pills to thwart critics who claimed Texas was an unhealthy place to live. It also proclaimed that Texans were the healthiest Americans around — any evidence to the contrary notwithstanding.

Evidence of the early Texas proclivity for seeing the "blue sky" in any real estate transaction can also be seen in an 1836 ad for the new city of Houston. The ad, which ran in newspapers across the country, claimed that downtown Houston was

will be blessed by material wealth. In effect, one's spiritual condition can be judged by how expensive one's car or clothes may be — and those without expensive cars or clothes are spiritually bankrupt. This theology puts a premium on material status, and helps explain how some pious Christian gentlemen came to participate in the largest banking fraud scandal in world history.

"People from other parts of the country, who don't take themselves too seriously, and don't think themselves bastions of virtue, will nevertheless say that the craziest people in business, the people who will lie to you the most, who will get you into crazy situations, are Texans," laughs Eichler, the Stanford business professor. "It's standard humor anywhere else in the country."



THIS EARLY SKETCH OF HOUSTON, USED TO LURE SETTLERS TO THE CITY, TYPIFIES THE MISLEADING TEXAS BOOSTERISM THAT CONTINUES TO THIS DAY.

accessible by boat from New York and New Orleans — a patent falsehood.

An 1845 ad by the German Society of Texas sought to attract settlers to Houston with a similar ploy. The ad depicts a beautiful city nestled in the mountains along a winding river. A lovely vision, considering that Houston stands on a vast plain, without a mountain or river in sight.

Ned Eichler and other observers say that this long cultural tradition of misleading real estate speculation is reinforced by the Texas-style brand of fundamentalist Christianity. According to this view, those who find favor with the Lord

WIDE OPEN SPACES

One look at the extent of the S&L crisis in Texas confirms that it's no laughing matter, however. The Dallas FBI office testified before Congress that losses for financial institutions under criminal investigation in the Dallas area may total \$15 billion, and that fraud-related losses in Houston could easily match that figure. Unrecognized losses in Texas — those not even accounted for on the books — could reach an estimated \$40 billion.

Such staggering losses make it clear that the entire Texas financial system will be in the intensive care unit for years to come. Equally important, however, are the implications for the rest of the country. George Bush fancies himself a transplanted Texan, and the U.S. economy under his administration bears an uncanny resemblance to the Texas economy just prior to the S&L collapse of 1986 — with its

rosy scenarios denying widespread structural problems. As in the Texas of the early 1980s, the rest of the South and the nation are now borrowing money and building offices at a frenzied pace, running up huge debts in the process. The result, many observers say, will be the Texification of the American economy.

Just as Bush loves to dress up in custom-made cowboy boots and Stetson hats, his bailout plan is clothed in the Texan propensity to deny unpleasant realities and dismiss critics as "negative-minded" Yankees. Texas thrifts are stuck with huge, unpaid loans on empty office towers — yet

HOW TO ROB A BANK

Although the S&L mess sometimes seems too complicated to comprehend, Texas developers actually used some very simple schemes to line their own pockets. One of their favorite — and most profitable — was called a “land flip.”

Here’s how it worked: A developer would borrow money from an S&L and use the cash to buy a piece of property. Then he would borrow more money from another S&L and sell himself the land through a dummy corporation, jacking up the price of the property and pocketing the difference. Then he would repeat the

process — again, and again, and again — until the land was worth four or five times what he originally paid for it.

Profits soared. The developer got millions of dollars in loans, and the S&Ls he borrowed from got millions in interest payments and “transaction fees” for processing the loans. In many cases, the developer owned a major share of the S&L he borrowed from, so he could profit from both ends of the deal.

Eventually, the land flips caught up with the S&Ls and the big spenders. When real estate values plunged in Texas, landowners started defaulting on their loans. The S&Ls were stuck with a bunch of vacant property and a bunch of bad loans no

one was going to pay. Having eaten their fill, the thrifts simply ran out of money — leaving the federal agency that insures S&L deposits to pick up the tab.

The accompanying chart shows how one Dallas real estate investor — Louis G. Reese III — bought and sold a piece of pastureland in Fort Worth seven times in two years. By the time Reese was finished, debts on the land totalled \$64 million — five times more per acre than the starting price, and exactly four times more than federal appraisers say the land is worth. Since then, all four Texas thrifts that financed the deals have gone bankrupt, broken by \$1.1 billion in unpaid debts from real estate losses.

1. October 28, 1983.

Reese buys 2,145 acres of pastureland from First City Investments, a Vancouver thrift, which loans him \$17.25 million. Price per acre: \$8,041.51.

2. Same day. Reese sells property to Jerry E. Parsons, who shares offices with him in Dallas. Parsons borrows money from State Savings in Lubbock. By end of day, debts on property total \$24 million. Price per acre: \$11,188.19.

3. Three days later.

Parsons sells land to partnership called 2138 Joint Ventures. Members of partnership: himself and Reese. They borrow no new money, but use part of original loan as collateral to get a \$5.3 million loan from a Fort Worth bank.

4. March 14, 1984.

Parsons and Reese sell property to two developers, who borrow money from Sunbelt Savings in Dallas. A few hours later, the developers sell almost a fourth of the land. Debts on the property now total \$44.7 million. Price per acre: \$20,915.77.

5. Nov. 30, 1984.

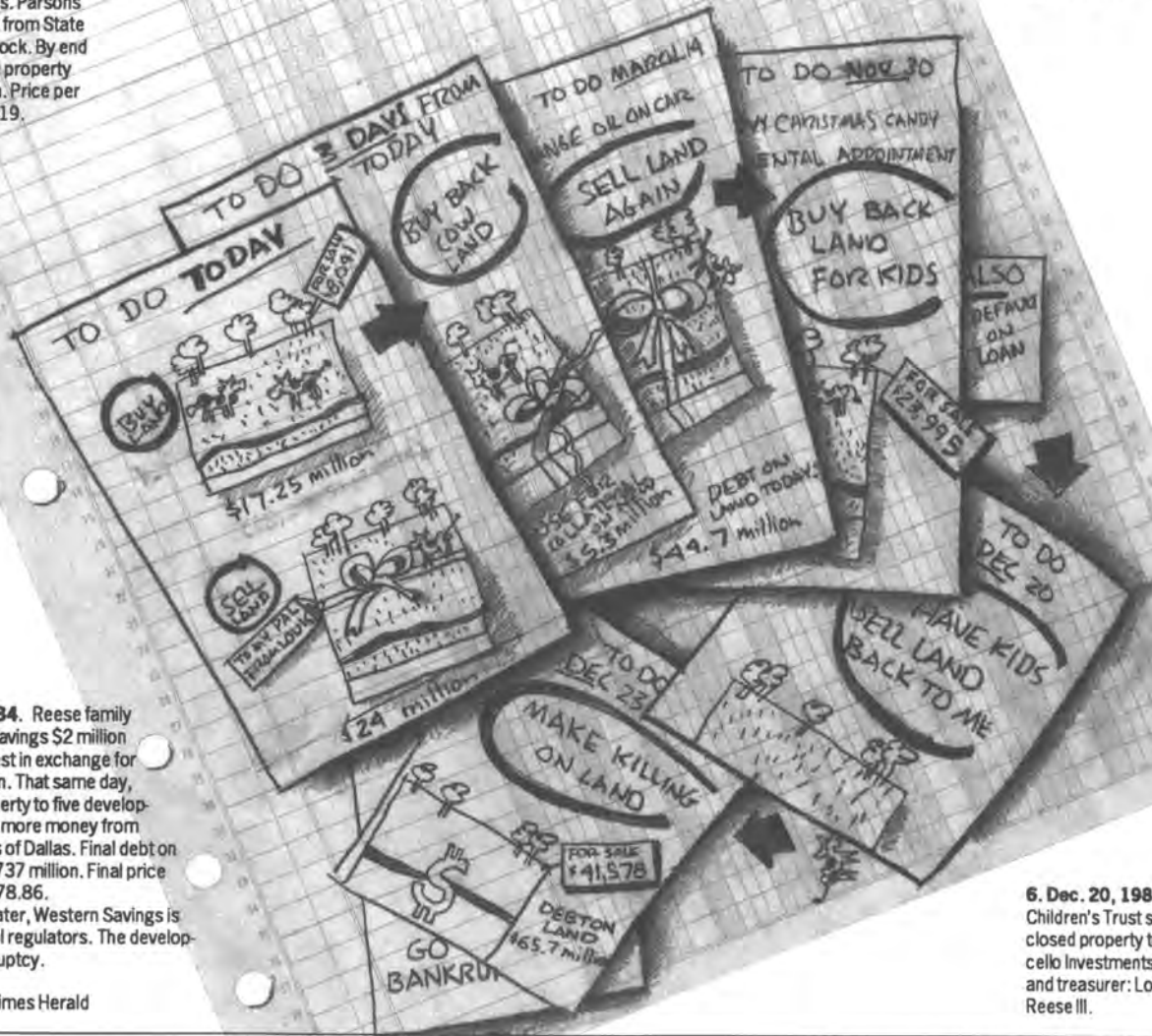
Developers sell what’s left of land back to Reese family, listed on deed as Reese Children’s Trust No. II. Stockton Savings in Addison lends money, but the Reeses default on their loan and Stockton forecloses on the property. Price per acre: \$23,995.34.

7. Dec. 23, 1984. Reese family pays Stockton Savings \$2 million in overdue interest in exchange for extension on loan. That same day, Reese sells property to five developers, who borrow more money from Western Savings of Dallas. Final debt on land totals \$65.737 million. Final price per acre: \$41,578.86.

Nine months later, Western Savings is closed by federal regulators. The developers file for bankruptcy.

6. Dec. 20, 1984. Reese Children’s Trust sells foreclosed property to Monticello Investments. President and treasurer: Louis G. Reese III.

Source: Dallas Times Herald



Bush and most Texas leaders advocate a policy which pretends that real estate values are much higher than they really are. This strategy makes the bottom line look better than it really is and allows insolvent S&Ls to continue operating. Devaluing

the loans to their real market value, Texas developers say, would wipe out almost all the banks and developers in Texas at once, causing a Wall Street crash and a world economic collapse.

Thus, because the Bush plan pursues a

strategy of bailouts and mergers rather than simply shutting down insolvent thrifts, Texas will be stuck with a huge amount of foreclosed property for at least a decade. The vacant space will discourage potential buyers, depress real estate prices, and prevent new lending, construction, and development.

Unfortunately, rosy scenarios aren't the only way the Bush economy mirrors the Texas disaster. Research shows that office vacancy rates across the country have tripled since 1980 — the same kind of real estate glut that fueled the S&L collapse in Texas. "Office vacancy rates are increasing," says Charles Clough, chief investment strategist at Merrill Lynch, "and the rising tide of real estate defaults which now show little geographic bias are daily news events."

Between March 1987 and March 1988, the number of new and existing homes for sale rose from 2.6 million to 3.2 million. By last year, prices for single-family homes had fallen in a third of the metropolitan areas surveyed. In most areas, the rise in home prices has not kept up with inflation. According to Comstock Partners, a New York-based investment research firm, the weakened real estate market has spread beyond the Texas oil patch to Florida, Arizona, Utah, Washington, and the Northeast.

"New regions of the United States now seem vulnerable to real estate overbuilding," agrees George Salem, a banking analyst with Prudential-Bache Securities. According to Salem, excess real estate could soon plague Georgia and Florida, and eventually spread to Massachusetts, Connecticut, New Jersey and Arizona.

Other observers echo the same warning about rising vacancies and falling real estate prices. "Since the average American family has almost twice as much wealth lodged in property than it does in the stockmarket, a decline in house prices could have a much more immediate psychological effect on the economy than did last October's stockmarket crash," the London *Economist* reported. "It would in due course feed through to the balance sheets of thrifts and banks. In Texas, it has already done so."

BIG DEBTS, NO GROWTH

Empty offices and tottering real estate values aren't the only thing pushing the U.S. economy to the edge of a Texas-sized abyss. Corporations across the country are doing their share, running up debts that would make Texas S&L executives proud.

SOMETHING TO CROW ABOUT

When hundreds of Texas savings and loans began to go under in 1987, federal regulators scurried to keep the system afloat. Acting without congressional approval, they committed billions of taxpayer dollars to encourage takeover artists and huge firms like Ford Motors to buy insolvent S&Ls. They offered buyers big tax breaks, indemnity against future law suits, and protection against everything from bad loans to hazardous waste damages.

The sweetened financial deals attracted Southern tycoons and real estate moguls eager to profit from the savings and loan mess. While dozens of failed Texas thrifts were snatched up by large banks or out-of-state investors, some of the biggest deals involved Texas billionaires like Trammel Crow.

Last September, Crow teamed up with Texas lumber giant Temple-Inland to buy three ailing Texas thrifts from the government. The partners put up only \$128 million of their own money — and walked away with \$3.2 billion in thrift assets and \$1.49 billion in federal aid.

Crow — often described as the world's largest landlord — controls a real-estate empire that owns or rents tens of billions of dollars worth of property, from rice farms and warehouses in Louisiana to shopping malls in Atlanta, hotels in Las Vegas, and a string of ongoing trade shows in Dallas, Boston, San Francisco, and Paris. Nor is he a novice in the business of profiting from the woes of the Texas economy: for years the Trammel Crow Company has managed real estate repossessed by FSLIC, the federal agency that insures S&L deposits.

While Crow is best known for his byzantine network of global business partnerships, he is also a valued member of "Team 100," an exclusive group of financiers put together by the Republican National Committee. For his part, Crow personally chipped in \$120,000 to the 1988 Bush campaign.

YABBA-DABBA-DOO

Another Southern member of "Team 100" who bought a troubled thrift at bargain-basement prices was Fort Worth investor Robert Bass, heir to an oil fortune and owner of *The Flintstones*. Reported to be the most bashful billionaire since Howard Hughes, Bass literally slipped down a back alley and snuck up a rear staircase to avoid attention when he met with federal regulators in Washington last spring to discuss buying an S&L.

Five months later, Bass was the proud owner of American Savings and Loan Association — the largest S&L in the country. Bass invested \$550 million in the California thrift and its 186 branches. In return, he got an S&L worth \$30 billion — plus an additional \$2.5 billion in cash and "promissory notes" from the federal government to clinch the deal.

In short, the feds gave Bass a dollar for every 1.7 cents he invested. But the deal didn't stop there. As soon as Bass got his hands on the S&L, he dumped its \$19 billion of bad loans into a subsidiary "bad bank" and kept its \$11 billion of valuable assets in a separate "good bank." That way, he can profit from the good assets and pass any losses on to taxpayers, who will be forced to pay for the debts through federal insurance on thrift deposits.

As if that weren't enough, federal officials who brokered the deal tried to give Bass permission to use \$1.5 billion in S&L deposits to finance corporate mergers and any other mega-deals that struck his fancy. California regulators later overruled the plan, fearing the consequences of allowing captive thrifts to be used to bankroll risky — and politically explosive — buyouts.

Since 1982, corporate debt nationwide has nearly doubled to \$1.8 trillion.

"Corporations, on average, must now commit 50 percent of their earnings to finance their debt, up from 33 percent in the 1970s and 16 percent in the 1950s and 60s," observes Vince Valvano, staff editor of *Dollars & Sense* magazine. Valvano cites a recent study by the Brookings Institution which predicts that, given current corporate debt levels, at least 10 percent of U.S. corporations would go bankrupt in a downturn comparable to the 1973-74 recession.

All these structural problems combine to create a situation that makes continued economic growth unlikely. Under George Bush, the federal government has been backed into a position similar to that of the bold Texas entrepreneurs who promoted fraudulent land flips and sky-high scenarios for endless growth. Yet even though falling real estate values and rising debt make growth iffy at best, Bush and a host of mainstream economists base their programs on a firm belief that the U.S. has seen its last big recession.

Without the endless growth projected by the Texas-style Ivy Leaguers in Washington, many observers say, the economy will be faced with a Texas-style disaster. "Despite Mr. Bush's ringing call for bipartisan cooperation, his maiden effort before the Congress repeated Mr. Reagan's major budgetary sin — assuming that economic growth alone will solve the structural dislocation," says H. Erich Heinemann, chief economist for Ladenburg, Thalmann, and Company.

Economist James K. Galbraith agrees. "There is no doubt whatever that the financial problems of U.S. banks and companies can be managed," he contends, "provided that growth continues. But it is reasonable to fear that a recession might put the situation out of control."

Thus, what underscores the Texification of the economy is an insistence on seeing blue skies in the middle of one of the worst financial storms in history. Much of the Bush bailout plan, for ex-

ample, will be conducted "off budget" — in other words, the huge costs of bailing out insolvent S&Ls won't show up in the federal budget.

"We owe all this money from the trade deficit, from the budget deficit, the savings and loan deficit, and the nuclear waste deficit, which is unbudgeted — on nobody's balance sheet," says Ned Eichler, the Stanford business professor. "Nobody will admit that they owe the money. Therefore, you can argue that we all get up every morning and we spend the first two or three hours at work paying off the old debts. We have to earn enough to get even before we can start earning something extra."

Eichler notes that every major U.S. depression was preceded by increased

type of historical situation, you have tremendous booms, and then a tremendous real estate collapse is possible."

In essence, Eichler concludes, the rest of the economy now appears to be gambling with speculative real estate deals and heavy debts — just as Texas did before the crash. "What is now going on in other parts of the country is that the accumulation of credit underpinning the economy — and real estate has played an enormous part in this — has become a virtual chain letter. Mere speculation. It collapsed first in Texas, and will collapse at some later date throughout the country."

LOCK 'EM UP

As the Texification of the economy continues, more and more citizens will come to share the skepticism of the activists who came to the congressional hearings in the Mercado of San Antonio.

As testimony droned on through the afternoon, expert after expert claimed that fraud and corruption in the savings and loan industry were not as bad as the general public perceived them to be. "We don't have a thrift problem or a banking problem," insisted George Barclay, president of the Federal Home Loan Bank Board in Dallas. "We have a real estate problem."

But Antonio R. Esparza, 70, a retired Kelly Air Force Base worker who was standing in the back of the meeting hall, didn't buy the excuses. He wanted to

see white collar criminals locked up.

"What they ought to do is put a few of them in jail to wake up the rest of them," Esparza said.

The growing outrage of depositors like Esparza makes it clear that the San Antonio hearings were only the opening skirmish in what promises to be a long, drawn-out battle for control of the country's financial institutions. Esparza and others insist that only the continued confidence of depositors and taxpayers can prevent disaster. Bringing criminals to justice, they say, is a small price to pay for that trust and confidence. □

Curtis J. Lang is a freelance writer in Austin, Texas.

Photo by Marianne Thomas/San Antonio Light



JIM HIGHTOWER, TEXAS AGRICULTURE COMMISSIONER AND SPOKESMAN FOR THE FINANCIAL DEMOCRACY CAMPAIGN, TESTIFIED THAT "THE WORKINGS OF THE COUNTRY'S FINANCIAL SYSTEM ARE TOO IMPORTANT TO BE LEFT TO A HANDFUL OF BANKERS."

borrowing and a rise in the number of bank failures. "When the depression came, it was arguably not caused by this borrowing, but the borrowing greatly exacerbated the depression," he says. "In 1926, for instance, the Florida real estate boom of the 1920s burst, long before the depression. Arguably, that was the equivalent of Texas in 1986."

Eichler believes that the country simply has too many banks and savings and loans. "Canada has 38 banks," he says. "We have 14,000. Banks get chartered every 40 minutes in America." Bank owners shop around, he adds, until they find the most lenient regulator. "You play regulators against each other. So with this

Redlining Black Faces

By Bob Hall

Who sits on the boards of S&Ls? Who gets the good jobs? Who gets home loans? The answer is all here in black and white.

Regina Robbins asked the caller to hold on while she got to another phone. She wanted to answer his question outside earshot of her co-workers.

"No, there are no blacks on the board of directors of this savings and loan," she began in a soft voice. "I'm the only black person who works here, and they have me right out front. There's a black man who is a loan officer at one of the branches — but that's all of us.

"You know what's so disturbing to me," she volunteered. "Most of the customers I see come through here are black. That's right. Mostly older people, black people. I'm not sure about who gets the loans, but they're the ones who come in to make deposits. They're the ones standing in line to do business at the tellers' windows."

As the only black secretary to an S&L president in one of the South's largest metropolitan areas, Regina asked us to change her name and not to reveal where she works. Her comments — and her isolation — go to the heart of the widespread discrimination that exists in the employment and lending practices of the savings and loan industry.

Information gathered from the Equal Employment Opportunities Commission, Federal Home Loan Bank Board, and our own phone calls reveals that race and sex — not income or ability — generally determine who makes policy

decisions at S&Ls, who takes the good jobs, and who gets loans. The data also reveals that redlining — the practice of denying loans to black and low-income communities — continues unabated, and may have grown worse in recent years.

Consider these highlights:

▼ In Arkansas, Alabama, Kentucky, North Carolina, Tennessee, Mississippi, and West Virginia, there are no blacks on the boards of the top 10 S&Ls ranked by

assets as of September 30, 1987. In most cases, these thrifts hold a majority of the loans made by all S&Ls in the state. The boards in Georgia, Louisiana, South Carolina, and Texas have only one black and no other minority members. In Tennessee and South Carolina, there are no women of any race on the policy-making boards.

▼ Most top salaried posts at S&Ls nationwide are also reserved for white

men. Fifty-five percent of all white men are concentrated in managerial and professional jobs, while 63 percent of black, Hispanic, and Asian men are blue collar, service, or clerical workers. Minority men nationwide hold fewer than one in 10 white-collar jobs (not including secretaries). In the South, the figure drops to one in 12.

Nationally, women make up a majority of the industry's workforce — 69 percent — but two out of three are confined to clerical jobs. In the South, seven in 10 women fill clerical roles.

▼ Blacks are rejected more than twice as often as whites when they apply for

WHO SITS ON THE BOARDS?

Boards of directors of 10 largest S&Ls by race and gender.

	# Black	# Hispanic	# Women	Total Members
Alabama	0	1	2	90
Arkansas	0	0	3	87
Florida	1	2	7	94
Georgia	1	0	3	96
Kentucky	0	0	4	105
Louisiana	1	0	4	108
Mississippi	0	0	5	83
N. Carolina	0	0	3	105
S. Carolina	1	0	0	114
Tennessee	0	0	0	94
Texas	1	0	1	76
Virginia	4	0	6	124
W. Virginia	0	0	4	94
Total	9	3	42	1,270

Source: Institute for Southern Studies

home loans from S&Ls — regardless of their income. The nationwide rejection rate for loan applicants of all incomes is 11.1 percent for whites, 12.2 percent for Asian-Americans, 16.5 percent for native Americans, 18.2 percent for Hispanics, and 23.7 percent for blacks.

In 85 of the 100 largest metropolitan areas, high-income blacks were rejected more often than low-income whites in at least one year between 1983 and 1988. The city's size, population mix, and racial-income differences had little effect on the size of the gap between black and white rejection rates.

Women and single applicants were also denied loans more often than men and married couples. Women were rejected 13 percent more often than loan requests with at least one male applicant, and single applicants were denied loans 20 percent more frequently than married applicants.

GOOD OL' BOYS

S&L officials are reluctant to see racial overtones in any of these statistical patterns, much less tie them together as evidence of the institutional racism that pervades the industry. Earlier this year, the *Atlanta Constitution's* embarrassing coverage of the racial disparities in home loans left industry leaders scratching their heads.

"Perhaps we need to have our research department do a little research on that and see if we can't come up with some reason," said Barney R. Beeksmas, chairman of the U.S. League of Savings Institutions, the industry's largest trade association.

"As for people being discriminated against because they're black or minority, I've never heard of that," he added. "Many of those applications from blacks may be coming out of very depressed neighborhoods. On the other hand, most people who can't qualify don't even apply or they're weeded out by a realtor because they don't have the income."

"I admit I probably don't have a good answer for [the disparity]," Beeksmas concluded.

Others are less stupefied. "The lily-

white make up of the boards of directors goes a long way toward explaining the racial disparity in employment and loan practices," said Meredith Emmett, executive director of the Institute for Southern Studies, which studied the racial composition of S&L boards across the region. "The same good-ol'-boy network that excludes blacks, Hispanics, and women from their policy-making circles also ignores outreach programs that would attract minority home buyers."

Pat Funderbunk, a board member of the Southeast Raleigh Community De-

Errol Gabay, a loan officer at the credit union.

Down the street at First Federal Savings and Loan of Durham, president James H. Sparger said his S&L has never considered naming a black to its board during his 12-year tenure. But, he quickly added, "We do not redline. We go anywhere there are qualified borrowers in our lending territory."

First Federal is a subsidiary of Firstcorp Inc., the largest S&L complex in the Raleigh-Durham area. According to federal records, blacks are denied home mortgages from area S&Ls 3.7 times more often than whites.

WHO GETS HOME LOANS?

The region's largest metro areas ranked by ratio of black-to-white loan rejection rates.

Rank	Metropolitan Area	% Black Rejection Rate	% White Rejection Rate	Black/White Rejection Ratio
1.	Roanoke, Va.	25.2	6.0	4.20:1
2.	Melbourne-Titusville-Palm Bay, Fla.	27.7	6.9	4.01:1
3.	Savannah, Ga.	38.5	9.6	4.01:1
4.	Lynchburg, Va.	29.4	7.5	3.92:1
5.	Clarkville, Tenn.-Hopkinsville, Ky.	21.5	5.6	3.84:1
6.	Augusta, Ga./S.C.	17.5	4.7	3.72:1
7.	Raleigh-Durham, N.C.	14.4	3.9	3.69:1
8.	Albany, Ga.	39.9	10.9	3.66:1
9.	Shreveport, La.	21.3	6.0	3.55:1
10.	Columbus, Ga./Ala.	31.2	8.8	3.55:1
11.	Norfolk-Va. Beach-Newsport News, Va.	26.5	7.7	3.44:1
12.	Macon-Warner Robins, Ga.	21.2	6.2	3.42:1
13.	Huntsville, Ala.	25.3	7.4	3.42:1
14.	Tallahassee, Fla.	18.0	5.3	3.40:1
15.	Greensboro-Winston-Salem-High Pt., N.C.	16.1	4.9	3.29:1

Source: Atlanta Journal and Constitution

THE BOTTOM LINE

News reports about racial disparities in lending and board makeup are only the latest skirmish in a long battle. For years, industry officials have simply denied that discrimination exists. Echoing the party line, Thad Woodard, president of the North Carolina League of Saving Institutions, recently asserted, "Our people are responsive to the needs of minorities. They are bottom-line oriented, and the bottom line is color blind."

Critics, however, have focused less on the personal biases or morality of individual lenders than on monitoring the actual lending and employment practices and the need for affirmative action reme-

diation to correct the inherent limitations of any good-ol'-boy system.

Studies also disprove the industry's claim that blacks represent a greater credit risk than whites. The Self-Help Credit Union, based in North Carolina, has documented that home loans made to minority applicants are just as profitable as those made to whites. Its integrated staff and board have put programs in place to identify and serve low-income potential homeowners.

"We're picking up business these other guys just don't see is out there," said

dies to correct the inherent limitations of any good-ol'-boy system.

In 1976, 10 civil rights and housing groups sued the entire bank regulatory system for failing to enforce anti-discrimination provisions in the 1968 Fair Housing Act and the 1974 Equal Credit Opportunity Act. As part of the suit's settlement, three agencies began collecting data on all loan applications, but within a few years two of the agencies stopped. Only the Federal Home Loan Bank Board (FHLBB), which is responsible for regulating thrifts, continued collecting the data — but it has never analyzed the results.

Bill Dedman of the *Atlanta Constitution* obtained FHLBB data covering over

10 million loan applications and \$1 trillion in home loan requests to the nation's S&Ls from 1983 to mid-1988. According to Dedman, "The loan records suggest that redlining — refusing to lend in an area because of race — has persisted and may have grown worse in the 1980s as federal regulators decreased enforcement of fair-lending laws."

As evidence, he points to a 1974 federal study which found a black-white gap in loan rejection rates only half what it is now in 13 of the 17 cities surveyed. The gap has gotten worse over the past 15 years in such cities as Atlanta, Baltimore, Chicago, Jackson, Memphis, Tampa-St. Petersburg, Topeka, and Washington.

The black-white disparity in rejection rates for the 1980s was widest in the Plains (30.9 percent black vs. 12.6 percent white) and the Midwest (29.6 percent vs. 12.2 percent), even though blacks in the two regions have the nation's high-

est incomes relative to whites. The gap was slightly narrower in the South (24.1 percent vs. 10.2 percent), where blacks have the lowest income relative to whites. It was smallest in the West (25.1 percent vs. 14.4 percent) and the Northeast (13.4 percent vs. 9.1 percent).

Even the industry admits that federal regulators have never used such data to enforce fair lending laws. "To my knowledge, the Equal Credit Opportunity Act statistics have never been anything more than a collection of data," said U.S. League chairman Beeksmas. "I've never heard of an examiner coming in and saying, 'You're rejecting more blacks than whites. You're doing this wrong.'"

"A BAD TIME"

In fact, bank regulators have not referred a single case of credit discrimination to the Justice Department for prose-

cution since 1978. Under the Reagan administration, the Department of Housing and Urban Development quit collecting loan data vital to monitoring redlining. The hours that bank regulators devoted to consumer regulations dropped 74 percent from 1981 to 1984. And the Office of the Comptroller of the Currency now examines the lending practices of no more than 50 of the nation's 4,500 banks each year, meaning a bank could go 128 years without such an exam.

For federal S&L regulators, the recent flood of bankruptcies has provided something of an alibi for not enforcing anti-discrimination laws. "I regret to report that, as a result of this situation, we did not allocate sufficient resources to the enforcement of . . . consumer-related issues," FHLBB Chairman M. Danny Wall told a Senate committee last March.

"It's been a bad time," pleaded Richard Tucker, director of the FHLBB's Office of Community Investment, almost a year later. "The question is now, what are we going to do with this data while we struggle with our other responsibilities for safety and soundness?"

Putting a priority on restoring the industry's solvency while ignoring its widespread discrimination continues to give S&Ls and government regulators an out. Citizens groups concerned about redlining have taken a more direct and uncompromising approach.

"There can be no bailout of the S&Ls without an end to redlining, and a commitment to greenlining — to investing in those people and areas that have been discriminated against in the past," Jesse Jackson said at a March 2 press conference to kick off the Financial Democracy Campaign, a broad national coalition of nearly 200 groups that is making the connection between the S&L bailout and the housing crisis.

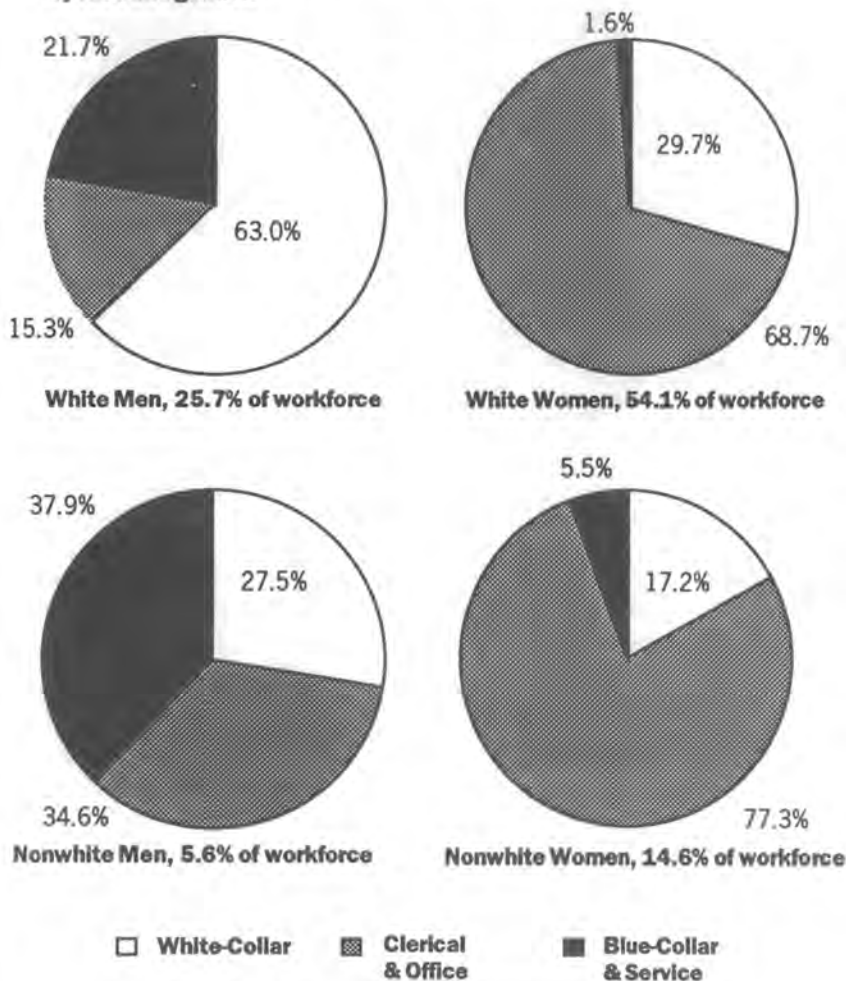
"Even as the buccaneer bankers were gambling millions of dollars on fly-by-night ventures, they were systematically denying loans to African Americans and Hispanic Americans of solid reputation and stable income seeking mortgages for their homes or loans for their small business," Jackson said. "This redlining of cities and barrios ensures the development of a slum."

"The crisis must be addressed," he concluded. "The question is how to address it fairly. We say the remedy should fit the cause." □

Bob Hall is research director of the Institute for Southern Studies.

WHO GETS THE GOOD JOBS?

Types of jobs held by employees in the South's S&L industry, by race and gender.



Source: Equal Employment Opportunity Commission data for 1987

EMPTY CONDOS AND HOMELESS PEOPLE

Ironically, as civil rights and community activists have struggled to end redlining, the savings and loan industry has moved away from home loans altogether. In 1970, S&Ls held 46 percent of all mortgages on one- to four-family housing units in the U.S. By 1987, after a half-dozen years of deregulation, the industry held only 28 percent of outstanding home mortgages. Put another way, such housing loans made up only 39 percent of all S&L investments in 1988, down from 65 percent in 1981.

Significantly, the housing business that S&Ls abandoned most quickly is the one that serves first-time homebuyers — the very customers that thrifts were created to serve. Faced with the rising cost of gaining new depositors and the drag of fixed-rate mortgages, the industry turned its attention to high-risk, high-profit commercial real estate projects and the top-end of the housing and condominium market.

Kent Colton, executive vice president of the National Association of Home Builders, estimates that two-thirds of the new houses now being built are for up-scale investors who are "buying up." Production of starter

homes has been sliced nearly in half this decade.

"The housing crisis is a perfect mirror of the twisted values that have dominated the Reagan era in the 1980s — abundance, even fabulous extravagance at the top, while shortages and desperation accumulate down below," writes journalist William Greider. Greider traces both the housing and S&L crisis to the rapid rise of interest rates engineered by the Federal Reserve System, the subject of his best seller, *Secrets of the Temple*. According to Greider, high interest rates smothered inflation and rewarded wealthy paper-shuffling investors, but also triggered the 1981-82 recession and the longer-lasting downturn of real wages.

Since 1981, the proportion of people who could afford to buy a home — the heart of the American Dream — has been shrinking. For the first time since the Great Depression, homeownership is declining, especially among the young. It's dropping for all age groups younger than 55. With more Americans forced to rent, the supply of affordable rental housing is drying up for moderate- and low-income families. The cost

of renting a home has soared in the 1980s — and so has the number of families living below the poverty line.

The end result, according to a 1988 study by the Joint Center for Housing Studies at Harvard University, is that "rents are increasing fastest at the low end of the market," and many families are "paying 30, 40, or even 50 percent of their income for rents, if they can secure housing at all." Meanwhile, the federal government has slashed housing programs for the poor, and the ranks of the homeless have swelled to an estimated two to three million.

The Harvard study alludes to one more cruel twist in the paradox of poverty and plenty that symbolizes the Reagan era. Vacancies in rental properties have actually increased by 1.1 million units since 1981 — but 90 percent of the empty units are at the top end of the rental market. They were not built for the poor, or even for middle America. They are the condominiums, luxury townhouses, and beachfront cottages financed by your neighborhood savings and loan.

—B.H.



H.I.I.I. v. Board



Photo by AP/Wide World Photos

of Education

By Mike Hudson

Thirty-five years after the Supreme Court outlawed school segregation, Oliver Hill is still fighting for civil rights.

RICHMOND, VA. — Oliver Hill had heard enough. T. Justin Moore, the attorney for the Prince Edward County School Board, had been hammering away at Hill's witnesses in a civil rights lawsuit over school segregation in Southside Virginia. After a New York psychologist testified that segregation was harming black students, Moore asked the witness whether he was "100 percent Jewish." Then Moore asked another psychologist whether he was aware that the goal of the NAACP was to stir up trouble to call attention to racial segregation.

"Just a moment," Hill objected angrily. He challenged Moore to name a single place where the NAACP had pursued such a policy. "We unquestionably are trying to break up segregation, and everybody will admit that," Hill said. "But if he is going to ask the question, let him ask it fairly."

Moore responded that Hill himself had been quoted in Richmond newspapers after a case involving the segregated Mosque theater "as urging the people in Richmond to create these situations."

"I dispute that," Hill said. "And I dispute the fact that even the press reported any such thing. I did say — and I say it now — that I urged people to exert themselves to carry on their rights. Whatever their rights were, under the law, they should press for them. And going to the Mosque, being segregated, is a denial of their rights, and they ought to go there and not be segregated, and refuse to be segregated. And I say it now."

Hill and his colleagues from the NAACP lost their trial against the Prince Edward County School Board that day in

MORE THAN 1,700 BLACK CHILDREN SAT IDLE FOR TWO YEARS WHEN VIRGINIA OFFICIALS CLOSED PRINCE EDWARD COUNTY SCHOOLS IN THE EARLY 1960s TO PREVENT INTEGRATION.

1952, but they appealed the case to the U.S. Supreme Court. Two years later, it became part of the landmark *Brown v. Board of Education* decision outlawing school segregation — a decision that wiped away legal justifications for state-sponsored racism that had been developed over more than half a century.

By the time the high court made its historic ruling in 1954, few lawyers had logged more time fighting segregation in the South than Hill, his law partner Spottswood W. Robinson, and his law school classmate Thurgood Marshall. Today, 35 years later, Robinson is a senior federal appeals judge. Marshall is a U.S. Supreme Court justice. Hill, 82, still practices law in Richmond.

SOUTHERN APARTHEID

For more than half a century, Oliver Hill has been unyielding — and sometimes fiery — in his pursuit of a moderate path to change. Some have called him a troublemaker, but he says he's never been a rabble rouser. "Standing on a corner whooping and hollering never impressed me," he once said.

Hill says he went to law school for one purpose only — to prepare himself for a legal challenge to the Southern version of apartheid. He hasn't tried to tear down the system, preferring to work from within to change it, through the courtroom and the ballot box.

Over the years, Hill's moderate approach has brought him alternately in and out of favor with Virginia's white power structure. In 1948 he became the first black this century to be elected to the Richmond city council — but then the 1954 school desegregation decision killed his chances at elective office for several years. Later, as assistant to the federal housing commissioner under the

Kennedy administration, Hill denounced the Virginia political machine for closing schools rather than allowing blacks and whites to mix, publicly comparing state officials to the Nazis. Yet by 1969 the *Richmond Times-Dispatch*, one of the region's most reactionary newspapers, was praising Hill for his moderation in opposing black separatism and what the paper called "racial extremism."

These days, Hill's hometown is a study in contrasts. Richmond has swelled with a population and construction boom. But black poverty and black-on-black crime are rife, making the state capital a murder capital where the newspapers are filled with stories of drug dealers and teenage hit men. Hill doesn't claim to know what the explanation is, but he does point out that political opposition to true racial equality makes the process of change a two-steps forward, one-step back proposition. "There's progress," he said, "but then something comes along."

BACK OF THE BUS

Oliver W. Hill was born in Richmond in 1907 but grew up across the state in Roanoke, a railroad town in the Blue Ridge Mountains. One of his first memories of racism was when, at about age 9, he was chased by white men who said they were going to cut off his testicles. He couldn't tell whether they were joking or not, but the threat terrorized him.

Later, when Hill started playing basketball in the seventh grade, he had to get up at four or five in the morning to move chairs at the old city auditorium so his team could practice. He and his teammates would work out, shower at home, and then head for school. The gym at the white high school was off-limits to them.

When he reached high-school age, Hill had to move to the District of Columbia because there was no black high school in Roanoke. By 1930 he had made his way to Howard Law School, where he came under the sway of Charles Houston, the school's tough-minded dean. Houston taught his students that any lawyer who was not a "social engineer" fighting for people's rights was a social parasite. Hill graduated second in his class in 1933, just behind Thurgood Marshall.

From there Hill returned to Roanoke, set up practice, and began working as the point man in the NAACP campaign to force local and state officials in Virginia to provide equal pay for black teachers. At the time, NAACP lawyers were hand-

cuffed by the 1896 Supreme Court *Plessy v. Ferguson* decision upholding the legality of "separate-but-equal" schools. Unable to attack segregation head-on, Hill and other civil rights lawyers were forced to wage a slow, frustrating battle, pressuring officials to upgrade black schools so they were equal to those for whites.

Hill moved to Richmond after a few years in Roanoke, where it was nearly impossible to make a living as a black lawyer. From the 1930s into the 1950s, he traversed the state fighting for black rights. He packed sandwiches because few restaurants would serve him and stayed with friends because most of the hotels that offered rooms to blacks were third-rate. He usually drove to avoid segregated buses and trains. He and his law partners looked for Esso stations, because an Esso official nicknamed "Billboard Jackson" had made an effort to desegregate restrooms at company filling stations.

Once in the 1940s, Hill got on a bus near Charlottesville and took a seat near the front because it had more legroom. He was the only passenger, but the driver told him: "Get back to the back seat."

"Get back on the back seat for what?" Hill said.

"Because I told you to," the driver growled. "You want me to come back and put you on the back seat?"

"That's what I'm waiting for," said Hill, a sturdy 6-foot-1.

The driver said he was going to stop and find a sheriff. Hill told him: "You're the driver and you can do what you want."

They continued to exchange words until the bus arrived in Richmond and Hill got off.

JIM CROW SCHOOLS

In Sussex, a poor county in southern Tidewater, Hill took up the case of children who lived 40 miles from the nearest black school. The county did not provide them any transportation. He flagged down a white bus driver and asked him if he could drive them to the black school. The driver said, "Hell no." So Hill loaded the kids into a truck and drove them to the nearby white school. He told the principal he wanted to enroll them.

"I remember the eyes on that guy," Hill told author Richard Kluger, who recounts the tale in his book *Simple Justice*.

"He ran for the phone and got the district superintendent, who told him, 'Don't go lettin' any niggers in there.'"

An early, major victory came in 1940 in a case involving a black teacher in Norfolk. Melvin Alston was earning a salary of \$921. White teachers with the same experience were making \$1,200. "Before the case was heard in Norfolk," Hill remembered, "my mother came to Richmond and introduced me to her friends as her son, the practicing attorney. I told one of her friends I was going to Norfolk and told her why and she said, 'Lord, child, don't do that. They'll run you out of here in three or four months.'" That didn't happen. Instead, a federal appeals court ruled that the salary difference was unconstitutional.

By the late 1940s, the NAACP's legal campaign gained steam with a slew of

"he kept saying to us, 'I will not do it! I will not do it!' I thought he'd bust a blood vessel."

In 1950 Thurgood Marshall, by then the head of the NAACP's national legal drive, decided it was time to put an end to the successful but plodding equalization strategy. Hill, Marshall, and others involved in the battle felt that the piecemeal approach was simply not producing enough results. It was time to challenge the constitutionality of the separate-but-equal doctrine itself.

"After a while we found that all we were doing was getting just a little bit better Jim Crow schools," Hill remembered. "A little newer, but they weren't better."

NAACP officials were worried that rural blacks might not be willing to go along with the more aggressive strategy, but their concerns proved unfounded.

When the group held a meeting at a church in Dinwiddie County to explain the new strategy, more than 400 local citizens showed up.

"There was this old man in the back wearing overalls and he gets up after hearing us out — he looked like he didn't know beans from Adam — and he says, 'Mr. Hill, I've heard you, and all I want to say is that we've known all along that you couldn't do it this way, a piece at a time, and we've just been waiting for leaders to tell us we had to go all the way.'"

The white response to the new plan was somewhat less enthusiastic. In Cumberland County, one school board member said: "The first little black son of a bitch that comes down the road to set foot in that school, I'll take my shotgun and blow his brains out."

"EDUCATION ROBBERS"

Prince Edward County was not the NAACP's first choice for a challenge to the separate-but-equal doctrine in Virginia. Leaders felt a city like Richmond or Norfolk — where racial views were slightly more moderate than in the red-clay country of Southside Virginia — would have been better. But when black students at Moton High went on strike, refusing to attend their cramped, inadequate school, they showed so much determination that Hill and Spottswood Robinson agreed to take their case. "We just didn't have the heart to tell 'em to break it up," Hill said.

The NAACP took the county school

Photo by Herbert Edwards/Style Weekly



"I THINK REAGAN WAS A SEGREGATIONIST AT HEART," SAYS HILL, 82. "HE PROMISED TO SLOW DOWN THE PROGRESS OF BLACKS, AND HE DID."

wins in federal court. Despite the victories, getting court orders enforced was difficult. Gloucester County school officials responded to an order to equalize schools by putting a brick facade on the pre-Civil War building used for blacks. The NAACP went back into court, and a federal judge fined school board members \$1,000 each. When Pulaski County school officials showed similar intransigence, the NAACP said fines were not enough — the group demanded that the schools be integrated.

"That ole judge," Hill remembered,

board to federal court in Richmond. The case was titled *Davis v. County School Board of Prince Edward County*, because first on the list of plaintiffs was Dorothy E. Davis, a 14-year-old freshman.

When the trial began on February 25, 1952, school board attorney Justin Moore set the tone with his racial slurs and tough cross-examination, asking one black psychologist why "the Negro" wanted to be a "sun-tanned white man." After a parade of witnesses for both sides and a closing argument by Virginia Attorney General Lindsay Almond, Hill had the last word. He lashed out at those who said "separate-but-equal" schools would help blacks develop talents unique to their race.

"That is foremost in the minds of these people who want segregated schools: Let a Negro develop along certain lines." Hill concluded. "Athletics — that is all right.

Music — fine, all Negroes are supposed to be able to sing. Rhythm — all Negroes are supposed to be able to dance. But... we want to have an opportunity to develop our talents, whatever they may be, in whatever fields of endeavor there are existing in this country.... I submit that in this segregated school system, you don't have that opportunity."

The three-judge panel that heard the case disagreed. It ruled that school segregation rested not upon racism but upon the social conventions of Virginia.

"We have found no hurt or harm to either race," the judges said.

The NAACP appealed, and the case joined similar lawsuits from Kansas, South Carolina, and Delaware before the U.S. Supreme Court under the title *Brown v. Board of Education*. On May 17, 1954, the court outlawed school segregation entirely. Separate schools, the justices ruled, were "inherently unequal" because separating black children from white children generated a feeling of inferiority "that may affect their hearts and minds in a way unlikely to be undone."

Since his term on city council in the late 1940s, Hill had been harassed by threatening phone callers and letter writers. It got to the point where he automatically took the phone off the hook every night just before he went to bed. After the *Brown* decision, however, the abuse escalated. Someone burned a cross in his yard,

and, once while he was away overnight, police officers, firemen, and an undertaker were sent to his home to tell his wife he was dead.

The white power structure in Virginia also turned its back on Hill. When he had run for the state house in 1947 (a close loss) and for City Council in 1948 (a win) and in 1950 (a 44-vote loss to a white candidate), Hill had always made it a point to talk to every civic club he could, black and white. The response at white groups was usually polite, even though they had never seen a black politician before. The master of ceremonies would say: "We've got a Negro candidate here. We ought to listen to him just like the others." When Hill made a second try for the state house after the *Brown* decision, however, white civic groups let him know he wasn't welcome at their meetings.

The official response to the *Brown* decision in Virginia was first to stall, then to defy. The political machine of Senator Harry Byrd Sr. responded with "massive resistance" — closing facilities in many parts of the state rather than allowing white and black children to attend school together.

In the spring of 1961, only 10 days after being named an assistant to the federal housing commissioner, Hill returned to Prince Edward County. He stood on the lawn of Farmville's white-columned courthouse and told a rally of more than 1,000

people that the officials who had closed Prince Edward's schools were "education robbers" guilty of "crimes against humanity" much like those inflicted on the Jews by Adolf Hitler. Hill said the only difference between the school closings and Nazi crimes was in degree, the difference between a swindler who preys on widows and orphans and a highwayman who assaults and robs his victims.

REAGAN AND YUPPIES

In recent years, Hill has handled few civil rights cases, leaving that to younger men like his law partner Henry Marsh, a city councilman. The emotional element of such cases is too much for him to handle these days, Hill said. "You don't feel like getting yourself riled up."

He has stepped back into the battle from time to time, though. In 1980, at age 73, he

showed up at a congressional hearing to support the proposed appointment of the first black federal judge in Virginia. Senator Harry Byrd Jr. — the son of the man who led the state's "massive resistance" to integrated schools — opposed the appointment.

Hill's voice cracked with emotion as he talked about Virginia's history of racism. "We have distinguished members of the bench all over the country, but not in Virginia," he said. "In my generation, everybody who was really ambitious politically left Virginia."

These days, Hill says, he's worried by a disturbing trend: "You've got so many yuppies now, they're just as bad as people 35, 40 years ago," he said. Young whites have been attracted by Ronald Reagan's "reverse-discrimination baloney," Hill said. "I think Reagan was a segregationist at heart. The only thing Reagan was successful at — he promised to slow down the progress of blacks, and he did."

During the Reagan years, Hill's law firm has kept up the battle. His partner, Marsh, was on the losing side in the U.S. Supreme Court decision last January that struck down a Richmond program setting aside some municipal construction business for minorities. In Richmond, a city whose population is more than half black, only one percent of city construction business went to minorities before the set-aside program began.

"There's no way on God's green earth that blacks will be able to show that people have individually discriminated against them before someone can be expected to take any action," Hill said. He sees hope, though, in the success of Jesse Jackson's "Rainbow Coalition" and in Douglas Wilder's 1985 election as lieutenant governor of Virginia. Wilder, the first black elected to statewide political office in the South since Reconstruction, used a grass-roots strategy that was reminiscent of the way Hill reached out to black and white civic clubs when he was running for city council.

These days, Hill said, it's not just lawyers who must be "social engineers" — the ideal he learned at Howard Law School. It's everyone's responsibility, black and white.

"The white majority has got to recognize that it's to their interest — rather than just blacks' interest — to bring about this cultural change," Hill said. "My favorite term is: We got to realize that we're all human earthlings." □

Mike Hudson is a reporter for the Roanoke Times and World-News.

When white leaders shut down black schools for two years, Hill accused them of "crimes against humanity."

SONIC

By Clyde Edgerton

FICTION

"Most I ever hurt was when I was ten and they went up my pisser. Man, you talk about hurt. They had something that looked like a fountain pen on the end of this long tube-like thing that was hooked to a machine," says Wesley. He is talking to his roommate, Ben. "Then what they do is touch that thing to the tip of your pisser, and it's ice cold, and then they stick it in and start it up the passageway which you know ain't exactly the Holland Tunnel."

Ben crosses his legs — tight, like a woman in a dress — takes his toothpick out of his mouth.

Ben is black, Wesley is white. Wesley is sitting on his bed, his back against a pillow which is against the headboard, and Ben sits by the window in a cane-bottomed chair, now leaning back, watching this white boy talk. This white boy talks a lot, thinks Ben. But at least he don't look at you funny, snoop around. He leaves your stuff alone, it seem like.

"I tell you, man," said Wesley, "it hurt like a lighted match, one of them wood kind, was stuck up there. That's how bad it hurt."

Ben covers his crotch with his hand. "Damn." He looks out across the empty lot beside the halfway house where they stay. "Shit, man."

"And you know what? Listen to this. You know what they give me for pain?"

MS of Men

Ben looks back. "What? — 'the pain-reliever that works best, Bufferin'?" Ben smiles with half his mouth. He's thinking about when he hurt most. Easy.

"They gave me a towel — to chew on," says Wesley. "They had me chew on a white towel. There was a nurse standing right there beside me and when they get ready to do it she hands me this white towel and says, 'Here, chew on this.' It was something, man. I ain't *never* had nothing hurt like that. I tell you." Wesley is twenty-four, thin, blond. "What's the most you ever hurt?" he asks. Wesley decides that Ben hasn't noticed that he took two quarters off Ben's bed about twenty minutes ago. He'll put them back in the next few days — or something.

"Most I ever hurt," says Ben, "was when I sprained my ankle and got it put in this cast before it started swelling. Next day it started swelling and I had that cast on there and it didn't have nowhere to swell to."

"Damn."

"I even got shot in the back one time and it didn't hurt like that ankle hurt."

"Shot in the back?"

"This guy side-swiped my car and kept going and I chased him down. I had this chick with me. I got out and opened the door. He turned sideways, holding onto the

steering wheel and kicked me. We got in a fight. His car was running, you know. He kicks me outen the car and then tries to run *over* me. I start running and finally he gets me pinned in this doorway to this building — we were downtown Burlington about 2 a.m. — and he starts ramming the building trying to get at me, but I'm back up in there where he can't. Then he leaves and before I can get back to my car he pulls up beside it — down the street in this parking lot. I start running, because the chick's still in my car, you know. When I'm almost there he opens his car door, and he's got a pistol. He aims it at me and I keep

running at him because I couldn't believe that this was like real. He shoots and the bullet goes between my legs through my pants, man. I turn around and start dodging left and right like they do on TV and he shoots twice more.

The second one gets me down low in the back. Felt like somebody kicked me. I didn't know it then but the bullet came out my stomach and fell in my underwear. I rounded the corner at this building and turned down another street still running and go up on this porch and knocked on the door. I'm feeling the blood down in my shoe. This woman comes to the door and I tell her what's wrong and ast her to call the amalance. She goes and comes back with a mop handle and starts hitting me with it. No shit, man. So I leave there and I see the damn car cross a street down a little ways. The man with the gun. The guy is cruising for me, right? Well, I'm starting to lose it. I feel like I got to lay down somewhere. So I'm in this back yard where there's a light. I knock on the door and two guys come and I tell them what happened and then I lay down on their porch beside this little steak grill. They called the cops, and the last I remember is laying there on that porch, and blood swooshing out of my shoe, and the lights from the cop car swirling all over the place. I felt bad, but it won't nothing like that ankle, as far as sheer pain is concerned."

"Did they catch the guy?"

"Yeah. He got five years."

"Damn. That don't seem like much."

"Hell, no, but I couldn't get no lawyer and they proved it wasn't premeditated."

"But he went somewhere and got a *gun*, didn't he?"

"Yeah, this place around the corner where he worked. But they said it was a 'fit of passion' or something. Shit. The guy was a bouncer. His brother was in jail for beating up an old lady on the street."

"Was you in the hospital long?"

"About a week. It made a hole in my pelvis bone but didn't damage anything else. It was the kind of bullet that didn't explode. If it had a been, I'd a been dead."

Wesley and Ben are in BOTA — Back On Track Again, the halfway house sponsored by the federal government and Summerlin College, a small Baptist College in Summerlin, North Carolina, a growing town of 65,000. Ben is in because of an assault conviction, his first. Wesley is in for car theft, second offense. Ben was accepted into BOTA because he is a Negro. Mr. Williamson noticed him — from photographs — his small nose and chin from among several prospects. Mr. Williamson didn't want a large-nosed Negro at BOTA. He chose Wesley because he knew Wesley had accepted Christ as his Saviour between convictions.

Ben opens the window, pulls a joint from his shirt pocket, puts it in his mouth, lights it, and inhales.

"You going to get caught," says Wesley. Here is a good man, thinks Wesley, a pretty good guy about to lose his chance at a good deal: BOTA. And a musician. Wesley and Ben are starting a band. Everybody at BOTA must have an "activity" and Williamson had approved a band — "gospel," Wesley wrote on the activity sheet. Rhythm and blues, actually.

"You get caught and you be in trouble sure enough," Wesley says. Some people had a hard time learning when to grow up. If it hadn't been for Mrs. Rigsbee, Wesley is sure he'd still be involved in growing up. Mrs. Rigsbee and Jesus got him grown all the way. Got him mature about love, he figures.

"Anybody knows what it is ain't gone rat," says Ben, "and Miss Rodgers, she think it's pine straw burning." He takes a drag, holds his breath. "Williamson ain't around. Too late for him. If I hear some strange footsteps, I fill up my mouth with spit, put it in my mouth and eat it. If I get

burn it won't be no worse than pizza." Ben flicks ashes in a gold-colored glass ashtray. "I got the rest of it hid so good I can't even find it *myself*."

Wesley eyes him a minute, wonders whether he should bring it up. He has roomed with Ben for six weeks. He knows him pretty well. Ben doesn't mind talking about things. They've talked about several man-to-man things. "You ever dated a big woman?"

"Yeah, I dated some big women. I dated some that's big in parts."

"I'm talking about big all over."

"Yeah. My cousin. Skating in the eighth grade. She'd run into the wall and shake the whole place, the whole

skating rink.

I remember that, man."

Ben pinches the joint between his thumb and forefinger, puts it to his lips, draws, then holding the joint under his nose, sniffs up drifting smoke. "Why? You thinking about taking out that fat chick you been talking to over at the Nutrition House?"

"If I had a car. She's really good looking in the face. I mean good looking. I met her at church." Admitting he went to church is a part of Wesley's changed life, a life with a changed attitude about everything generally — there was the brief lapse when a woman left her white Lincoln Continental with tan leather interior, running with the keys in it, in front of Ken's Quick Mart. That got Wesley his six months in BOTA. On several other minor occasions Wesley's understanding of property rights has blurred.

"She's got these blue eyes and black hair," says Wesley, "and I ain't ever seen that combination in a woman I could get my hands on — somebody I know. I mean I seen some in the movies. Like Elizabeth Taylor in them old movies."

Wesley stands and starts emptying change out of his pocket and putting it in the top dresser drawer. He wonders if Ben's attracted to blue eyes. "You ever dated a white girl?"

"Yeah. One time." Man, that's one thing all these white dudes are interested in, thinks Ben. Whether I ever got me any white ass. "Craziest broad I ever knowed."

"What you think about blue eyes and black hair?" asks Wesley.

"It's okay in the face. But man, she's fat. She's real fat." "She's losing though. She's already lost about twenty

**If it hadn't
been for
Mrs. Rigsbee,
Wesley is
sure he'd
still be
involved in
growing up.
Mrs. Rigsbee
and Jesus
got him
grown all
the way.**

pounds. She told me." Wesley takes off his brown-plaid flannel shirt. He wears a white t-shirt. He sits down on the edge of the bed, looks at Ben. Ben's eyes are a little glassy. "What I do," says Wesley, "is just think about her one place at a time. Like her hands look regular, and I figure you get a small enough place, it's just like any other girl. Know what I mean? But it's that blue eyes and black hair and white skin I like."

Ben picks up a two-year-old *Sports Illustrated* and fans smoke out of the open window. "Turn on that fan over there," he says.

Wesley reaches over, turns on the fan, stands, and gets his tooth brush and tube of Colgate off the dresser. "I'm

gone turn it
in.

I'm tired."

"I think I'm going to finish off one more of these," says Ben, taking another joint from his shirt pocket.

Walking down the hall to the bathroom, Wesley thinks about Phoebe. Phoebe Taylor. He thinks about her often. Wesley feels an inner beauty in her, too. He learned from Mrs. Rigsbee to look at people beneath the surface, to look for what is there. He learned about respecting women. And when she loses that weight, she just might turn out to be the most beautiful woman in the world. The Nutrition House has a good record. People come from all over the United States to that place. Yankees with big cars drive down from New York. Movie stars, except he hasn't seen any.

Wesley thinks about pushing Phoebe's love button—the way he used to push Patricia's, before he learned about how to think about love properly. He thinks there has got to be a way to get Phoebe to go along with having her love button pushed. It shouldn't be too difficult now that he's learned about respecting women as human beings. She'll recognize that and be won over. Then she'll love having her love button pushed as much as he'll love doing it. Then he'll see what happens, naturally.

Saturday night, in the front seat of Phoebe Taylor's car, Wesley tries to go too far, too fast. She tells him to take her home and not to call her, no matter what.

The following Tuesday afternoon after work, before supper, Wesley is sitting on his bed. A yellow legal pad and pencil lie beside him. He's playing Ben's guitar, tuned for bottleneck. Ben has shown him just enough bottleneck guitar for him to get started learning. His plan is to graduate from bass to bottleneck and then trade off—on some band songs—with Ben, who plays both. He writes with the pencil, lays it down on the bed, plays and sings. He has

decided to do the proper thing: write a song to Phoebe. He will use his talents in the name of love.

*I know you feel mad, I know you're feeling sad.
There ain't nothing I can do, but sit right here and
get blue too.*

I could make it about what I want to happen, thinks Wesley.

*I'd be so nice, if you'd call me right now, and talk
about the weather
telling me whether you still love me like before—*

that you do.

Another verse:
*Wish you were here, at
my front door right now
to ring my doorbell,*

Ring my blank-blank door bell,

*ring my dusty ... ring my dirty, dusty, —rusty, rusty,
ring my rusty doorbell,*

Close enough, let's see, *bell-fail, bell—tail ... no, I can't ...
bell—smell, smell, yes.*

Close enough for me to smell ... you.

Ben comes in.

"Ben, listen to this."

Ben sits down on his bed, listens while Wesley plays and sings, fumbles through the bottleneck positions.

"Here," says Ben, "give me the guitar. Get your bass."

Wesley plugs his bass into Ben's amplifier.

"Do it again," says Ben. Wesley plays and sings. "Wait a minute," says Ben. "Try this."

"What was that?"

"You just go straight to a number three chord, then four. Like this." Ben plays and hums the tune.

"Sounds good. You ever written any songs?"

"Naw, I just do some instrumental stuff sometimes. Just messing around. You get that thing right and we'll add it to the list. Sounds pretty good."

"I'm writing it for Phoebe."

"Love song, huh?"

"Well, yeah."

They record it onto a cassette tape in Ben's tape recorder; Wesley wraps the cassette in a piece of yellow writing paper, tapes it with Scotch tape and writes Phoebe's name on it.

"I got to go over and put this in her mail box," says Wesley. "I ain't supposed to call her or nothing—until she calls me."

"Why not?"

"We just had this misunderstanding."

"She told you not to call her or nothing?"

"Call her, see her, anything, until she calls me."

"She-it. She got you by the balls, man." Ben stands up, walks over and looks out the window.

"Naw, I wouldn't say that."

"She's telling you what to *do*."

"She's telling me what *not* to do."

"Don't make no difference — it mean the same thing: she got you by the balls. What you do to her, man?"

"I didn't do nothing. It was what I *tried* to do."

"Which was?" Ben stands, looking out the window.

"I tried to push her love button."

"You tried to *push her love button*. Ha!" Ben looks around the room, then back at Wesley. "You mean you tried to *fuck her*?"

"Naw, man. Look. I been through all that. I mean I done that. I been through that. With other girls. All you got to do is just do it. It's too easy. But, listen, you know we ... See, there's a proper way to go through all this. See, I had a pretty big thing happen to me about four, five years ago." Wesley knows he's got to explain it just right.

Ben picks up his guitar, strums a chord. "What? You a Christian? You told me that."

"I know it, but it's not like you're thinking."

"Hell, that's all right. All my family Christian. They go to church and everything."

"I ain't talking about going to church. I'm talking about it not having anything to do with the church. It has to do with love. The only way I can explain it is to tell you about this woman I was staying with, Mrs. Rigsbee. See, what it comes down to is Jesus and love."

"I got to go eat, man."

"I'll go with you. I want to tell you about this."

BOTA grants three hours, 7-10 p.m., for dinner on Tuesday, Thursday, and Saturday nights. They walk outside into dusk, down the street toward The Columbia Grill.

Wesley leaves the tape in the mailbox on the front porch of the Nutrition House, and while they walk, Wesley tells Ben about the first time Mattie Rigsbee came to see him at the Young Men's Rehabilitation Center, bringing apple pie and pound cake, about her cutting his hair in her kitchen, cooking for him, taking him to church, and finally taking him in. He knows what's wrong with Ben: he hadn't learned to *respect* a woman. Ben is like most guys. They don't see women as real people. That's the way he used to be. It used to be that he couldn't have fallen in love if he'd tried. He might have *thought* he was in love. That was the shallow kind, back then. Then suddenly there was Jesus in his life, then Phoebe Taylor, and he was in love. The deep kind of love. "You see," he ex-

plains, "there's this deep kind of love that comes in your life along with Jesus — I mean if it really takes. It changes everything. You find out that women can provide one thing, men another. If you just think about taking from women, you don't even realize the true value of what they were put on Earth to provide.

"Yeah," says Ben. "True Value Hardware."

They walk into The Columbia Grill and get a booth, order two hot dogs each from the waitress. The Columbia is run by Mr. Mike Champion. His main help is his daughter and two brothers. The two brothers move behind the counter in long green aprons. They cook, work the register, and one waits tables during an occasional rush. Mr.

Champion himself mostly sits at a table near the cash register, smoking. When someone comes to the cash register, he places his cigarette in the ashtray, collects money, sticks the ticket onto the ice pick, makes change. Occasionally he tells someone to go ahead and find a seat, anywhere. The Columbia Grill has high-backed booths and chalk boards with the daily specials. More permanent menus are written in small removable red and black letters on white boards, one at each end of the room — breakfast combinations, hot dogs, hamburgers, tuna fish.

Wesley is still talking about Mrs. Rigsbee. "We'd have these little practice sessions where she would pretend she was some old person and I'd be me, and then I'd be the old person."

**Anybody
that
dresses
that way
can't
understand
much
about
falling
in love.**

She showed me how to shake hands with somebody and look them in the eye and all that. I learned about how a man is supposed to respect a woman. We'd be walking down the street, downtown, and if she was walking next to the street she'd walk closer and closer to me until I finally switched sides." Wesley demonstrated with his fingers walking on the table. "And see, she connected all this stuff up to Jesus, and that got me interested in all that, you know. And I got to thinking about people different. Women. See, like I never had a family."

"How'd you get born?"

"I don't know. I mean I ain't sure. I just ended up with this uncle because my mama and daddy won't married for some reason — or something. It was just the orphanage and the YMRC until Mrs. Rigsbee. She got me to thinking about the whole part of people that's below the surface — the soft spot, the soft area."

Ben looked at Wesley.

"No, not that. I got to thinking about the whole part of people that's below the surface. I even got to thinking about communists — I mean, you know, they're people. They understand the condition of being in love just as well as people in democracies — or they could if they was taught. They got potential."

"You better watch that shit, man," says Ben, looking at Wesley as he raises his eyebrows, lowers his head. He has a mustache.

"What I mean," says Wesley, "is in theory, like." He picks up the small glass salt shaker and turns it in his hand.

"I don't know about all that. I don't know about 'theory.' I just know about facts. You can't count on nothing but bare facts — and there's no better bare fact than a bare ass."

"Everything's got a theory. Anyway, you see what I'm talking about. And that got me to thinking about women and all, and so I figure I don't want to just up and crawl their ass."

"You mean you got to do it *Christian*?"

"Yeah. Well, no, not exactly. That ain't what I mean. But there is stuff in the Bible which makes it all okay. I was reading some stuff the other day. You know David, the one with the slingshot, killed Goliath?"

"Yeah."

"Well, he had this illegitimate son, didn't nobody blink an eye, not even the one writing the Bible, the one getting it all straight from God."

"I don't know about that."

"Oh, yeah."

"You serious about all this, ain't you?"

"Well, I think I am, but not in the

way they are at church. Sometimes they talk like idiots. They don't even understand about falling in love — all of that. I can't imagine anybody there writing a song about falling in love. Much less listening to one. Anybody that dresses that way can't understand much about falling in love."

Wesley shakes salt onto his hand, sticks his tongue to it. "Don't you date anybody?" He looks at the salt shaker. We could use that in the room, he thinks.

"I'm scared to, man. That's the reason I'm in BOTA. I got charged with rape, convicted of assault. Didn't you know that?"

"No."

"Well, hell, you do now."

The waitress brings the hot dogs, starts to walk away. Ben says, "You think you could put a little more chili on there?"

"Me, too," says Wesley. "We usually get a lot more than that."

She picks up the plates.

"Rape?" says Wesley, when the waitress is gone.

"That's what the *charge* was. That's what *she* said. And she had a hot-shot lawyer and everything. Shee-it."

"What happened?"

"She *called me up*, man. To come over to her house and then she started insulting the hell out me." Ben stares at Wesley. "It was a goddamned fight is what it was — we made love while we was fighting is what happened."

Wesley tries to visualize the fight. He can't. "So what happened after that?"

"I got convicted of assault because she was kind of beat up. They dropped the rape because she couldn't prove it. She called the goddamned police. Can you believe that shit? She called the goddamned police and they came to my apartment and *got* me, man, and she'd done pressed charges. The only reason the assault conviction held up was because she was beat up a little. The whole problem was she just went kind of crazy, or something."

"So you don't date or anything?"

"I don't date, naw." Ben stretched his arms, put his hands behind his head. "But like you say, man, there's all kind of stuff in the Bible."

"Yeah, I guess so." Wesley looks at the salt shaker in his hand. "Don't we need a salt shaker?"

"Maybe I should have written her a song."

The waitress brought the hotdogs, heavy with chili.

"Yeah, maybe you should have."

"I don't know, man. Let me have that salt when you're through."

Excerpted from Clyde Edgerton's forthcoming novel, tentatively titled The Bottleneck Blues, A History of Religious Bondage in America. Edgerton is the author of Walking Across Egypt and The Floatplane Notebooks, published by Algonquin Books of Chapel Hill.

What Happened November 8

By Bob Hall and Barry Yeoman

On the day that 25 million Southerners went to the polls, Jerry Hornbuckle went to the mall.

"I'm not going to vote because it's all a big game," said the 23-year-old Durham, North Carolina resident. "I feel like: How vulnerable do they think we are? [The candidates] are not showing me anything. They're not talking. They're spending millions of dollars campaigning on something that is like a child's game.

"It's not that I don't care. I'm just not going to be a victim of the game. I feel as soon as I go out and vote, they've won me." Hornbuckle wasn't alone in his decision to bypass the ballot box on November 8. In fact, he was in the majority. Only 45 percent of the South's eligible voters went to the polls — the smallest percentage of any region in the country. Nationally, only half of all adults over 18 cast a ballot for a presidential candidate.

The South's below-average turnout continues a tradition that stretches back nearly 100 years. But while low voter participation once favored entrenched Democratic politicians, it now benefits the Republican Party. And it is one of the major reasons the GOP is making such significant gains in the South.

In Mississippi counties that went for George Bush, voter turnout was 60 percent

last year. By contrast, turnout in counties that went for Michael Dukakis was a mere 49 percent. That pattern repeated itself throughout the South.

THE VOTE STAYS HOME

Ironically, it was the Democrats who — 100 years ago — set the stage for their own downfall in the South. After the Civil War, during the heyday of the Populist-Republican-Democrat contests, Southerners registered and voted in record numbers. But with the rise of Jim Crow laws to restore Democratic control and discourage blacks and poor whites from voting, participation levels plummeted. In every state of the Old Confederacy, voter participation rates were twice as high in the 1880s as they were in the 1940s.

More Virginians cast ballots in the 1888 presidential election than in any year until 1928, when women first voted and the

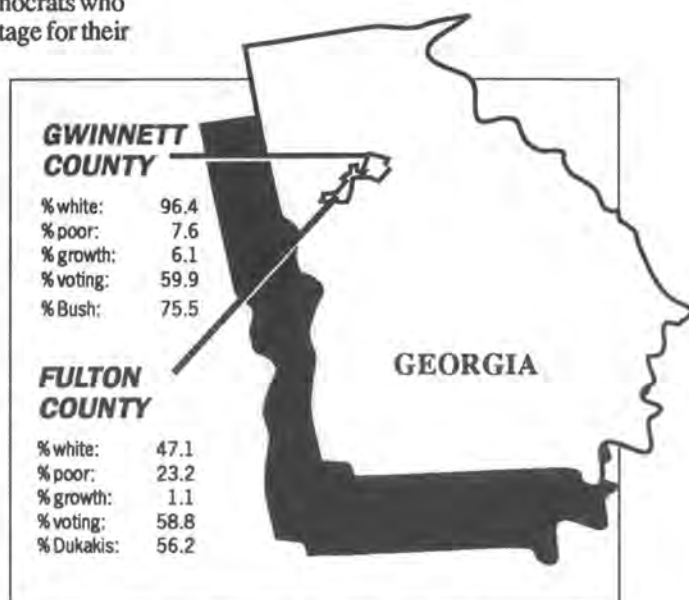
population had increased by more than 500,000.

Now, a century later, the legacy of voter disenfranchisement is coming back to haunt the Democrats. The party's strongest support in November came from blacks and lower-income whites. But those two groups — whom Southern Democrats have traditionally discouraged from voting — are now the ones most likely to stay home from the polls.

In the six Southern states that maintain records by race, 57 percent of eligible nonwhites are registered to vote, compared to 67 percent of eligible whites. The gap is 8 percent in Louisiana, 9 percent in Georgia and North Carolina, and 15 percent in Florida.

Since the passage of civil rights laws in the 1960s, the percentage of non-voters in the South has gradually come closer to the national average. But it still has a ways to go: Had Southerners voted at the same rate as other Americans, an additional 3.8 million adults — many black and most living on modest incomes — would have exercised their political franchise. As it was, Bush beat Dukakis by only 4.2 million votes in the South.

Low turnout hurt Dukakis across the region. For example, in nearly all-white



THE COUNTIES AROUND METRO ATLANTA ILLUSTRATE REGIONAL VOTING PATTERNS. BUSH WON DECISIVELY IN THE FAST-GROWING WHITE SUBURBS OF GWINNETT COUNTY, WHILE DUKAKIS CARRIED THE IMPOVERISHED BLACK NEIGHBORHOODS OF FULTON COUNTY.

Shelby County, Alabama, just outside Birmingham, turnout was 69 percent — and Bush racked up 79 percent of the votes. By contrast, mostly black Macon County, home of Tuskegee Institute, gave Dukakis 82 percent of the vote. There, only 41 percent of the county's voters showed up at the polls.

That pattern showed up all over the South in nine states analyzed by the Institute for Southern Studies, which publishes *Southern Exposure*. The Institute's analysis showed that blacks were not the only voters who stayed home election day — poor whites also did.

In fact, whites earning less than \$10,000 a year were less likely to vote than blacks of any income group — even those with incomes below \$5,000.

Brooks County, Texas, north of the Mexican border, is mostly white — but its share of lower-income families is almost double the state average. That county went overwhelmingly for Dukakis — 82 percent, to be exact. But voter participation was only 52 percent — far below the state's overall turnout figure.

Contrast that to Collin County, in Dallas' affluent northern suburbs. There, 74 percent of the voters turned out — and the same percentage went for Bush.

TALE OF TWO CITIES

There's another pattern in which the Republicans can take comfort. Some of their strongest counties — including the affluent suburbs around Atlanta, New Orleans, Birmingham, Nashville, Dallas and Houston — are growing far faster in population than the region as a whole.

In Georgia, the counties that went overwhelmingly for Bush had an average annual growth rate of 3.3 percent, compared to 1.1 percent for the counties Dukakis carried. In Texas, Bush's strongest counties had a 3.1 percent growth rate, compared to 2.2 percent for the Dukakis counties. And in Mississippi and Virginia, the counties won by the Democrat averaged no growth at all.

"I just don't think either candidate is up for it. I would like to hear them say they would raise the hourly wages, and really mean it and stick to it."



DORIS CRAIG, 53, STRUGGLES TO GET BY ON A PART-TIME JOB SELLING YARN AT A TEXTILE MILL OUTLET IN SPINDALE, NORTH CAROLINA.

Perhaps there's no better place to see this pattern than in metropolitan Atlanta. That region has grown tremendously — but only in the lily-white suburbs that lay along the perimeter highway that rings the city.

The heart of Atlanta is Fulton County — a mostly black county with more than its share of poverty. Despite Atlanta's reputation for high growth, Fulton County's 1.1-percent annual growth rate was less than that of the state as a whole. Dukakis carried Atlanta with 56 percent of the vote.

Around urban Atlanta runs a giant interstate loop, lined with glass and chrome office towers, which divides the metropolitan area by race, class, and growth patterns. Outside Interstate 285, to the east, lies suburban Gwinnett County, which is 96 percent white. Gwinnett is growing more than five times as fast as Fulton County; few counties in the South can equal its 6.1 percent growth rate. True to expectation, Gwinnett gave Bush a decisive 76 percent victory.

With affluent, white, Republican suburbs growing so much faster than the inner cities they surround, the direction of electoral politics in major Southern metropolitan areas should be clear. "Southerners are now looking first to the Republi-

can Party to run the country," University of North Carolina political scientist Merle Black told the *Miami Herald*. "It would take a catastrophe — like a war or a foreign policy disaster — to befall the Republicans to shake that experience."

APATHY OR BOYCOTT?

Since the election, Democratic leaders have put the blame for their party's loss on its liberal image. "We need to get back to the middle, back to the mainstream," Senator Charles Robb of Virginia told the *Herald* just after the election. "We've got to project an image that we support a strong, credible, national defense, that we support fiscal responsibility — in addition to talking about and remembering our social responsibilities."

But most of those leaders drew their conclusions by looking at the citizens who actually voted — rather than the millions who failed to vote because neither candidate inspired them. Those non-voters, largely poor and working class, were looking for candidates to deliver a message of tough economic populism.

Those citizens didn't stay home because of apathy. Many chose consciously not to vote. In fact, if this were a Third World country, the low voter turnout would have been accurately interpreted as a boycott by half of the voting public.

"I just don't think either [candidate] is fit for it," said 53-year-old Doris Craig just before the election. Craig works in the textile town of Spindale, North Caro-

lina, selling yarn at an outlet run by one of the local mills. She struggles to get by on her part-time job — and she says neither Dukakis nor Bush addressed her plight.

"I would like to see wages go up, I would like to see the blue-collar people have something, and I would like to see these corporations pay taxes — because there are so many loopholes," she said.

"We need a good man like Franklin D. [Roosevelt]. We need one like him. He did more for the working-class people than anyone we've had. People were out there hungry. They were begging for something to eat, and he put people to work."

When she listened to Bush and Dukakis "hit one another on the back," Craig said their rhetoric was far from her own concerns. "I would like to hear them say they would raise the hourly wages, and really mean it and stick to it."

In the final days before the election Dukakis did exactly that. He abandoned

his cautious — some said cold — campaign style, and the strategy paid off. A CBS-*New York Times* poll showed that six out of ten voters who made up their minds in the week before the election cast a ballot for Dukakis.

"If Dukakis had talked for three months the way he did in the last two weeks, we would be sending Bush back to his summer home in Kennebunkport," said Texas Agriculture Commissioner Jim Hightower, who is working to build a national populist movement within the framework of the Democratic Party.

Even Lee Atwater of South Carolina, Bush campaign manager and now the chair of the national Republican Party, recognized that the greatest threat to his party is a strong economic message that mobilizes blacks and moderate-income whites. "The way to win a presidential race against the Republicans," he told *The Boston Globe* after the election, "is to develop the class-warfare issue, as Dukakis did at the end. To divide up the haves and

have-nots and to try to reinvigorate the New Deal coalition, and to attack."

COURTING "REDNECKS"

When Democratic leaders call for the party to move back to the "center," they are often subtly (or unsubtly) calling for their colleagues to abandon their visible outreach to blacks — in order to win back some conservative Southern whites. In North Carolina, Democratic gubernatorial candidate Bob Jordan made that very clear when he told a group of Greensboro black leaders: "There may be some programs ... I believe in that will not be campaign issues, because if they are, I won't be governor." Jordan told his audience that he didn't want to alienate the eastern North Carolina "redneck" vote.

If the Democratic Party follows that course — of abandoning blacks to pursue white "rednecks" — it will be abandoning its most faithful constituency. In Tidewater Virginia, blacks voted overwhelmingly Democratic in November — even though black Republicans were running for Congress.

"I'm a Democrat all the way," Norfolk voter Alice Beckham told the *Virginian-Pilot*. "That won't change. Democrats have done more for me. If a Republican's in there and you're poor, you're going to end up poorer."

Her neighbor, Lillian Coleman, agreed. "I always vote Democratic. I like the way they act in office. They stand more for what I believe. I'll vote the party before I vote race."

If Democrats want to win, they need to build on this support by articulating a vision of the benefits of racial solidarity. They must emphasize issues that can unite blacks and whites, such as economic justice, quality education, and community health. The results of five of the last six presidential elections show that the Democrats can't win by shying away from race — or by trying to out-Republican the Republicans on black-white issues.

The Democrats actually appeared to be trying to distinguish themselves from the Republicans in February when they elected Ron Brown as the first black chair of the party. Brown said the party must unite disenfranchised voters with whites who have abandoned the Democrats. "It's obvious the center is crucial to Democratic victories," he said. "We've got to reach out to new voters. We've also got to reach out to voters that we lost in recent Presidential elections."

NO SHOWS AND NO GROWTH

Across the region, counties that voted for Dukakis were marked by low voter turnout and little or no growth. On a state-by-state basis, here are other results from the 1988 election:

Virginia Dukakis carried Norfolk, which is 40 percent non-white and losing population. By contrast, Bush swept Norfolk's fast-growing — and far more affluent — neighbor, Virginia Beach, carrying 69 percent of the vote. Dukakis carried the cities of Arlington, Richmond, and Roanoke — which are all losing population — while Bush won in the surrounding counties.

Mississippi Bush carried the fast-growing counties around Hattiesburg and the Gulf Coast. Dukakis' strongest support, on the other hand, came from the heavily black and poor Delta region — which is losing population.

North Carolina Thirteen counties ringing Charlotte threw their support to Bush, with voter turnout of 66 percent. By contrast, only 56 percent of the voters showed up in the 12 Black Belt counties that Dukakis carried. Only three counties with a black population of less than 20 percent went for

Dukakis: Haywood, the home of *Champion Paper* and the most unionized county in the state; Swain, which is one-quarter Indian and locked in several disputes with the Republican administration over the management of federal land; and Orange, home of the University of North Carolina at Chapel Hill.

Kentucky Dukakis won majorities in the eastern and western coalfield counties. But the counties of the Cumberland plateau favored Bush heavily. Many of these counties are among the poorest in the nation, but political traditions run deep, and they continue to vote Republican as their families have for generations. As elsewhere, Bush's strongest counties are growing at twice the rate of Dukakis'.

South Carolina Racially polarized politics in this state gave Bush his biggest win in the South, with 62 percent of the vote. Every majority-white county went for the Republican, and almost every majority-black county for the Democrat. The only exceptions were Edgefield County, the predominantly black county that is home to Republican Senator Strom Thurmond, and Calhoun County, where blacks make up most of the citizenry but whites make up most of the electorate.

If it doesn't act soon, the time may be coming when the Democratic Party will lose the near-unanimous loyalty of Southern blacks. In Mississippi, Republican Senator Trent Lott fared well in the predominantly black 2nd Congressional District, trailing Democrat Wayne Dowdy by fewer than 10,000 votes. Early in the campaign, Lott predicted his emphasis on jobs and education would win black support.

"I think what we are seeing is a genuine two-party system," Lott said after his victory. "We are not going to let it get into a black-white thing." Lott promised to work to tell "young, minority, professional men and women [that] what we are talking about is economic development for you and your children. Give us a chance, and don't be married to one label or the other." □

Bob Hall is research director of the Institute for Southern Studies. Barry Yeoman is an associate editor of *The Independent*, a biweekly newspaper in Durham, North Carolina.

Jenny Labalme, a reporter for the *Anniston Star* in Alabama, contributed to the reporting for this story.

For a copy of the report analyzing voter behavior in selected counties in nine Southern states, send \$5 to the Institute for Southern Studies, P.O. Box 531, Durham, NC 27702.

HOW THEY VOTED

VIRGINIA

	% TURN- OUT	% GROWTH RATE	% POOR	% WHITE
Bush	77.1	1.5	13.1	81.8
Average	76.1	1.2	14.4	78.7
Dukakis	72.7	0.0	18.9	67.7

ALABAMA

	% TURN- OUT	% GROWTH RATE	% POOR	% WHITE
Bush	57.7	0.8	23.7	75.6
Average	56.4	0.7	24.9	73.5
Dukakis	47.4	0.3	32.7	59.9

GEORGIA

	% TURN- OUT	% GROWTH RATE	% POOR	% WHITE
Bush	61.4	1.8	19.6	77.8
Average	61.5	1.6	19.6	72.4
Dukakis	61.7	1.1	19.5	56.7

In the nine Southern states surveyed, the counties that favored Bush were almost always whiter, richer, and growing at a faster rate than those that went for Dukakis.

These tables compare the state averages for voter turnout, growth rate, income, and race to the counties that voted for Bush and Dukakis. Income figures represent the percentage of households with 1987 income of under \$10,000. Voter turnout indicates the percentage of registered voters who cast ballots.

Arkansas and Louisiana followed a similar pattern to the rest of the region, but were not included in the study. Florida was omitted from the survey because every county in the state supported Bush.

KENTUCKY

	% TURN- OUT	% GROWTH RATE	% POOR	% WHITE
Bush	66.1	0.5	23.1	90.9
Average	65.3	0.5	24.5	92.1
Dukakis	62.5	0.4	29.4	96.2

TEXAS

	% TURN- OUT	% GROWTH RATE	% POOR	% WHITE
Bush	66.8	2.3	16.4	78.8
Average	65.9	2.3	18.0	78.3
Dukakis	63.0	2.2	23.4	76.6

MISSISSIPPI

	% TURN- OUT	% GROWTH RATE	% POOR	% WHITE
Bush	59.7	1.0	27.0	67.1
Average	58.4	0.9	28.9	62.9
Dukakis	49.4	0.0	41.5	35.1

TENNESSEE

	% TURN- OUT	% GROWTH RATE	% POOR	% WHITE
Bush	68.3	0.8	21.8	82.9
Average	67.7	0.8	22.2	83.5
Dukakis	59.9	0.6	26.9	90.6

SOUTH CAROLINA

	% TURN- OUT	% GROWTH RATE	% POOR	% WHITE
Bush	69.2	1.4	19.3	71.0
Average	68.6	1.3	20.5	67.6
Dukakis	64.0	0.6	29.9	40.7

NORTH CAROLINA

	% TURN- OUT	% GROWTH RATE	% POOR	% WHITE
Bush	62.9	1.2	18.7	78.4
Average	62.2	1.1	19.7	74.9
Dukakis	58.8	0.6	24.6	58.3

Abolition Then and Now

Can the movement to
abolish the death penalty
learn a lesson from the
early abolitionists?

By Bruce Ledewitz

When the National Coalition to Abolish the Death Penalty held its eighth annual conference in Dallas, Texas last November, Bruce Ledewitz, a law professor at Duquesne University, sparked a lively debate by comparing the movements to abolish slavery and the death penalty. He revised his comments for Southern Exposure.

Times are bad for the movement to abolish the death penalty, and they are likely to get worse. Opinion polls show enormous public support for the death penalty. Politicians are now even more likely to shun us following Michael Dukakis' disastrous experience opposing the death penalty. Even the courts, long our movement's most reliable lever of power, are showing signs of fatigue and a lack of interest in the death penalty.

In the midst of such unpromising pros-

pects, I would like to focus attention on the efforts of the original abolitionists — the movement to eliminate slavery from the United States between 1820 and 1860. Although abolishing slavery differed markedly from our efforts, we might well benefit from considering the success of a kindred movement founded on the principle that all human life is sacred.

My basic message is one of hope. Through perseverance and dedication, the abolitionists succeeded — succeeded in far less favorable circumstances than we face in our effort. And part of the reason they succeeded was because of the diversity of their movement. Although united in a common goal, many abolitionists worked independently of each other, pursuing different messages and tactics. This multifaceted mass movement was their greatest strength; their own disunity actually helped build anti-slavery opinion.

To appreciate the enormity of their success, consider how unpopular abolition was originally. Slaves and free blacks were scorned by overwhelming majorities in both the North and South. Furthermore, the entire Southern economic and social system was premised on slavery, and Northern financial interests also profited from human bondage.

The abolitionists, by contrast, were few and isolated. So unpopular were they that throughout the 1830s, abolitionist lecturers were threatened by mobs wherever they spoke. In fact, the first abolitionist convention in Philadelphia in 1833 took no lunch breaks because of fear that delegates would be attacked if they left the building.

The law was also on the side of institutionalized racism and economic self-interest. It was accepted legal theory in the 1830s that the U.S. Constitution protected slavery in the states and that Congress had no authority to interfere. Thus, with Southern legislatures controlled by white planters and their allies, there was no government mechanism empowered to abolish slavery even if public opinion had turned against it.

In view of these obstacles, it is remarkable that by 1860 the abolition movement had succeeded in convincing a substantial segment of the public that slavery was wrong. This success should give us hope. After all, the abolitionists were much further from their goal in 1820 than we have ever been. The death penalty, for all its popularity, remains a side issue for almost all of its proponents. If we can muster the determination and patience of the abolitionists, we can anticipate the eventual end of the death penalty.

But it is not enough to match their commitment — we must emulate their thoughtfulness as well. The abolitionists developed several different approaches within their movement, fostering a diversity that sometimes sparked conflict and splintering. They never achieved organizational unity, yet their movement did not appear to suffer. Indeed, their diversity and conflict forced them to be clear about their differences.

We in the anti-death penalty movement also have some serious disagreements over priorities. We should consider the different approaches of the abolitionists, and debate our differences as they debated theirs.

BACK TO AFRICA

The first important movement among the abolitionists was colonization, which attempted to persuade slaveholders to free their slaves and then to transport them to colonies in Africa. The colonization movement had the advantage of reassuring the racist, white majority that they would never have to grant political and social equality to blacks. Sincere proponents of colonization knew they were condemning thousands of slaves to years of continued servitude, yet they felt their slow progress was the only way to end slavery.

We in the anti-death penalty movement have a colonization position, too — we call it life imprisonment without parole. Like colonization, life without parole reassures the majority that ending the wrong will change the status quo very little. Like colonization, life without parole eliminates much of the need to persuade an unwilling majority to see the wrong for the serious evil it is. Like colonization, life without parole does tremendous and unjust harm to the very people it seeks to help.

And like colonization, life without parole will probably be insufficient in itself to end the death penalty. By the 1830s, the abolition movement came to see colonization as legitimizing the assumptions of slavery. Life without parole may eventually be seen in the same light.

Nevertheless, colonization did achieve one crucial success: it kept abolitionism alive through politically difficult times. Perhaps, then, in our current, difficult times, life without parole can do the same for us. If so, we should make far more of it than we do. In other words, if we need it now, we should use it effectively.

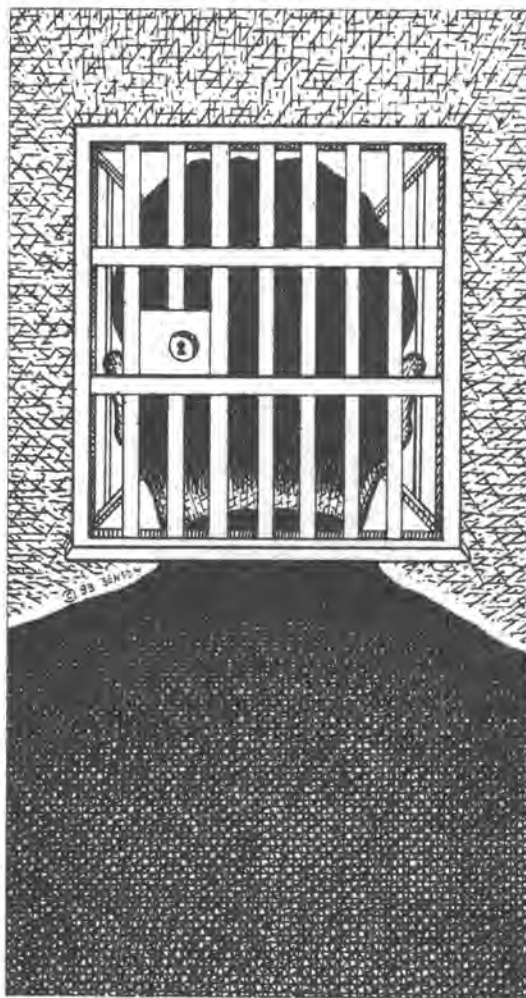
To use life without parole to effectively undermine the death penalty, however, we would have to oppose commuted sentences and strengthen the rules against parole. Reducing the sentences of convicted murderers seriously undermines the life without parole argu-

ment. To show the public we are serious about life without parole, we would have to advocate constitutional amendments in each state to eliminate the possibility of parole. Most of us in the movement would dispute that strategy — and such a dispute would help clarify our strategic disagreements.

THE LAW

The second approach the abolitionists used was a legal strategy that challenged

Illustration by Linda Benson



the prevailing view that the Constitution was pro-slavery. Legal critics like Alvan Stewart and Lysander Spooner argued that the Constitution, properly interpreted, prohibited slavery and empowered Congress and the courts to end it. Although the legal critics played a small role within the movement, they were important in the adoption of the Civil War amendments outlawing slavery.

Our movement, by contrast, has put many of its eggs in the legal basket — and

for good reasons. Unlike the abolitionists, we have had some successes in the courts, and legal work in individual cases has saved many lives.

But, as in the case of life without parole, we have not considered fully how the legal strategy might contribute to the elimination of the death penalty. If we wish to use legal tactics more effectively, we must use law review articles to press the courts to interpret the Eighth Amendment ban against “cruel and unusual punishment” as including the death penalty.

And like the legal abolitionists, we must press Congress to consider a bill to the same effect. The congressional hearings on such a bill would allow us to present our constitutional theory and perhaps generate judicial support as well.

THE BALLOT BOX

After the 1840s, many abolitionists turned to political organizing to end slavery. It was this effort that ultimately gave rise to the Republican Party in 1854. Although politicians refused to get too far ahead of Northern public opinion and seldom condemned slavery as immoral, the political approach proved highly successful in the end. Arguments directed to Northern self-interest helped keep slavery out of the Western territories, and political organizing helped elect an anti-slavery presidential candidate in 1860.

Although our movement has enjoyed only very limited success in the political arena, we have won a few short-term victories. Arguments directed at cost helped convince wavering legislators to vote against the death penalty in Kansas, and joining forces with the Georgia Association of Retarded Citizens exempted the mentally retarded from death sentences. These were important accomplishments, and represent a degree of political skill the abolitionists would have envied.

But opponents of the political approach asked the Republicans in 1854, “Will keeping slavery out of the territories eventually extinguish it?” The answer for many abolitionists was no. For us as well, political organizing and short-term victories do not bring abolition closer — not without an accompanying fundamental change in public opinion.

THE MORAL CRUSADE

The abolitionists came to recognize that the success of their political organizing depended on their ability to convince the white majority that slavery was wrong, and so they developed powerful secular and religious crusades that inspired massive direct action against slavery.

The leading secularist was William Lloyd Garrison, a notorious anti-cleric and the nation's strongest voice for immediate emancipation. The Garrisonians were the most militant wing of the abolitionists. They viewed the government as pro-slavery, and urged citizens to refuse to cooperate with the state. They condemned the Constitution as an "agreement with hell," refused to vote or pay taxes, and called on judges to resign rather than cooperate with slavery.

The religious wing of the moral crusade shunned the radical rhetoric of the Garrisonians, but they shared the insight that slavery was primarily a moral issue and decided to take direct action to end it. The result was the largest, longest-running illegal conspiracy in the history of the United States: the underground railroad. The religious crusaders committed serious federal felonies, sometimes in public, and some later turned to violence and rebellion to free slaves.

What gave the moral wings of abolitionism the impetus to act against the status quo, whether by non-cooperation or by criminal resistance? It was their clear moral message that slavery was wrong. The religious wing based their argument against slavery on the Bible, which represented a common moral vocabulary at the time. Their message of the cruelty of Southern slavemasters and the innocence of the slave eventually swept public opinion.

Compared to the abolitionists, however, our moral crusade has been relatively unsuccessful. The reasons for this failure are complex, but at its heart is the fact that slavery was a relatively simple moral issue compared to the death penalty. The fundamental moral question of whether anyone deserves to die for murder has not yet been resolved. Even among ourselves, we differ on the nature of our opposition to the death penalty. Thus far, a unifying moral principle has eluded us.

Our failure to define a simple and strong moral position is related to the debate taking place now in our move-

ment concerning civil disobedience. If 2,100 people were suddenly rounded up at random and threatened with death by our government, many of us would take whatever action necessary to stop those executions. Yet our deep unstated ambiguity about the depth of the moral evil we face makes us unwilling to act in such a radical fashion to save the lives of those currently on death row. Put simply, many of us, and I include myself, can live with the death penalty in a way that many of the abolitionists could not live with slavery.

We need to clarify the nature and depth of our opposition to the death penalty. We must understand what we oppose before we can decide whether we are willing to

I believe we must understand ourselves as part of a larger whole of social transformation; we must seek out common ground with all those who envision a less violent world.

violate the law. A law that kills vicious criminals does not call for civil disobedience, but a law that kills *human beings* calls for just such actions.

The only way I see for us to deepen our commitment to abolishing the death penalty is to see ourselves as more than a special-interest group pleading on behalf of a small minority of convicted killers. We must see ourselves as part of a larger movement — a movement to create what George Bush, of all people, called a "kinder, gentler nation."

We may assume that a world dedicated to militarism, heedless of the environment, unwilling to feed and house the poor, a world that blinds animals to make perfume — that such a world is not going to be particularly concerned about 2,100 murderers about to lose their lives. I am not suggesting that we be other than a single-issue movement — only that we should see the issue that unites us in the widest possible context.

To broaden our perspective, I believe that we must seek a forthright dialogue

with the largest movement of social protest in America today — the pro-life movement. The pro-life movement not only controls an entire political party — the Republicans — it is also founded on the proposition that all human life is sacred.

I realize, of course, that the pro-life movement does not oppose the death penalty, but a growing number of pro-life activists advocate linking opposition to abortion with opposition to the arms race, poverty, and the death penalty. Some pro-life leaders, like Joan Andrews, have opposed the death penalty forcefully and publicly, and groups like Feminists for Life of America want to broaden the movement beyond its conservative base.

Obviously, there are good reasons that we have stayed clear of the pro-life movement. An overwhelming majority within our own movement is passionately pro-choice, and will not tolerate any coalition-building that might threaten the constitutional right of women to choose abortion. Nevertheless, in order to succeed, I believe we must understand ourselves as part of a larger whole of social transformation; we must seek out common ground with all those who envision a less violent world.

There will never be a broad movement in America that celebrates life in all its fullness until abortion is squarely faced. We say human life is sacred. So do they. In order to reach literally millions of Americans who ought to be with us and may one day be, we must speak of life to them and know that they will speak of life to us.

No doubt such a move will spark strong debate within our own movement — and such a debate will be healthy, regardless of the stance we take toward the pro-life movement. When the original abolitionists began to see their movement in the broadest perspective, they found themselves in fundamental disagreement. Their earlier unity — a unity made possible by their small size and inattention to their differences — was shattered. But out of the disagreement emerged a multifaceted movement that embraced many more people and was capable of putting slavery on the road to extinction.

We may fragment like the abolitionists — or we may forge a stronger unity. Whatever the outcome, though, whether our unity suffers or not, we must deepen and broaden our message if the death penalty is ever to be ended. □

The Great Textbook War

STORM IN THE MOUNTAINS: A STUDY OF CENSORSHIP, CONFLICT AND CONSCIOUSNESS
by James Moffett.
Southern Illinois University Press.
264 pp. \$24.95.

The tragic and frightening events surrounding the publication of Salman Rushdie's novel *The Satanic Verses* have focused world attention on the issue of free expression versus repression. Lest it be thought that Islam is the only religion capable of producing violent attacks upon works of literature, we have James Moffett's new study of the upheaval over school textbooks in Kanawha County, West Virginia.

In 1974, the Kanawha County school system adopted new English texts. The books represented a new generation of language arts books which included for the first time black and women writers, and introduced students to modern authors like Donald Barthelme, Denise Levertov, and James Baldwin. The books were immediately attacked by a right-wing school board member, Alice Moore, who had led a previous fight against sex education. Moore denounced the books as un-Christian, unpatriotic, and "filthy."

During the next year, schools were boycotted and parents who tried to send their children to school were threatened. An elementary school was firebombed, a bridge near another school dynamited, school buses were hit by sniper fire, and the Board of Education office was damaged by a dynamite explosion. Anonymous phone callers threatened the lives of those who spoke in favor of the books, and the cars of book supporters were followed after late-night meetings. Teachers

were warned their cars would be wired with explosives. Crowds of protesters picketed schools and shut down coal mines and businesses. The books were removed from classrooms, then reinstated, but with so many restrictions that their usefulness was destroyed. Textbook publishers, frightened by the turmoil, returned once again to producing traditional books.

Moffett's book is only partially successful as a guide to these extraordinary events. The editor of one of the disputed textbook series, he places much of his emphasis on a blow-by-blow defense of his work. He does include the transcripts of interesting interviews with the leaders of the book protest, including several fundamentalist Christian ministers. But he provides only one short interview with a supporter of the textbooks. And his descrip-

tion and analysis of actual events is too brief, littered with factual errors, simplistic and naive.

I attended high school in one of the areas of Kanawha County hardest hit by the protest, and I was a substitute teacher in the same area during the upheaval. The Kanawha Valley, which surrounds the state capital of Charleston, is a complex place, and Moffett's cursory and muddled descriptions only confuse the reader further. In his haste to place book protesters and supporters into understandable categories, he largely misses the wealthy right-wing residents who denounced the books and the average citizens in the "backwoods" (his term) who wanted their children to be free to read. He describes rural Appalachian areas as though he were visiting another planet, an attitude which contributed to the anger of those rural people who did protest the textbooks.

Moffett hits upon one culprit in the book war — religious fundamentalism. He tries to be understanding, and the strongest part of the book is his analysis of why people with rigid, literal outlooks are so threatened by literature and the use of the imagination. But he only touches on the real villains.

Robert Doman, Jerry Falwell, and the Heritage Foundation were familiar names in Kanawha County in 1974, although



ULTRA-RIGHT LEADERS FUELED DISCONTENT DURING THE KANAWHA COUNTY BOOK WAR OF 1974, PAVING THE WAY FOR RONALD REAGAN AND THE RECENT ATTACKS ON MULTI-CULTURAL EDUCATION.

little known in the rest of the nation. They fanned the flames of discontent, delivering inflammatory speeches and providing legal resources. And school board member Alice Moore, a junior-grade Phyllis Schafley and a skilled rabble rouser, was more responsible than anyone for the violence, although adept at keeping her hands technically clean. Moffett (who was present at none of the events he describes) thinks, incredibly, that Moore was a moderating influence.

Alice Moore has returned to her native Mississippi. Robert Dornan is an ultra-conservative congressman from Orange County, California. The Heritage Foundation is firmly ensconced in Washington as a right-wing think tank with the President's ear. All helped pave the way for Ronald Reagan and his repressive legacy. All presaged the attacks on multi-cultural education by Allen Bloom, William Bennett, and their ilk.

Although Moffett documents the ties the book protesters established with right-wing organizations, he doesn't seem to know what to make of this information. The textbook war was one of the first signs of a resurgence of a well-organized and well-funded extreme right wing in this country. Perhaps a song written by one of the fundamentalist ministers, Avis Hill, best illustrates the cruel irony of the situation: "Well the liberals will come and they'll strip mine the land. They'll steal and they'll rob and they'll take what they can."

Like poor Southern whites who take out their frustrations on poor blacks, the religious fundamentalists of Kanawha County had legitimate complaints. Lacking in power, ridiculed by their urban neighbors, working hard jobs in coal mines and chemical plants, they lashed out. Thanks to the manipulation of the political right, they picked the wrong target.

—Denise Giardina

Denise Giardina is the author of *Storming Heaven*.

HISTORY AS MEMORY

THE DREAM LONG DEFERRED
by Frye Gaillard.

University of North Carolina Press.
192 pp. \$9.95 paper.

**THE REST OF THE DREAM:
THE BLACK ODYSSEY OF LYMAN
JOHNSON**
by Wade Hall.

University Press of Kentucky. 230 pp. \$23.

History, by and large, is the chronicle of famous people's lives, or so we are told. Kings and presidents, celebrities, heroes and villains — these are the movers and shakers, and their words and deeds, duly recorded in the public ledger, become the fodder of historians.

But there is another, a more egalitarian view: that history is memory, and all who remember can claim not only knowledge of it, but possession of it as well. By these lights, we all live in the midst of ongoing history and are part of it, regardless of the level of our fame or wealth.

As the history of the civil rights movement unfolds now in waves of biographies, memoirs, and narrative recountings that focus on the leaders, we need to be reminded from time to time that not all of the players in that great drama were famous. Frye Gaillard and Wade Hall underscore the point exceedingly well in these two accounts of heroic lives lived in the spirit of Martin Luther King's universal dream.

Gaillard, a veteran reporter for the *Charlotte Observer*, tells in compelling personal terms the story of his city's long struggle to eliminate racial segregation in public schools. Beginning with the quiet courage of a 15-year-old high school sophomore named Dorothy Counts, he unfolds a story of pride and prejudice that has all the elements of a dramatic classic.

One of the best-known but least-understood federal court cases of the civil rights era — *Swann v. Charlotte-Mecklenburg*, the so-called "school busing case" — arose from this conflict. Gaillard tells the story of Darius and Vera Swann, who brought the suit; of Julius Chambers, their attorney; of James B. McMillan, the federal district judge who ruled in the case; and of a score of others, black and white, who played important roles.

Charlotte was not pristine in its reaction to the busing case, Gaillard declares. There were "mobs of white protesters" at school headquarters, Judge McMillan was hanged in effigy, and the offices of attorney Chambers were destroyed by arsonists. But gradually, Gaillard writes, "the climate began to change, as a new generation of leaders stepped forward. For the most part, they were grassroots people with no official standing, nothing to give them power or influence except a growing sense of hope — an ability to peer into the future and imagine how the schools might function if the people of Charlotte really embraced integration, rather than continuing the futile fight against it. Out of that perception, a new consensus formed, and in the years since then, Charlotte

has fundamentally changed."

The conventional wisdom nationwide is that busing to achieve school desegregation was an utter failure. One of the many virtues of *The Dream Long Deferred* is its persuasive proof that in Charlotte, at least, busing was a success, a significant triumph for the school system, the city, and the cause of simple justice for all.

Wade Hall, professor of English at Bellarmine College in Louisville, tells in *The Rest of the Dream* the life story of a Kentucky school teacher, Lyman Johnson, who started in the 1930s to speak out against racial injustice — and now, more than 50 years later, still eloquently expresses the same message.

In his own words, related to Hall during a series of tape-recorded interviews, Johnson tells of his four grandparents, all born into slavery, and of his father, an educator with a passion for freedom and justice. With that heritage, Johnson, now 82 and nearly blind, looks back on his own life of activism with mixed feelings of rage and pride and triumph.

When he was finally admitted under court order to graduate study at the University of Kentucky in 1949, Johnson was 43 years old and out of patience with his home state. After attending summer school, he dropped out, dismissing the institution as "a dump" and adding, "I wouldn't cheapen my master's degree from Michigan with a doctorate from the University of Kentucky." Thirty years later he graciously returned to the Kentucky campus to receive an honorary doctor of letters degree.

As a teacher in Louisville's all-black Central High School, Johnson was an outspoken critic of segregation and of economic injustice. "I know I'm out of step with most Americans," he told Wade Hall. "I plead guilty to being a leftist. But I don't care. I'm in good company. Jesus Christ himself in whose name capitalism has been promoted was not a capitalist. ... I don't like to use the term "Christian Socialism" because 90 percent of the people who use the word "Christian" don't know what it means. They don't know it's a powerful, radical word. So I say I believe in Democratic Socialism, which means that the government is under the control of the people and exists for their benefit."

Having fought a lifetime of battles on principles, Lyman Johnson now enjoys reminiscing with friends and former adversaries alike. "I've done what I could," he says, "to advance the cause of human



THIS WINSLOW HOMER SKETCH DEPICTING THE INDEPENDENT STRUGGLE OF A YOUNG BLACK LATER EVOLVED INTO *WEANING THE CALF*, A RURAL VIGNETTE THAT EVOKED THE BLACK STRUGGLE FOR LIBERATION DURING RECONSTRUCTION.

freedom in my own backyard... If I had been as fit of pen as of tongue, maybe I could have cut a broader swath through the world. But I'm not crying... I'm not ashamed of my stewardship."

He is still fit of tongue, as the autobiography he has told to Wade Hall makes abundantly clear. This is a story of courage, inspiration, humor, and hope, and it ought to be read widely by the "human family" to which Lyman Johnson declares we all belong.

—John Egerton

John Egerton is a freelance writer in Nashville, Tennessee.

IMAGES OF BLACKS

WINSLOW HOMER'S IMAGES OF BLACKS: THE CIVIL WAR AND RECONSTRUCTION YEARS
by Peter Wood and Karen C.C. Dalton.
University of Texas Press. 144 pp.
\$19.95.

Coming to maturity at the moment when the smoldering "sectional crisis" of the 1850s exploded into the Civil War, Winslow Homer, as illustrator and as artist, documented the transition of black Southerners from chattel slavery to precarious citizenship.

In the days before the invention of the

photogravure process made it possible to print photographs, periodicals depended upon lithographs and wood engravings to illustrate their stories. Beginning in 1860, with the *Expulsion of Negroes and Abolitionists from Tremont Temple, Boston, Massachusetts, on December 3, 1860*, Winslow Homer provided *Harper's Weekly* with a visual record of the Civil War and its effect on "the Southern way of life."

When time and his bank account permitted, Homer put aside his illustrations to capture, first with watercolors and later with oils, the lives of Virginia slaves and freedmen. One of these paintings, *Weaning the Calf*, is part of the permanent collection of the North Carolina Museum of Art. Museum director Richard Schneiderman approached Duke University historian Peter H. Wood about creating an exhibition that "would situate this work in its artistic and historical context." Wood collaborated with art scholar Karen C.C. Dalton in organizing an exhibition of 34 pieces from 18 collections that opened at The Menil Collection in Houston last October.

Just as the exhibit places *Weaning the Calf* in its context, the excellent exhibition catalog by Wood and Dalton provides the artistic and historical context for Winslow Homer and the exhibition itself. Homer was born in Boston in 1836 "as the

abolitionist movement intensified [and] grew up with the images and issues of this passion-filled controversy swirling about him." Art historian Richard J. Powell, in an introduction to the catalogue, writes that "without speculating on Homer's opinion on the 'new order of things,' one can comfortably look at Homer's black imagery as accurate reflections on America's complex and changing attitude toward its black citizens."

In Virginia, Homer was caught between a white culture that could not understand his interest in their former slaves, and a black culture that saw freedom as including the right to present oneself in one's "Sunday best" for the formal portraits they had always seen of white people. Homer apparently ignored white hostility but compromised with black displeasure by painting a group of freedwomen preparing a young man's *Jonkonnu* costume. The painting, entitled *Dressing for the Carnival*, is part of the permanent collection of The Metropolitan Museum of Art, and will be among those exhibited from May 6 to July 2 at the North Carolina Museum of Art in Raleigh.

—Robert Hinton

Robert Hinton is a Ph.D. candidate in Southern history at Yale and a board member of the Institute for Southern Studies.

INJUSTICE AT WORK

BETRAYAL OF TRUST: STORIES OF WORKING NORTH CAROLINA

by Leah Wise and John Bookser-Feister.

Southerners for Economic Justice.
68 pp. \$11.

Betrayal of Trust documents the suffering and devastation that North Carolina workers and their families risk each day to earn a paycheck. In their own words, workers tell of sexual harassment, racial discrimination, toxic poisoning, workplace injuries, uncompensated illnesses, and retaliatory firings for unionizing attempts. These 23 stories document the worst kinds of institutional economic injustice, from industrial recruiters who lure corporations seeking a low-wage, union-free workplace, to unreliable OSHA inspectors and doctors bought off by companies.

The power of *Betrayal* is in the way it lets workers speak for themselves. "They squeeze the people when they ain't got nothin'. And they can't beat the case against a big place," says Sally, a housecleaner who lost her job after she was injured working at Duke University.

Another injured worker questions the "employment at will" doctrine, which allows companies to fire employees who miss work for family emergencies or get sick or injured on the job. "Why is the law so much in their [management's] behalf and not for the person and the victim?" the worker asks. "Why don't the company get a 50/50 chance instead of having 98 percent privilege over the injured person?"

While heart-wrenching to read, the goal of *Betrayal* is more pointedly directed at changing the "dysfunctional system" that permits such abuses to go unchecked. Editors Leah Wise and John Bookser-Feister call for pro-worker policies, beginning with the "repeal of right-to-work laws (which weaken unions) and establishment of laws that adopt just-cause terminations." The crucial first step, the editors note, is organizing collective action directed toward winning just treatment.

Several stories in the collection capture the spirit and determination of people committed to fighting back and standing up to mistreatment. "You have to do what you think is right for you, even though sometimes it comes off all the way wrong," says Johnny, a worker fired for his participation in a unionization effort at Liggett and Platt, a paper mill in Robeson

County. "With your workers there that you have worked with so long, people you really love and care about, you stand with them."

The book ends with the story of Schlage Lock workers in Rocky Mount who fought their company when it moved to Mexico, leaving behind workers and groundwater poisoned by toxic chemicals. Workers organized, with the assistance of Southerners for Economic Justice and Black Workers for Justice. They held rallies, press conferences, public hearings, and pickets. They won severance pay from the company and extended unemployment benefits. David Holder, a former Schlage worker, said he never felt as alive in his entire life as when he stood up against Schlage and fought for his rights.

The stories of *Betrayal* make it clear that we must all stand up and fight for pro-worker laws and policies. The book provides a compelling and important educational and organizing tool that can be used in the fight — in North Carolina and throughout the South.

—Tobi Lippin

Tobi Lippin works for NCOSH, the North Carolina Occupational Safety and Health Project.

The Southeastern Ceremonial Complex

Artifacts and Analysis



Edited by Patricia Galloway

"A substantial contribution to our understanding of the prehistoric Southeast. This work stands alone as a comprehensive overview."—Chester B. DePratter, University of South Carolina. By the mid-13th century certain motifs and themes began to appear on artifacts belonging to cultures extending from the Atlantic and Gulf coasts inland to eastern Oklahoma and to the borders of the lower Ohio Valley. This phenomenon, known to scholars as the Southeastern Ceremonial Complex (SECC), was the subject of a conference and exhibition of artifacts held at the Cottonlandia Museum in Greenwood, Mississippi. Written by the prominent archaeologists and anthro-

pologists, the essays in this volume represent the latest thinking about the SECC. A volume in our series, *Indians of the Southeast*. Available in May. Foreword, introduction, notes, bibliography, 326 color and b&w illustrations. \$50.00

Nebraska

University of Nebraska Press · 901 N 17 · Lincoln 68588-0520

BEYOND THE FEAR

HOMOPHOBIA: A WEAPON OF SEXISM

by Suzanne Pharr.

Chardon Press. 91 pp. \$9.95.

Suzanne Pharr has provided an essential tool for all of us who are thinking about the ways that our society has rigidly defined our opportunities based on our gender or sexual identity.

This book is not a theoretical discourse. Rather, it is grounded in the experiences of the author — a lesbian who grew up on a small dirt farm in Georgia, came out in New Orleans, and has worked for years in the battered women's movement both nationally as well as in her home state of Arkansas. Since 1982, Pharr has presented workshops on homophobia and internalized homophobia to women's organizations, schools, and churches across the country. Each kernel of analysis has been tested against her experiences and those of the participants in her workshops.

The book begins with a discussion of why homophobia exists and the ways it works. Much of the theory has been de-

veloped by asking the question, "What will the world be like without homophobia in it—for everyone, female and male, whatever sexual identity?" The answers provide glimpses of a world where affection is open and isolation is broken, where women and men work at the jobs of their choosing and people wear whatever clothes they wish, presenting a vision that underscores how homophobia is stifling us all.

Using many Southern examples, Pharr clearly points out the ways that the women's movement has been crippled by homophobia. Many powerful women have been frightened into their place by the fear of being labeled a lesbian—battered women's shelters have closed because funders feared a "bunch of lesbians," *Ms.* magazine writes articles about women succeeding in a man's world, and the nuclear family continues to be presented as the only healthy way for people to live together.

Pharr also highlights the many ways that lesbians have been "deeply wounded by the ravages of homophobia." The fear of visibility—and the self-acceptance of society's notion that lesbians are really unworthy—has created a community that often attacks and limits itself rather than "focusing that anger and energy in a unified way to make the changes needed in the dominant culture."

Fortunately, Pharr does not leave us with despair, but offers concrete ways to eliminate homophobia in each of our lives, as well as in our movements. None of us alone or in our isolated communities can create a world where each of us is able to speak in our own voice and control our own life. Gay men and lesbians represent only a tenth of the population and women only half. People fighting oppression must band together. *Homophobia: A Weapon of Sexism* is one tool to help us think about the ways that we can build the bridges.

—Meredith Emmett

Meredith Emmett is executive director of the Institute for Southern Studies.

THE DYING WATERS

THE LAST WATERMAN by Glenn Lawson.

Crisfield Publishing. 210 pp. \$11.50.

Glenn Lawson is of a Chesapeake Bay family that has made a living off the water and marshes, without bosses, sala-

ries, sometimes without laws and taxes, through good times and, increasingly, through bad times. The water is dying from "over-nourishment" from pollutants.

For generations, back to Jamestown's settlement, Lawsons have participated in the Bay's often inglorious history. Glenn's colorful story focuses on his brother, "Hon," the last waterman in the Lawson family. Although Glenn himself now lives in North Carolina, he is bonded still to his Bay heritage—so much that, as he tells in his book, he found himself driven to write about Hon's increasing awareness, innovations, and public action as the ancient Chesapeake dies.

Consistent with his roots, Glenn Lawson didn't depend on a major publisher to make his book happen. He published it himself, and is giving the profits from the book's sales to the North Carolina Coastal Federation.

When I met Lawson, I thought him a quiet, alert, and modest man and supposed his book would be heartfelt, but still a vanity. Instead, it is honest, spare, carefully executed, with exciting historical drama. And I best loved the details—about the changing types of boats to meet changing resource demands, for example, and about methods of living off the land and water,

about heartless pirates and oyster wars and goose hunting with homemade guns the size of cannons (the kick of which would send a skiff flying backwards over the water). Skipjack, bug-eye, drudge, tong, nipper, crab scrape, oyster police—these are words from the index of a book which brings several hundred years of Chesapeake Bay to vibrant life.

Most important, Glenn's brother and main character is a voice of truth amidst years of inconclusive scientific studies about the Bay's decline. For example, when Hon talks about whether "over-fishing" destroyed the Bay's oyster future, he brings up the subject of eel grass, a common sea weed which is gradually being smothered along the coast: "When the water quality is so poor the grass all dies, how can anyone expect the oysters and the shad and the rockfish to survive?"

—Jennifer Miller

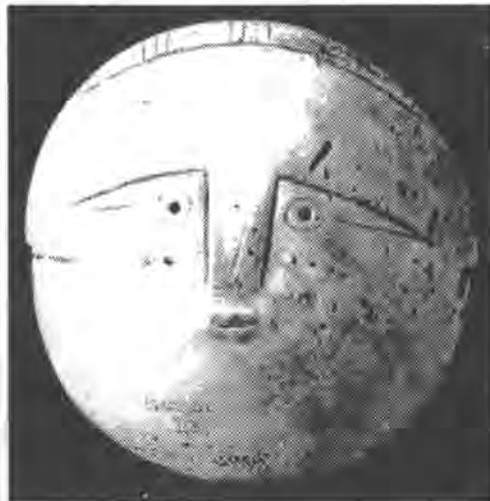
Jennifer Miller is a native of North Carolina's coast and a former editor of *Southern Exposure*. *The Last Waterman* is available from the North Carolina Coastal Federation, 1832 J. Bell Lane, Ocean, Newport, NC 28570.

Powhatan's Mantle

Indians in the Colonial Southeast

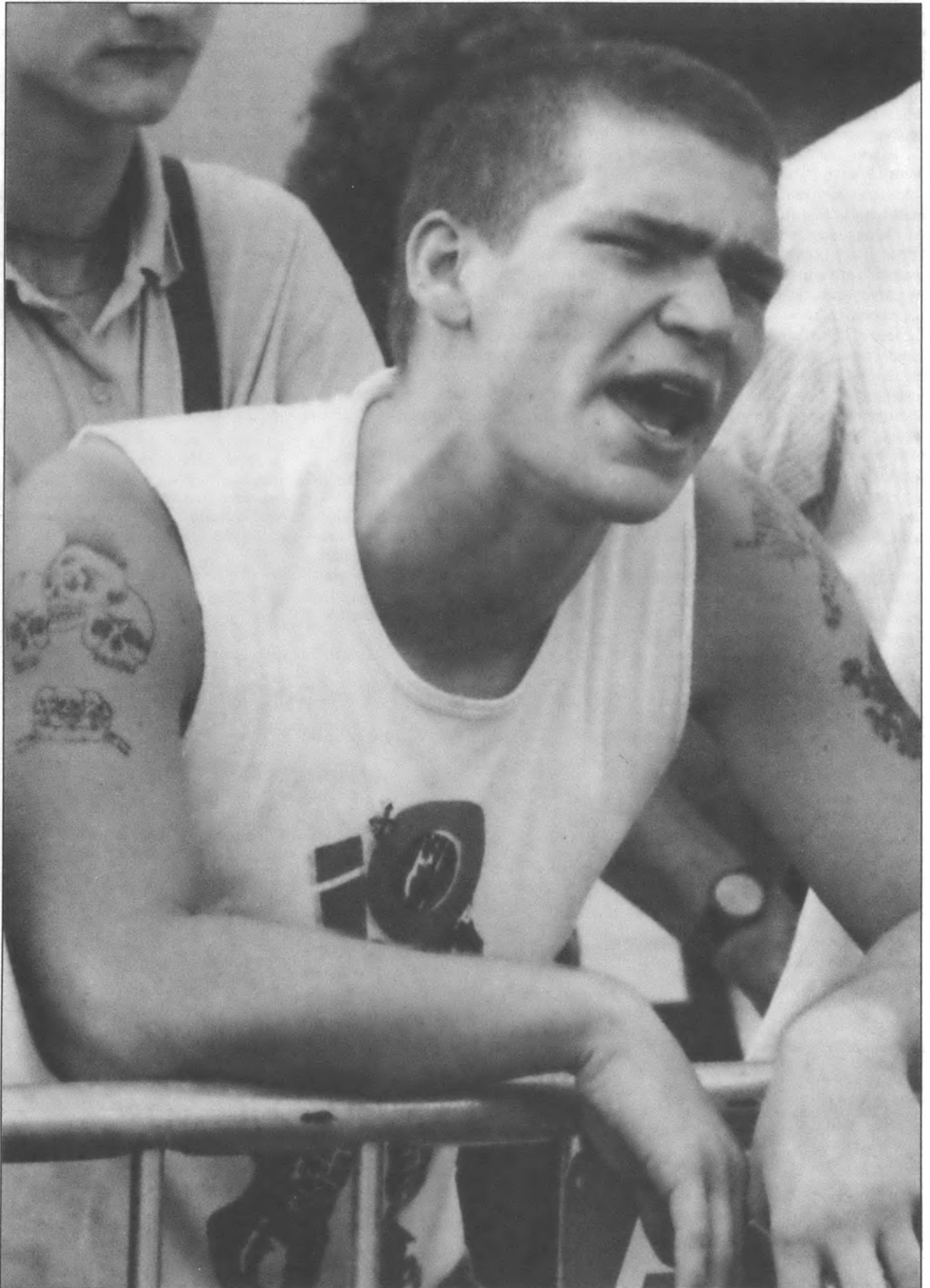
Edited by Peter H. Wood,
Gregory A. Waselkov, and
M. Thomas Hatley

"Insightful, methodologically innovative, thoroughly fascinating."—Michael D. Green, Dartmouth College. *Powhatan's Mantle: Indians in the Colonial Southeast* contains twelve original essays highlighting new approaches and current work by some of the foremost scholars in the field. Combining ethnohistory, archaeology, anthropology, cartography, and demography, *Powhatan's Mantle* provides a provocative introduction to the dramatically changing world of southeastern Indians during the colonial era. A volume in our series, *Indians of the Southeast*. Available in May. General introduction, section introductions, notes, index, 14 illustrations, 13 maps, 1 graph, 1 chart. \$50.00



Nebraska

University of Nebraska Press · 901 N 17 · Lincoln 68588-0520



New Blood

for the
Old Order

When former Ku Klux Klansman David Duke won election as a Louisiana state representative in February, he was quick to trumpet his victory as a sign that voters are showing renewed interest in white supremacy.

"I think you're going to find candidates across the state and across the country begin to talk about the issues I'm raising," Duke boasted. "I think this is the beginning of a change in this country."

Duke's success in electoral politics marks a culmination of a decade of conscious strategy by white supremacists. Faced with dwindling membership throughout the 1980s, hate groups like the Klan have been looking for a way to bring their genuinely fascist politics into the mainstream — and Duke has provided the first major victory. Elected office lends legitimacy to his neo-Nazi beliefs and gives him a national platform from which to speak, and he is taking advantage of it every chance he gets.

In many ways, Duke represents the legacy of eight years of the ultra-conservative political movement spearheaded by Ronald Reagan. Reagan came to power in a conscious effort to place a far-right political agenda at the center of American politics — an agenda that displays nothing but contempt for the poor and disadvantaged — and by

and large he succeeded. In doing so, he created an opening for white supremacists like Duke, who are now working to maneuver an even more extremist agenda to the center of the political spectrum.

This was not the first electoral success for Duke. Before he ran for state legislature, he had already won 20,000 votes in Louisiana as a Democrat in the presidential primary last year, and 18,000 votes as an Independent in the general election.

In essence, Duke has sent a signal to white supremacist candidates that they don't always have to hide behind the thinly-veiled euphemisms used in mainstream politics — it is sometimes possible to win an election by being openly racist.

Although many are portraying Duke as an isolated Southern racist, his victory also serves as a reminder that the American mainstream is not immune from outright fascism. After all, Klan candidates have won elections in this country before — most notably in the 1920s — and they have won them in the North as well as the South.

"Duke is not an isolated phenomenon," says Leonard Zeskind, research director for the Atlanta-based Center for Democratic Renewal, a non-profit group that monitors white supremacist activities. "This thing could happen anywhere. It could happen in Yonkers."


SE Special Section

Above-ground electoral politics is just one of the current white supremacist strategies. Another is underground paramilitary training and organized violence. Klan and neo-Nazi groups have spent much of the last decade organizing secret armies and carrying out guerrilla raids across the country. Now they are increasingly turning to the street violence of the Skinheads, small groups of teenagers who operate as neo-Nazi youth gangs, complete with high boots and swastika tattoos.

"For the first time, a nationwide racist movement is being initiated by teenagers who are not confined to any single geographic region or connected by a national network, but whose gangs sprang up spontaneously in cities throughout the country," concludes the annual report of Klanwatch, a non-profit group that monitors white supremacist activities for the Southern Poverty Law Center. "Not since the Ku Klux Klan of the 1950s has a white supremacist group been so obsessed with violence, and so reckless in its disregard for the law."

As the articles in this special section of *Southern Exposure* demonstrate, Klan leaders themselves have made no secret of their desire to unleash Skinhead violence on blacks, Jews, and gays. "If there's a future for the right wing, Skinheads will be the first racial wave," says Klansman Robert Miles. "They're what

the Nazi storm troopers were in the early '20s: disenfranchised working-class youth who were given uniforms, a bed in the barracks, three meals a day, and a purpose."

The articles in this section provide a clear picture of how white supremacists have changed their strategy in the nine years since we examined them in our full-length issue, *The Mark of the Beast* (SE Vol. VIII, No. 2). The stories take us from West Virginia, where neo-Nazi publisher William Pierce has set up a rural commune to indoctrinate children; to North Carolina, where hate groups followed a blueprint by Pierce for a violent takeover of the government; and finally to Atlanta, where the Skinheads began to surface just as older Klan and neo-Nazi leaders were being prosecuted for their crimes.

Despite the shifting face of the Klan and other hate groups, some things have not changed since we published *The Mark of the Beast* in 1980. As we wrote then, "The Klan is only the mark of a larger beast — institutional racism and other forms of corporate exploitation. If the Klan is allowed to spread its venom unopposed, it will grow to proportions which threaten unions, community organizations, and decent people everywhere."

—Eric Bates

Warriors for the Cause

By Topper Sherwood

MILLPOINT, W. VA. — William Pierce lives on 346 acres of rolling land in the Appalachian Mountains, where he has worked very hard to build a church. His neighbors here in Pocahontas County say he fits the role of pastor well. Although he doesn't enjoy drawing attention to himself, his speech is sharp and clear, and he knows how to drive home a point. He likes to write. "He's a real intelligent

fella, that guy is," says one county official. "A real intelligent man."

Pierce and his followers call themselves the "Cosmotheist Community." They have a built a two-story metal build-

ing to serve as their meeting place, and both the building and the land it stands on are tax-free — courtesy of federal and state tax exemptions granted to the group.

There is only one problem with this pastoral scene: William Pierce is one of the foremost neo-Nazi publishers in the nation, and the author of a novel depicting the wholesale "extermination" of blacks and Jews.

**A neo-Nazi leader tries to recruit children —
with the help of some nice tax breaks .**

DAY OF THE ROPE

Despite his guise as “Cosmotheist pastor,” friends and followers of Pierce have known him for more than a decade as chairman of the National Alliance, a white supremacist group based in Arlington, Virginia. Since founding the Alliance in 1974, Pierce has published reams of hate material decrying what he calls “Jewish terror” and “black criminality.”

In 1978 — the same year the Cosmotheists received a tax exemption from the Internal Revenue Service — the Alliance published Pierce’s novel, *The Turner Diaries*, a chilling portrayal of a bloody Nazi takeover in the 1990s. The account includes a fictional “Day of the Rope” when blacks, Jews, and “everyone who even looked like he had a bit of non-White ancestry” are systematically killed. The white supremacists in the novel eventually use nuclear weapons to achieve their goal.

“I am sorry, of course, for the millions of White people, both here and in Russia, who died — and who have yet to die before we have finished,” says Earl Turner, the violent hero of the novel. “But innocents? I think not. If the White nations of the world had not allowed themselves to become subject to the Jew, to Jewish ideas, to the Jewish spirit, this war would not be necessary.”

It is not the size of his following that makes Pierce important. By all accounts his “select” group of Alliance members is relatively small, and his Cosmotheist community is reported to number less than a dozen. What makes Pierce significant is his role as a leading publisher in a neo-Nazi network intent on recruiting young people to form a new generation of right-wing extremists.

Pierce has made no secret of the reason he moved to the mountains of West Virginia. Speaking to 200 people at a conference of right-wing extremists shortly after he moved onto the land, Pierce said he hopes to use the land to “change the infrastructure of society” and “provide a totally new environment for our children.”

The “new environment” will take the form of an isolated rural commune of 200

to 300 members — white nuclear families only. Shut off from the rest of the world, the group will indoctrinate children, shaping not only their school work and curriculum, “but recreation — their peers — so that you have an opportunity to guarantee at every level that they will grow up with the right values and the right character.”

Sounding much like one of the many “back-to-the-landers” who drifted into the hilly Appalachian region during the 1970s, Pierce told his listeners he has “sort of a feeling about land — about the environment in which people live. If you’re out of the city, in closer contact with nature ... this has something to do with shaping attitudes, with shaping characters.”

He has even advertised his new com-

1965, when he resigned from the job — and the Birch Society — taking a corporate position in Connecticut. There he met George Lincoln Rockwell, founder of the American Nazi Party.

“He became a friend of mine and I received guidance from him in the publishing field,” says Pierce, who served as editor of the *Nationalist Socialist World*, a quarterly published by Rockwell.

In 1970, several years after the party dissolved and Rockwell was assassinated, Pierce founded the National Youth Alliance. The NYA described itself as “a fighting movement” determined to “liquidate the enemies of the American people.” It became the National Alliance in 1974.

“The National Alliance, from the beginning, has put more emphasis on the written word,” says its leader. Indeed, Pierce has established himself as one of the chief propagandists for white extremists, eager to expose young people to “racially oriented” materials such as his. He says there is “an enormous market” for racist fiction like *The Turner Diaries*, and has even suggested designing ideological comic books for teenagers.

According to Pierce, the National Alliance has “become one of the two largest distributors of racial materials and books in the United States.” He said his own book is making “a nice profit for us, which has allowed us to fund other operations.”

Pierce believes that the profits and influence of his publishing will enable the movement to build “an infrastructure — one part of which has the capabilities for getting out the printed material at every level, so that every white person in the English-speaking world who is capable of being saved is exposed to this material on a regular basis.”

THE ORDER

Although Pierce’s vision far outstrips his influence, his propaganda is more than mere words — it served as a practical and spiritual guide for a real-life terrorist group known as The Order that committed a series of bombings, murders, and



THE THUNDERBOLT, A WHITE SUPREMACIST NEWSPAPER, REPORTED THAT PIERCE'S NOVEL SERVED AS "THE BIBLE" FOR MEMBERS OF THE ORDER.

community in *The Washington Post* and *Mother Earth News*. The nondescript ad encouraged “healthy and hardy” women to apply for open spots in the fledgling project. Pierce is reluctant to discuss what kind of response the ads drew, but admits he was surprised to learn that *Mother Earth* has a “liberal tinge.”

“LIQUIDATE THE ENEMIES”

Pierce has a lengthy resume of right-wing credentials. He joined the John Birch Society in the early 1960s, after receiving his doctorate in physics from the University of Colorado. He was an assistant professor at Oregon State University until

armed robberies in the Pacific Northwest in 1983 and 1984.

Bob Mathews, the man who organized The Order, was an avid follower of Pierce. Mathews was living with his parents in Washington state and working as a recruiter for the National Alliance in 1983 when he began to dream of making the fictional violence of *The Turner Diaries* a reality.

Mathews even tried to imitate Pierce's hateful rhetoric. "We are determined to put an end to race-mixing, homosexuality, oppressive taxation, gun controls, and the coddling of criminals!" he wrote in one recruiting letter. "We of the National Alliance fully intend to reclaim what our forefathers discovered, explored, conquered, founded, settled, built, and died for."

Using the book as a blueprint, Mathews organized a white supremacist group and unleashed a string of terrorist attacks. Members of the organization bombed a synagogue, held up several armored cars, and killed at least three people, including outspoken Denver radio talk show host Alan Berg. As leader of the group, Mathews had access to big-time cash, safe houses, and a war chest of sophisticated weapons.

"They patterned their whole operation after it," said U.S. Attorney Peter Muller, who prosecuted members of The Order. "If you take the time to read through the trial transcript, and read *The Turner Diaries*, you see that the two practically mirror each other."

The robberies netted \$4 million, but only half of that has been accounted for. What happened to the rest of the cash will probably remain a mystery, but there is evidence to suggest that some of the money went to Pierce — and that Pierce may have used it to buy his tax-free land in West Virginia.

In November 1984, Bob Mathews told his friend Tom Martinez that he had personally given some of the holdup money to Pierce. What Mathews didn't know at the time was that Martinez was working undercover as an FBI informant.

Martinez remembers meeting with

Mathews in the Capri Motel in Portland, Oregon. Mathews was tired and jittery, on the run from federal authorities, and he rambled nervously from subject to subject. He told Martinez that he had given some of the holdup money to Pierce, and that Pierce had bought a piece of property somewhere to be used by "the movement."

"He definitely talked to me about giving Pierce a lot of money and also about land that Pierce apparently purchased," Martinez remembers. "But I didn't ask him where it was or anything because, at the time, I didn't think it was important."

One month earlier, Pierce had closed the deal on the 346-acre tract in rural West Virginia — with \$95,000 in cash.

Two weeks after meeting with Martinez, Mathews was killed in a fire and shoot-

mation, but none of them are talking to us."

A leading member of the Order — Bruce Carroll Pierce (no relation to William), identified as the trigger man in the murder of Alan Berg — reportedly told an FBI agent that the National Alliance chairman had received \$50,000 from the holdups. He later recanted his confession.

William Pierce denies receiving any stolen money, saying he paid for the Cosmotheist property in West Virginia with \$52,000 in stock and certificates of deposit from "private donors."

A NEW GENERATION

Today, four years after the violence of The Order, Pierce shows little reluctance to praise Mathews. His newsletter once called the terrorist leader "a passionate man" who "took up arms against the enemies of his race."

"I didn't really know him well," he said later. "I liked him and admired him."

Most of Pierce's new neighbors don't often see his racist side. In fact, some are reluctant to believe he's really a neo-Nazi.

"The people who feel he is not associated with it do not know the whole story," says Pocahontas County Sheriff Jerry Dale. "But the percentage of people who know about him is high."

Dale says he is concerned about Pierce's past associations and survivalist-type rhetoric, and is "keeping an eye" on the Cosmotheist Community.

"Personally, as far as I'm concerned, black people or Jewish people or Hispanic people ... they're American too, and they have a right to live here," the sheriff says.

Since reports of Pierce's neo-Nazi connections have surfaced, federal officials have also been keeping an eye on him. Authorities have been considering a "retroactive revocation" of the Cosmotheist tax exemption, calling the religious group "blatantly racist." West Virginia officials have already removed the state tax exemption on most of the property, but have allowed Pierce's small church and mobile home to remain tax-free.

Losing a tax exemption, however, isn't likely to slow up Pierce — not as long as

Photo by Chet Hawes/Charleston Daily Mail



THIS AERIAL PHOTO SHOWS THE COSMOTHEIST "CHURCH" PIERCE AND HIS FOLLOWERS BUILT ON THEIR TAX-FREE LAND IN THE MOUNTAINS OF WEST VIRGINIA.

out with federal agents near Seattle. When 22 Order members were tried and convicted of arson and murder a year later, witnesses testified that some of the holdup money had been earmarked for Pierce.

Federal authorities say they believe large amounts of the money stolen by The Order went to national racist leaders, but they have been unable to prove anything in court.

"Testimony and evidence showed that Mathews went around the country giving various people money, but all that testimony was secondhand," says a federal prosecutor working on the case. "Other members of The Order have firsthand infor-

economic hard times and political hard lines continue to create an atmosphere conducive to neo-fascist recruiting.

Tom Martinez, the former Order member turned FBI informant, says the genuine hardships of the world often breed feelings of powerlessness and frustration, making some people easy prey for the elitist, white supremacist movement.

"Leaders like Pierce are still out there

indoctrinating," Martinez says, adding ominously that the National Alliance is putting out material "to bring in new blood."

Martinez links Pierce's hate material to the surfacing of the Nazi Skinheads, a growing group of teenagers fashioning their own brand of racism and violence. Indeed, Pierce himself has made it clear that his goal is to recruit young people into the hate war against blacks and Jews

— in his own words, "to train a new generation to pick up the torch and become warriors for our cause in the field."

"In the final showdown," he wrote, "there will be no other way but Robert Mathews' way. No combination of clever lawyers, yuppies, and Joe Sixpacks will ever beat the Jews . . . but blood will, eventually." □

Topper Sherwood is a freelance reporter in Charleston, West Virginia.

A Deadly New Breed

By Mab Segrest

SHELBY, N.C. — Three men entered the Shelby III Adult Bookstore near midnight on January 17, 1987 while one waited guard outside. Dressed alike in brown corduroy coats, their faces covered with ski masks, they ordered the five men in the store to lie face down on the floor. Then they shot each man in the head, set fire to the store, and fled.

Two customers and a 19-year-old employee of the bookstore died instantly. Two other customers survived, and one managed to give police a description of the attack.

It was clear from the start that this was no ordinary late-night holdup. The

assault had been too systematic, the violence too brutal. At first police speculated that the attack was linked to an organized-crime pornography network, but evidence

**A murder trial offers
a warning of the deadly effect
of Klan and Nazi organizing
when it is allowed to go
unchecked.**

later led them to suspect the involvement of right-wing extremist groups.

Ten months later, Robert Eugene Jackson and Douglas Sheets were indicted on 16 counts in the Shelby attack, including three counts of first-degree murder. Both men were former members of the White Patriot Party, a heavily-armed, neo-Nazi group active throughout North Carolina for the past decade. Their motive, according to an informant, was to "avenge Yahweh on homosexuals."

Jackson and Sheets are scheduled to go on trial in Shelby this spring, and the proceedings are expected to con-

firm that the bookstore killings were far from an isolated incident. North Carolina has led the nation in racist organizing and bigoted violence since 1983, and the Shelby case marks the second time this decade that Klansmen and Nazis in the state have been indicted for mass killings. The trial reveals some of the new incarnations of old hate ideologies rampant throughout the region, shows how far-right groups have targeted gay people, and offers a warning about the deadly effect of white supremacist organizing when it is allowed to go unchecked.

NAZI-KLAN UNITY

Glenn Miller, the founder of the White Patriot Party, was apparently nowhere near the Shelby III on the night of the executions, nor has he been held legally liable for the murders. According to key witnesses, however, the organization he built was directly responsible for the deaths that night.

The White Patriot Party had deep roots in North Carolina. A Green Beret who served two tours of duty in Vietnam, Miller was discharged from the Army in 1979 at Fort Bragg, North Carolina for distributing a white supremacist newspaper on base. Over the next decade he worked full-time as a white supremacist organizer, apparently supporting himself in part on his Army retirement pay.

Miller worked briefly with Harold Covington, the Nazi leader who helped organize the group that killed five anti-Klan demonstrators in Greensboro in 1979. Covington ran for state attorney general on the Republican ticket in 1980, garnering 43 percent of the vote. His call for a "Free State of North Carolina" was later echoed in much of Miller's material. Suspected of being an informant, he fled to South Africa in 1981.

Miller turned away from Nazi imagery, founding the Carolina Knights of the Ku Klux Klan in 1980. "People are not

receptive to the swastika," Miller explained. "White People have been brainwashed for the last 35 years that the Nazis were somehow related to communism."

The Carolina Knights reflected the

"scalawag politicians," he was clear about the source of the country's problems: "inferior, violent-prone, parasitic minorities." He insisted that the Carolina Knights was a law-abiding organization,

but added: "We are building a mass White citizens militia, complete with legal firearms to protect ourselves."

To Miller and the Carolina Knights, "protection" meant more than a gun in the glove compartment — it meant stockpiling heavy weapons and conducting illegal paramilitary training. According to the testimony of ex-Klansman James Holder, active military personnel from Fort Bragg and Camp Lejeune took to the woods of Lee County in 1982 and 1983 to help train Klansmen in hand-to-hand combat, escape-and-evasion, ambush, river crossing, and seek-and-destroy missions using AR-15 and mini-14 rifles, shotguns, pistols, and artillery simulators.

Holder testified that the purpose of such training was to overthrow the government and establish a Nazi "United State of Carolina." State law enforcement officials routinely accepted the Klan's word that their operations were legal.

The group soon put its lethal training into practice. When Bobby Person, a black prison

guard in Moore County, tried to apply for a job as a sergeant in 1983, Carolina Knights visited his home in "Special Forces" fatigues, burned a cross on his lawn, and threatened his family at gunpoint. Person filed suit against the group through the Southern Poverty Law Center in Montgomery, Alabama.

ENTER THE ORDER

In 1984, the Carolina Knights began to peak. The home-grown operation started to converge with national trends, and Southern Klansmen found themselves in league with neo-Nazi hate groups across the country.

Photo by Vince Wheeler/Smithfield Herald



GLENN MILLER, FOUNDER OF THE WHITE PATRIOT PARTY, FUSED KLAN AND NAZI ELEMENTS IN A DUAL STRATEGY THAT COMBINED PUBLIC PROTESTS WITH ILLEGAL PARAMILITARY ACTIVITY.

dominant tendency on the far right in the 1980s: the fusion of Klan and Nazi elements into a deadly new breed intent on building a mass movement of white people and taking over the federal government, by force if necessary. Like other ultra-right leaders around the country, Miller pursued a double strategy that combined mass organizing through media, marches, and electoral campaigns with illegal paramilitary activity.

Miller began one of many campaigns for elected office in 1982 to show "that the Ku Klux Klan is working peacefully within the system" as well as to gain "favorable and free publicity." Unlike other

Chief among these national allies was The Order, the white supremacist group that conducted a terrorist campaign based in Seattle in 1983 and 1984. Following the scenario laid out in *The Turner Diaries*, the novel by neo-Nazi leader William Pierce, the group bombed a synagogue and robbed several armored cars, escaping with \$4 million in cash to distribute to extremist leaders around the country.

According to court testimony, some of the money found its way to Glenn Miller and the Carolina Knights. Robert Mathews, the founder of The Order, reportedly visited Benson, North Carolina — Miller's hometown — in August 1984. Another Order member, Bruce Carroll Pierce, testified Miller had received \$300,000 from The Order robberies that fall. (Pierce later retracted his statement).

That October, the Knights held a heavily-armed rally in Robeson County. The event drew 300 participants, a sharp increase over previous rallies. Expensive new weapons seemed to indicate a recent influx of cash. Miller changed his group's name to the Confederate Knights and announced plans to organize new chapters throughout the region. He also unveiled a computer link-up with an information network run by the Aryan Nations, the neo-Nazi group that had given birth to The Order.

THE ROAD TO SHELBY

In 1985, Miller made good on his promises of expansion. For starters, he changed the group's name again — this time to the White Patriot Party — hoping to enshroud its Klan robes in the colors of the American flag. "We want to reach the minds and hearts of our people, and we cannot do that under the name Ku Klux Klan," he explained in a press release.

The White Patriots began moving into older Klan turf in the mountains of western North Carolina. There they found fertile ground — and their efforts in Shelby were a case in point.

On June 15, 1985, the White Patriots caravanned from Shelby to Forest City

Gastonia in a major "tri-city rally." That night, heavily armed with pistols, shotguns, semi-automatic and bolt-action rifles, they rallied in Cliffside, not 10 miles from the Shelby III Adult Bookstore.

"We're going to get our country back," Miller told his troops. "We hope to keep bloodshed to a minimum, but anyone that gets in the way is going to be sorry."

Zane Saunders, a reporter for the Forest City *Courier*, covered the caravan and rally. "These are not the words of someone who plans to use weapons just for defen-

The Shelby *Star* editorialized about the danger of Bailey's candidacy, and local Presbyterian minister John Bell called on the community to "oppose openly and publically the principles and activities of the KKK." Three days later he opened his mail to find a picture of a man hanging from a tree with the caption: "DEATH! to the Traitors, Communists, Race Mixers and Black Rioters. It's time for old-fashioned American Justice."

Bailey lost the election by a resounding margin — but Shelby was only one

community where the White Patriots had made inroads. By the end of 1985, the group reported dens in 16 North Carolina towns and seven other states, including Georgia, South Carolina, Florida, and Tennessee.

GOING UNDERGROUND

Finally, in 1986, the suit the Southern Poverty Law Center had filed for prison guard Bobby Person brought Miller into federal court. An ex-Klansman testified that he had sold the White Patriots \$50,000 in illegal arms, including plastic explosives, anti-tank rockets, land mines, and guns and ammunition. Miller was found guilty of two counts of contempt, and the Patriots disbanded in October. U.S. Attorney Sam Currin reported that the group was "disintegrating," but warned of the formation of a "smaller but more extreme element."

On January 5, 1987, federal officials indicted Robert Jackson and four other White Patriots for conspiring to obtain illegal weapons. Twelve days later white supremacists attacked civil rights marchers in Forsythe County, Georgia — and the Shelby bookstore slayings took place that same night.

Three days after the murders, U.S. Attorney Currin spoke to a reporter. "For too long the White Patriot Party was ignored by the state of North Carolina," he said. "A mentality developed among the White Patriot Party members that they could get away with anything."



Photo courtesy NCCARV

THE ATTACK ON THE SHELBY III ADULT BOOKSTORE KILLED TWO CUSTOMERS AND AN EMPLOYEE. THE MOTIVE FOR THE MURDERS, ACCORDING TO AN INFORMANT, WAS "TO AVENGE YAHWEH ON HOMOSEXUALS."

sive purposes," Saunders wrote. "The White Patriot Party is wrong. Dead wrong. It is also fanatical. Mix the two and you have an explosion just waiting to happen."

The organizing efforts in the tri-city area paid off. *The Confederate Leader* announced White Patriot "dens" with phone units in three local towns. In the fall a local Patriot, Jimmie Bailey, ran for the Shelby school board, supported by a spate of letters from White Patriots to local newspapers. "I choose to keep [my eyes] open, and to keep trying to save my dying race, the white race," one supporter wrote. "If that's hate, please tell me what love is."

When the trial for arms conspiracy opened on April 6, Jackson didn't show up and Doug Sheets failed to answer a subpoena. The jury found Jackson guilty of conspiring to buy stolen military weapons. Currin said the convictions marked the end of White Patriot activities in North Carolina.

But Glenn Miller was not through. With reports circulating that he would soon be indicted by an Arkansas grand jury, Miller jumped bond and drove to Oklahoma to recruit Jackson and Sheets to join him underground.

On April 15, Miller sent a "Declaration of War" to at least 3,000 white supremacists. "I declare war against Niggers, Jews, Queers, assorted Mongrels, white race traitors, and despicable informants," the declaration read. "War is the only way now, brothers and sisters... So, fellow Aryan warriors, strike now. All 5,000 White Patriots are now honor bound and duty bound to pick up the sword and do battle against the forces of evil."

The fugitives summoned Bob Stoner, a fellow White Patriot, to Louisiana to be their driver. But what Stoner saw and heard scared him. The group talked of blowing up a synagogue in the Midwest and killing 50 blacks in Atlanta. Jackson and Sheets also bragged about the Shelby attack. Stoner returned to North Carolina badly shaken, and asked Pat Reese, a veteran reporter for the *Fayetteville Observer*, for help. Reese contacted law enforcement officials, and Stoner led them to Miller in return for limited immunity.

Shortly before dawn on April 13, law enforcement agents surrounded a trailer in a mobile home park near Ozark, Missouri. They fired tear gas, "prepared for a violent shootout," as agents later explained. Miller, Jackson, Sheets, and another White Patriot surrendered without firing a shot. Officers confiscated a "small army" of pistols, flack jackets, several thousand rounds of ammunition, shotguns, rifles, hand grenades, plastic explosives, pipe bombs, and \$14,000 in cash.

They also found a police scanner tuned to the frequency of Shelby, North

Carolina, along with ski masks and cotton clothes similar to those used in the bookstore murders.

"TERROR DOWN THE ROAD"

A few months later, Stoner told a federal grand jury that the Shelby attack had been committed by white supremacists bent on destroying what they believed was a homosexual hangout. He also reported that two local persons helped plan the murders, including the wife of one of the gunmen who remained at home listening to a police scanner.

Photo by George Littleton/SPLC



ROBERT JACKSON IS ONE OF TWO WHITE PATRIOTS CHARGED WITH FIRST-DEGREE MURDER IN THE SHELBY BOOKSTORE ATTACK.

Glenn Miller also agreed to testify against Jackson and Sheets in exchange for reducing his prison sentence from 100 to five years. He admitted he had received \$200,000 from The Order in 1984 and told prosecutors that he paid Jackson and Sheets \$7,000 to \$8,000 each when they arrived from Oklahoma to work as full-time organizers for the White Patriot Party.

Sheets had apparently urged Miller to standardize his "rag-tag Klan" into a more uniform paramilitary operation and admitted to training an "unorganized state militia" in target practice, woods survival

training, river crossing, and booby traps. He also said he had bought 3,000 rounds of ammunition, 40 to 50 pipe bombs, and plastic explosives to train the militia.

The break-up of the White Patriot Party coincided with federal prosecutions of Order members nationwide. As a result, the remaining leaders of the old hate groups shifted their focus from the orchestrated guerrilla tactics of The Order to the sporadic street violence of the Nazi Skinheads. Tom Metzger, a California Nazi and one of the few national leaders untouched by federal indictments, began actively recruiting Skinheads, and the violent street gangs are now surfacing in towns across the South.

The remaining Nazi and Klan leaders also began to piece together what was left of their shattered movement. About the time Glenn Miller entered federal prison, his Nazi mentor Harold Covington returned to North Carolina and began organizing the Confederate National Congress, emphasizing the Southern nationalist themes he had taught Miller.

Leonard Zeskind, research director for the Atlanta-based Center for Democratic Renewal, explains that far-right groups regionally and nationally are going through a period of shifting alliances, trying to reassemble the pieces fragmented by federal prosecutions. In the near future, he predicts, they will abandon mass politics in favor of smaller, more hard-core groups.

"Shelby arose out of a dynamic of the previous period more than as a precursor of the next period," Zeskind says. "For the next few years, far-right organizing will take clandestine forms that by their nature will re-

result again in terror down the road. But the immediate mass violence will come from groups like the Skinheads, with indiscriminate attacks, while the hard core people like Harold Covington regroup." □

Mab Segrest is director of research and publications for North Carolinians Against Racism and Religious Violence. As coordinator of NCARRV, she helped organize against the White Patriots Party from 1984 until its demise.

Southern

Skinheads

By Julie Hairston

ATLANTA, GA. — Before she leaves work each afternoon, Patty Lichter checks the local entertainment guide. If she sees notice of a nearby performance by one of several touring punk bands that night, she makes sure she has plenty of glass cleaner on hand, because she knows when she gets to work the next morning, her shop windows will be covered with spit.

"It's almost like a game," she says off-handedly.

Lichter owns a store called Gear in the Little Five Points shopping district. The trouble started about a year-and-a-half ago when she ordered some t-shirts with cyrillic lettering from a distributor in London. After she put the shirts on display, her store became a favorite target for vandalism by the gang of neo-Nazi Skinheads who hang out in Little

Five Points. To them, the cyrillic lettering marked her store as a "communist" outlet.


Before she finally purchased a \$1,200 steel pull-down door to cover her storefront at night, she lost three \$500 display windows to Skinhead violence. Now that the Skinheads can no longer smash the windows in their drunken rampages, they simply walk by and spit on the glass

through the steel bars. Lichter shrugs it off with a boys-will-be-boys nonchalance.

"We have sort of gotten used to it now," she admits. "They would apparently come by our windows, [see the t-shirts] and smash them. It became an excuse for them to do what they like to do, which is to get drunk and go out and get in trouble."

A SHADOW OVER ATLANTA

The Skinhead presence in Little Five Points is an irony of sorts. While the community has been fabled since the '60s as a haven for peaceful coexistence among an eclectic mix of racial and philosophical sects, the Skinheads who more recently have adopted it as a hangout are known for their violent supremacist ideology. Along with



Gangs of Skinheads have shattered the serenity of an Atlanta neighborhood — and the violence is spreading.

their shaved heads and laced, shin-high boots, the Skinheads have adopted an aggressive, racist nationalism that has made them the fashionable new darlings of the ultra-right.

From their first appearance in Little Five Points more than three years ago, the Skinheads have shattered the serenity of the neighborhood. In 1985, a gang of Skinheads angered at having been ejected from an Atlanta nightclub for their rude and disruptive behavior attacked the club owner in the parking lot with sticks, bottles, and boots. Their victim was hospitalized. Later that year, a gang of Skinheads crashed a fundraiser for Nicaraguan relief, intimidating guests and overturning tables. When an organizer tried to flee, they beat him unconscious.

Today, Skinheads in Atlanta number more than 100, and they continue to harass and attack anyone who gets in their way. A group of Skinheads staged a protest downtown at the Democratic National Convention last summer, but they were driven from the street by outraged onlookers and had to be escorted to safety by police in riot gear.

Although the Skinheads continue to cast a long shadow over the Little Five Points community, nobody is willing to confront them directly. Merchants tend to downplay the trouble, fearing that reports of violence will drive away some of the hundreds of customers who come to Little Five Points every weekend to eat, drink, and shop. After all, they say, they don't want to harass anyone for looking "different."

"We live with the people who live here however they want to dress," says Bill Carmichael, owner of Abbadabba's, a clothing and jewelry store, and president of the Little Five Points Business Association. "Little Five Points has gotten a reputation because we tolerate a lot down here. This, too, shall pass."

For now, residents continue to live in fear and look the other way. All the business association has done so far is to hire extra security patrols for the neighborhood.

THE VIOLENCE SPREADS

What is going on in Little Five Points mirrors communities across the South. In town after town, small gangs of Skinheads have begun to surface — from Covington, Kentucky to Fort Smith, Arkansas. Most are teenagers, and most preach white-supremacist hatred, vowing to terrorize blacks, Jews, and homosexuals.

As in Little Five Points, the emergence of the Skinheads has been marked by violence. In 1987, a pair of Skinheads from Tampa, Florida bludgeoned to death a black man they found sleeping in a doorway. In January, a Skinhead in Dal-

based group that monitors white supremacist violence. The CDR reports that the Skinhead ranks nationwide have swollen from 300 in 1986 to 3,500 today. For the most part, Skinhead violence remains random and independent, but CDR officials say they are wary of organizing efforts now being mounted by more established groups whose membership has been on the decline in recent years.

"The radical right sees the Skinheads as the hope for the future of America. They are certainly trying to organize them," explains Eric Anderson, an anthropologist from Washington State University who studied a group of San Francisco Skinheads. "So you get Skinheads carrying business cards openly, trying to recruit kids at dances and concerts. They are being used by these organizations to recruit new members."

Although the first Skinheads who emerged in England 20 years ago were products of a working-class resentment toward West Indian and Pakistani immigrants, their American counterparts have succeeded in recruiting from the middle and upper-middle classes as well. Anderson says that young suburbanites are sometimes drawn to the Skinheads by a yearning for a rebellious identity not satisfied by homogenized suburban culture. "People are always looking for roots somewhere, and they are not getting it in the suburbs. I guess that's why the Skin-

head movement has caught on here far more than I thought it would."

Patty Lichter echoes that observation. "These kids are too fashion-oriented to be working class," she says of the Skinheads in Little Five Points. "These are kids that are at least middle class. It is not a joke that at the end of the day they get into their parents' BMWs and drive away."

While Skinheads in England joined the neo-Nazi nationalistic movement there, many Skinheads in the United States have blended elements of white supremacist rhetoric with a smattering of traditional, white Republicanism. The result has been a hyper-American band of

Photo by Tom McKitterick/Impact Visuals



SKINHEADS WHO PROTESTED AT THE DEMOCRATIC NATIONAL CONVENTION IN DOWNTOWN ATLANTA LAST SUMMER ATTRACTED PLENTY OF MEDIA ATTENTION . . .

las was sentenced to 10 years in prison for vandalizing a synagogue.

Older, more established white supremacist groups like the Klan and Aryan Nations see the Skinheads as a useful vanguard. Rebellious teens who emulate the look often are pressured by more ideologically oriented Skinheads to assume the "correct" philosophy as well. Efforts to organize Skinheads nationwide have taken on sophisticated techniques ranging from newsletters and local rallies to war games and a national convention.

The success of such organizing efforts has been mixed, according to the Center for Democratic Renewal, an Atlanta-

racists who shave their heads and want to beat the living daylights out of anyone they perceive as a threat to their brand of Americanism. One group of Skinheads even proposed a political platform that called for making Ronald Reagan "leader for life."

BEER AND PIZZA

On a typical Saturday night in Little Five Points, a group of duly shaved and booted Skinheads gathers in the plaza between The Point and the Little Five Points Pub. They toss back great gulps of beer from the cooler in Fellini's, a low-key pizza joint facing the plaza, and swagger about for the gawkers. The weather is unusually warm for this time of year and the district is appropriately lively with music and the usual mix of strollers.

The Skinheads are wary when approached, but have by now become somewhat used to curious reporters stepping timidly into their midst to pepper them with questions. They will talk, but not much — and no last names.

"I'm just standing up for what I believe," says one tall, youthful Skinhead who identifies himself as Michael. "And I'll fight for it if I have to."

"White people in America need to wake up and see what's happening," chimes in his shorter, stockier friend Eric. "We got no rights anymore. Niggers march and don't nobody say nothing. Somebody tries to stand up for white people gotta fight for it."

They grip their beer bottles and glance around to see if they are getting an audience. They complain in rude and graphic terms about the city's black leadership, the presidential candidacy of Jesse Jackson, and America's warming relationship with the Soviet Union.

Bill Carmichael, head of the business association, has observed what he identifies as three groups of Skinheads. One is the itinerants, those who come to Atlanta for concerts and protests. "We get Skinheads from out of town," he explains. "They come from places like Birmingham and Jacksonville."

The second group is called the "Old Glory Skinheads," an older, more ideologically oriented group suspected in two recent assaults and several incidents of vandalism. Police say the group has 35 members — and there is evidence that the group has begun recruiting in North Carolina and other Southeastern states.

Teenagers in Charlotte, North Carolina who have joined the Skinheads say they were recruited by the Old Glory Skinheads. According to *The Charlotte Observer*, at least one of the new Skinheads carries business cards printed with the address and logo of the Atlanta group.

Photo by Chris Duncan/SouthernVoices



... BUT THEY HAD TO BE ESCORTED TO SAFETY BY POLICE IN RIOT GEAR WHEN OUTRAGED ONLOOKERS DROVE THEM FROM THE STREETS.

New Skinhead recruits have even begun travelling to Atlanta for demonstrations. Last January, four Skinhead high school students from South Carolina joined a handful of Klansmen and neo-Nazi demonstrators protesting the Martin Luther King Jr. holiday at the Georgia state capitol. State troopers and city police lined the parade route to protect the supremacists. When fighting broke out, police arrested 40 counter-demonstrators. In all, the city spent more than \$250,000 to protect the protestors. Skinheads in Atlanta apparently skipped the confrontation.

The third group of Skinheads, accord-

ing to Carmichael, is the "Nouveau Skins" — rebellious teenagers who come to the neighborhood on weekends looking for identity and trouble. Their random violence has spread fear throughout the community. Last year, a pair of teenaged Skinheads was arrested for defacing a local Jewish high school with swastikas and other Nazi symbols.

"They are mostly kids," says a spokeswoman for Charis, the feminist bookstore in Little Five Points. Charis, she adds, is seldom bothered by the Skinheads despite its strong anti-racism, anti-sexism collection and window displays.

So far, then, Little Five Points has failed to find a way to take on the Skinheads. Most local merchants continue to express a "live-and-let live" attitude, preferring to blame much of the trouble on out-of-town youths.

Some communities, however, have taken direct action to deal with the Skinheads. In the integrated town of Westminster, California, for example, residents have responded to Skinhead violence by demanding special investigations by police, organizing a neighborhood watch, and developing an extensive anti-racism education program for area youth.

Indeed, the presence of the Skinheads in Little Five Points seems to underscore how dangerous it is for a community to ignore such a narrow and destructive group.

Attempts to assimilate the Skinheads have proved expensive and unfruitful, and sitting mute has done nothing to resolve the trouble. Merchants continue to insist, however, that they have done all they can to discourage the rise in violence. All that is left, they say, is to wait and watch — like Patty Lichter, to bar their shops at night and hope the violence never gets worse than a dirty window. □

Julie Hairston is a reporter for Business Atlanta.

THE LAST WORD

My friend Robert Lynch — “Rabbit” — died last week of AIDS. This past summer he gracefully endured several long interviews for an issue of *Southern Exposure* on gay and lesbian life. His strength was ebbing and his libido was shot, but still he loved more than anything to hold forth, and on those afternoons we would get swept along by his passions and his crazed digressions (“Did this guy really go to Harvard Law School?”), and before long, the lightning bugs would be blinking in the cedar trees.

At the funeral in a country church filled with his aunts and uncles and his double-first and double-second cousins, an old woman rose up behind the vast bank of chrysanthemums and carnations and said, emphasizing each word, “Robert was different. Robert was special. *We* march to a different drummer. *Robert* marched to a drummer of his own making.”

Indeed, among the gaits and cadences of his various people — the native tribal family, the big-city gay scene, rural black communities, the art and dance worlds, the Southern left — he conjured up a rhythm all his own. And he would prance back and forth, paradoxical and stubborn, throwing folks out of step and laughing, Rabbit, the Trickster.

On my desk a book is open to a haunting photograph, a portrait of Running Fox — “one of the few members of his tribe to survive the smallpox epidemic of 1837.” A devastating disease, government duplicity, apathy over the destruction of an “inferior” culture — I stare at this handsome, impassive face and ponder the familiar and unswerving cruelty of the corporate state. AIDS research and education efforts are hobbled by petty competition and congressional neglect; Burroughs Wellcome continues its profiteering with AZT; and 60 percent of those surveyed feel no sympathy for people with AIDS.

(Robert, gaunt and stooped in his elegant Goodwill duds, slouches in a chair at the welfare office in Rocky Mount where he will wait all morning to get gas money

to drive to Durham for his weekly doctor’s appointment.)

They may choose not to know it, the 60 percent, but many, many of the caretakers of our collective humanity — our shamans, our fairies — are dying off. Musicians, children’s-book writers, poets, gardeners, nurses, third-grade teachers, dancers.

In some towns, during the worst of the plague years in the 17th century, the knell-ringing became so unrelenting that the bells wore out. Here in the South, we can ignore the passing bell: Over the years, multitudes of our gay sons and brothers have fled the intolerance and isolation and now are dying far away, where the bells are beginning to crack.

“Sometimes I’m totally baffled by the way life jerks you around, brings you back around,” Robert said offhandedly. “That’s one of the biggest ironies, that I’m back — in the house I grew up in.” In fact, it was an extremely courageous decision for a queer, randy aborigine committed to social justice, sporting a boutonniere and writing poetry, to come home to Halifax County, North Carolina.

Occasionally, with a flourish of exasperation, he would declare “I gotta get out of here!” and he’d disappear to the tony purlieus of DC or New York for r&r. But soon he would be back, to do what he could for prisoners on death row, to en-

courage “outsider” artists in their un-schooled, eloquent work, to cruise the crossroads poolhalls and to record the history of his family.

Here, in the quiet of his grandmother’s room off the parlor, the boy had discovered “the eternal world where you suspend disbelief. The world where art exists.” He wept when he told me. In part, I think, because it would make the life of the unpromising artist very hard at times, staying at home, listening to the voices.

We stood quietly among the grave-stones. The warm March breeze riffled the funeral home awning. In front of me a woman in high heels teetered in the red clay.

“The smell of fresh-turned earth in the spring — it’s a transporting smell,” Robert, the sharecropper’s son, had said. “The deep earth that’s turned over in the springtime when you break the land, there’s nothing like that smell.”

Standing among the old women who had made the quilts that Robert treasured, I thought back to DC last October, when I wandered out on the endless quilt that was stitched by thousands of hands in memory of people who had died of AIDS. Over 8,000 panels, each 3’ x 6’, covered the Ellipse in front of the shuttered White House.

I would like to sew a panel for Robert. Perhaps there will be the rough orange of the fresh-turned earth in the family graveyard, and the electric green of the winter wheat that flashed past in the late afternoon light as we drove back from the funeral. There could be sassy old silk ties and and ’40s herringbones and lots of stolen flowers (a penchant we shared). The chiaroscuro of work-sculpted back and ass and calves. And a few elliptical words, from Robert’s poetry perhaps, to describe and perplex.

If you would like to help, let me know.
—Allan Troxler

The author lives and works in Durham, North Carolina. His interview with Robert Lynch, entitled “Rabbit,” appeared in the Fall 1988 issue of Southern Exposure.

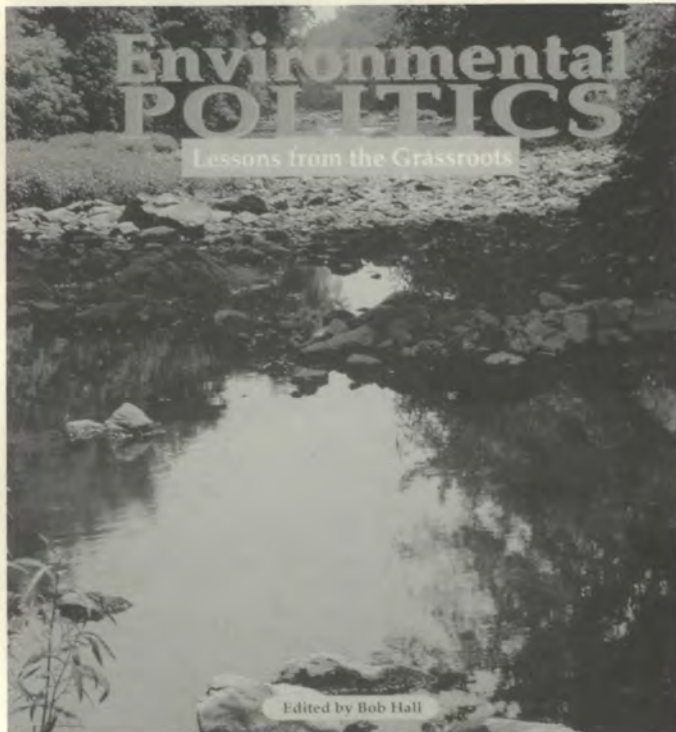
Runes from box turtle shell/Allan Troxler



ENVIRONMENTAL POLITICS...

“...tells the inspiring stories of struggle and success, and how people did it. Anyone working in a conservative state, especially in rural communities, will learn from and be uplifted by this remarkable book.”

—Lois Gibbs, Love Canal leader and president of the Citizens Clearinghouse for Hazardous Waste



Environmental Politics, edited by Bob Hall, focuses less on the grim threats each community faced than on *why* people respond, *what* they do to win, and *how* grassroots activism and electoral politics combine to produce institutional change in a conservative state.

In addition to an in-depth essay on the context and significance of each lesson, the book features a dozen local and statewide campaigns covering nearly every aspect of environmental politics – wetlands, land-use, incinerators, air pollution, strip mining, waste dumps, and much more.

Also Inside *Environmental Politics*

Discussion of successful tactics and strategies ▼ linking conservative traditions to conservation activism ▼ working the media ▼ the role of technical experts and outside professionals ▼ local and state lobbying techniques ▼ rural organizing ▼ the power of public hearings ▼ racism and coalition building ▼ putting corporate polluters on the defensive ▼ injecting your issue into an election ▼ developing an organizing workplan ▼ integrating the local culture into your campaign

SOME LESSONS DISCUSSED IN ENVIRONMENTAL POLITICS

1 — The key is connecting the environmental issue to its broader public health, economic, and/or recreational significance for a specific constituency.

3 — A moral undercurrent in each campaign sustained its inner core of activists and attracted empathy from a larger body of supporters.

6 — Public education programs were aimed directly at the group's primary constituencies and did not depend on the biased filter of the mass media.

10 — There is no substitute for direct organizing, door-to-door, person-to-person.

14 — Breaking down racism requires developing concrete working relationships over a long period of time.

19 — Activists in issue campaigns inevitably confront the fact that they need better public officials and must learn how to elect them.

21 — Phone banks, canvassing, and targeting of precincts are essential ingredients for identifying and mobilizing sympathetic voters.

Southern Exposure
P.O. Box 531
Durham, NC 27702