

# SOUTHERN EXPOSURE

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## Money & Politics

Can Voters Veto Campaign Dollars?

ALSO

**Silence of the Looms**



# SOUTHERN EXPOSURE

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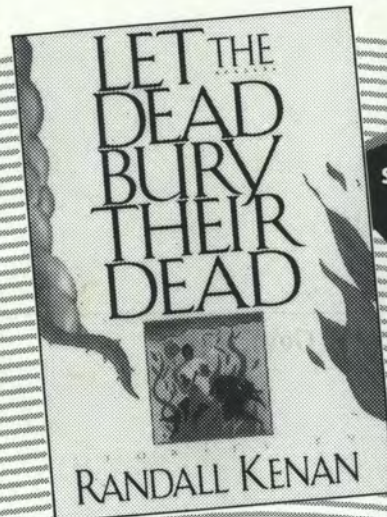
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# DATELINE: THE SOUTH

**CHESAPEAKE, Va.** (April 9) — Workers throwing away tens of thousands of handmade bows and ponytail barrettes from a bankrupt company were overwhelmed by hundreds of scavengers who sifted through dumpsters for cast-off items. Many of those caught taking merchandise were believed to be laid-off workers who had not been paid for the bows they made. "We ran them off, but they just keep coming back," said James Schaubach, the contractor hired to dump the bows.

**ATLANTA, Ga.** (April 9) — When Martin Luther King Jr. gave his historic "I had a dream" speech in 1963, he might have added: "Don't leave home without it." The Martin Luther King Jr. Center for Nonviolent Social Change went into the credit card business today, unveiling a plan that gives the center half a percent of all revenues generated by card holders. Gold cards are available with an annual fee of \$36 at 19.8 percent interest. The center rejected the idea of using an image of King on the card.



**MOUNTAIN CITY, Tenn.** (April 9) — A grand jury indicted 19-year-old Christopher Brown for failing to pay \$41,000 for calls placed to phone-sex numbers. Brown admitted to making 746 calls in a two-month period after he was laid off from his job at a chair manufacturer. "He got those romance numbers from TV," says his mother Dorothy. "He don't have a job so he's home all day." The case marks the first time AT&T has prosecuted for telephone fraud involving 900 numbers.

**NEW ORLEANS, La.** (April 10) — A pig — a real one, that is — has joined the city police department to sniff out drugs

for the narcotics division. Tootsie, a three-month-old Vietnamese potbellied pig, must pass a course at a canine training center in Alabama before she gets her badge. "If it doesn't work out, she can still be a great pet," says Sergeant Edwin Hosli. "*Or cochon de lait*" — roast suckling pig.

**MEMPHIS, Tenn.** (April 10) — Judge Joe Brown is trying a new approach to get the attention of young burglars: He lets victims steal from the homes of the thieves who robbed them. Brown says the unconventional sentence teaches wrongdoers "what a good citizen feels like, worrying whether he's going to come home and find all his stuff there." One victim made several trips to the home of his robber. "The first day he didn't take anything," Brown says, "but the second time he bagged a color television and a stereo."

**BREWTON, Ala.** (April 12) — Herbert Littles, a black logger, sued the Container Corp. pulp mill for the right to work as a wood dealer. The suit challenges a century-old system that forces blacks to use white dealers when selling their timber to mills. "Littles is trying to become the Jackie Robinson of the Southern timber industry," says attorney Jim Blacksher. "So far as we know, there has never been a black wood dealer anywhere in the South."

**MIAMI, Fla.** (April 13) — Well-connected private lawyers appointed to defend the poor have been earning six-figure incomes by overbilling the courts, according to an investigation by the Miami Herald. Some lawyers billed taxpayers for workdays of more than 24 hours, and one even billed for the time he spent preparing bills. "My record keeping was not as good as it should have been," explained an attorney who billed for a 30-hour day.

**NEW ORLEANS, La.** (April 15) — Grassroots opposition has helped thwart a zoning change that would allow a chlorine bleach manufacturer to move into a local neighborhood near a school and playground. More than 300 residents

**MONTGOMERY, Ala.** (April 24) — When State Auditor Terry Ellis set up a toll-free hotline to enable citizens to report government waste, he didn't expect anyone to use it to blow the whistle on him. One hotline caller reported that Ellis billed taxpayers \$15,355 for a car with \$2,357 in options, including a stereo cassette deck and a six-way adjustable seat. "An old friend told me one time that there's only one thing worse than being broke," the auditor explained, "and that's *looking* broke."

signed a petition opposing the move, and the parish school board passed a resolution against it. The bleach plant would include a tank car with 55 tons of liquid chlorine, which produces a poisonous gas that can be fatal in amounts as small as 1,000 parts per million.

**COLUMBIA, S.C.** (April 16) — The state House defeated a plan backed by Governor Carroll Campbell to keep the largest low-level nuclear landfill in the nation open until 1996. House Speaker Bob Sheheen argued that operating the Barnwell dump past its December closing date would send a message to other states that "we agree to be the nation's pay toilet." Barnwell currently buries two-thirds of all low-level waste in the nation.

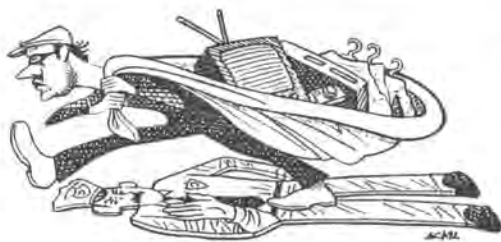
**CASSATT, S.C.** (April 17) — Residents of a Kershaw County neighborhood are suing the defunct Columbia Organic Chemical Company for polluting their air and drinking water. "We will be asking for a jury trial and seeking recovery of what people in the community have lost because of the company's negligence," says attorney Bart Slawson. Despite well-



documented evidence of severe contamination, legal observers fear it may be difficult for residents to prove the pollution caused health problems.

**NEW ORLEANS, La.** (April 19) — A panel of business leaders unanimously recommended that the city exempt private clubs from a new Mardi Gras ordinance outlawing sex discrimination. Local women are fighting to be allowed to join men's Carnival clubs, where they say business contacts are often made. "It's more important as a reality to get into the private clubs today due to economics and our increasing role in the workforce," says Madlyn Bagneris, executive director of the Metropolitan Area Committee.

**FT. LAUDERDALE, Fla.** (April 20) — Law enforcement officials have a new way to crack down on shoplifting: Clone-a-Cop, a life-size cardboard cutout of a glaring police officer. Captain Tom Carney called the dummy cop "a psychological thing" designed to scare shoplifters — mostly elderly customers who steal food. Some observers remain skeptical. "If someone is going to shoplift, I don't think a cardboard cop will dissuade them," says Tom Mickel of the Georgia Crime Prevention Association. "Maybe a life-size poster of a priest would be better."



**NASHVILLE, Tenn.** (April 23) — A state Senate panel rejected a bill designed to reduce pregnancies among women on welfare by offering them \$500 to have the Norplant birth control device implanted in their arms. Senator Ruth Montgomery called the bill "bribery," and Senator John Ford pointed to medical doubts about the safety of Norplant. "We

**INEZ, Ky.** (March 26) — Tommy Fletcher, the unemployed coal miner President Lyndon Johnson visited 28 years ago vowing to launch a War on Poverty, was indicted for murder today for the poisoning of his three-year-old daughter. Fletcher, now 66, still lives in the same tarpaper shack Johnson visited on national TV in 1964 pledging to stamp out human suffering in America.



don't need to start treating people like cattle just because they are poor," he said.

**ARLINGTON, Texas** (April 24) — Federal officials are investigating charges by a group of black parents who have sued the local school district for subjecting their children to a "racially hostile environment." Black students report being intimidated by school bus drivers, accused of being in gangs when they wear similar clothes, and taunted with fliers advocating white supremacy. One fifth-grade girl said a teacher asked her, "What should I call you — black, colored, nigger, or what?"

**JONESBORO, Ga.** (April 24) — An unemployed truck driver sued the local baseball league today, saying his five children were banned from playing because he could not buy \$125 worth of raffle tickets to raise money for uniforms. "I've been out of work for five months," said Gary Tucker. "I couldn't afford 'em. Kids are supposed to come first, but this year money is coming before the kids."

**TALLAHASSEE, Fla.** (April 29) — A lobbyist who owns Florida Concealed Weapon Permit No. 1 has become the first woman elected to a national office of the National Rifle Association. Marion Hammer, director of the state NRA affiliate, was elected second vice president of the organization, putting her in line to become

president of the powerful pro-gun lobby in four years.

**RALEIGH, N.C.** (May 5) — Hours after voters ousted Labor Commissioner John Brooks for his failure to inspect workplaces and enforce safety regulations, Brooks was trapped in an elevator on his way to make a concession speech. The doors had to be pried open, and Brooks was forced to clamber out and take the stairs. Brooks was responsible for inspecting all elevators in the state; the stuck car featured an inspection sheet bearing his signature.

**LOUISVILLE, Ky.** (May 12) — Leaders of the United Methodist Church adopted a new Book of Worship that incorporates feminine references to God, including a prayer addressing the deity as "Mother and Father." Also included: a Prayer for the Unemployed and a blessing for people with AIDS. Efforts to include a service based on the Native American "green corn" ceremony were rebuffed by Indians who saw the move as an attempt to usurp the ritual.

Compiled by Nora Krug. Illustrations by Steven Cragg.

Readers are encouraged to send items to Dateline: The South. Please send original clippings or photocopies and include name and date of publication.



## NUCLEAR HAZARDS ENDANGER SOUTH

The South contains more nuclear reactors with safety hazards than any other region in the country, according to recent reports from two nuclear watchdog groups.

According to the Safe Energy Communication Council, federal records show that 40 nuclear plants in the South account for 40 percent of the 787 hazards identified nationwide. Alabama led the region with 83 chronic hazards at five plants operated by the Tennessee Valley Authority, one of the first utilities in the nation to use nuclear energy.

The dangers range from aging, unreliable equipment to incompetent reactor operators unqualified to handle emergencies.

Another monitoring group, the Nuclear Information and Resource Center, reported that Southern utilities need to spend at least \$2 billion on repairs to eliminate the safety threats.

"The cost will vary from plant to plant, but a rough average will be \$50 million at each plant to make modifications," says Michael Mariotte, executive director of the resource center. "Of course, the longer they wait to make repairs, the more expensive it will be."

The TVA has already spent \$1.9 billion repairing its Browns Ferry 2 plant, which was shut down for five years. The utility expects to spend at least \$2.7 billion repairing two other Browns Ferry reactors, both of which remain idle.

Federal regulators, who are supposed to monitor commercial reactors and protect public safety, dismissed the danger. Ken Clark, regional spokesman for the Nuclear Regulatory Commission, called the problems cited in the reports "minuscule risks."

Clark acknowledged, however, that the South leads the nation in nuclear safety hazards. The region began operating reactors earlier than other regions,

he said, and thus has more aging and problem-prone plants.

Industry officials insisted that many of the hazards cited in the safety report have already been fixed. The report lists a number of threats at two Turkey Point reactors near Miami, for example, but Ray Golden of Florida Light & Power told *The Atlanta Constitution* that the two units have undergone \$259 million in improvements.

On April 27 — five days after Golden assured the paper that everything was fine — one of the Turkey Point reactors was shut down by a radioactive water leak from a primary cooling pump. The accident was reported to the Nuclear Regulatory Commission.

—Eric Bates

*For a copy of the report on nuclear hazards, send \$6 to the Safe Energy Communications Council, 1717 Massachusetts Avenue NW, Suite LL215, Washington, DC 20036. Phone: (202) 483-8491.*

## NUCLEAR LEMONS

The 40 nuclear reactors in the South account for 40 percent of all chronic safety hazards identified by federal regulators.

	Reactors	Hazards
Alabama	5	83
Arkansas	2	13
Florida	5	51
Georgia	4	25
Louisiana	2	8
Mississippi	1	4
N. Carolina	5	29
S. Carolina	7	52
Tennessee	2	9
Texas	3	14
Virginia	4	27
<b>South</b>	<b>40</b>	<b>315</b>
<b>Non-South</b>	<b>71</b>	<b>472</b>

Source: Safe Energy Communications Council

## MARCHERS DEMAND JUSTICE IN HAMLET

More than 2,000 protesters weaved their way through the sleepy side streets of Hamlet, North Carolina on May 2 to draw attention to unsafe working conditions in the wake of the fatal fire at the Imperial Food poultry plant last September. Twenty-five people were killed and 56 were injured when they were trapped inside the plant by locked fire escapes. The plant had never been inspected during the 11 years it was in operation.

Nearly half of the marchers came from out of state. Most represented community groups and labor unions, including five busloads of supporters from the United Auto Workers in Michigan. "We are here in support of the families that suffered the loss of loved ones," said Joe Chisolm, executive vice president of Local 1199 in New York.

As marchers rested in the shade of pine trees, speakers from across the country addressed the crowd at an outdoor amphitheater at Richmond County Community College. Workers from farms, catfish plants, hospitals, and factories took their turns at the podium. Each emphasized the theme of the march — "Organize the South! Never Again!"

"The conditions faced by Southern workers are crimes against basic human rights," said Saladin Muhammed of Black Workers for Justice in Rocky Mount, North Carolina. "The South has more working families who live in poverty and more workers who earn the minimum wage than any other region in the country."

Imperial Food workers who survived the fire told marchers that the public must never forget what happened at the plant. "I was left here on the Earth as a testimony to what went on behind those closed doors," said Ada Blanchard, who escaped the flames.

Organizers of the march are demanding the prosecution of Emmett Roe, the owner of Imperial Foods, and a federal



bailout for Hamlet workers instead of for the savings and loan industry.

Organizers also emphasize that workplace dangers are not limited to poultry plants with locked fire doors. "Three workers die each week in North Carolina, and nearly 4,000 are injured," said Lucinda Wykle, coordinator of the Hamlet Response Coalition, a network of groups focusing on workplace safety.

Wykle pointed to an ammonia spill at the Townsend poultry plant in Pittsboro, North Carolina last March as an example of the need for better health and safety legislation. The plant has never been inspected in 20 years, and state officials say they still have no plans to check the plant for safety violations since no one was injured by the spill.

In the aftermath of the Hamlet fire, however, many North Carolinians are angered by the failure of state inspectors to safeguard workers. Five days after the march, voters ousted state Labor Commissioner John Brooks, who has been widely criticized for his failure to inspect workplaces. Brooks was defeated by Harry Payne, a state Senator who advocates tougher enforcement of worker safety laws.

Workers at the march called for more grassroots organizing to protect people on the job. "Unite! Organize!" urged Hamlet worker Ada Blanchard. "Speak out and let it be known that you don't have to work in any conditions that aren't safe for you. Now is the time to stand up so we can be counted — so our children don't have to go through what we did."

—Lane Windham

## SHIRT WORKERS WIN AFTER 17-YEAR FIGHT

It was June of 1974, and workers at Bernstein & Sons were fed up. Conditions at the shirt manufacturer in Crystal Springs, Mississippi had become intolerable, and employees voted to join the



**A MARCHER HOLDS A SIGN DEMANDING THE PROSECUTION OF EMMETT ROE, OWNER OF THE IMPERIAL FOODS PLANT WHERE 25 DIED LAST SEPTEMBER.**

Amalgamated Cloth and Textile Workers Union (ACTWU). They wanted a contract that would provide decent wages, health insurance, and job security.

This January the shirt workers finally got what they wanted. Employees at Bernstein & Sons ratified their first union contract with the company, more than 17 years after they began their fight for recognition.

"I've waited a long time for this contract, and I feel great," said Bernstein worker Hazel Hicks, who voted for the union in 1974. "Conditions are already better at the plant. The supervisors have stopped hollering at the people."

Over the years, workers like Hicks have struggled to defend their labor rights at the plant. Although the company was cited for unfair labor practices by the National Labor Relations Board and slapped with huge fines, it never agreed to deduct union dues from employee paychecks or grant ACTWU representatives access to the plant.

"That the workers were able to keep the union spirit alive for 17 years despite a management that trampled on their rights is a tribute to their courage and their determination to be organized," says Bruce Raynor, Southern regional director for ACTWU.

Last year, when the company tried to raise production and lower pay, workers

decided they had had enough. Hazel Hicks and 16 other workers walked out.

"We met in the cafeteria," Hicks recalls. "The plant manager came and screamed at us: 'Go back to your machines or get off the premises!' We got off the premises and called the union."

Hundreds of workers turned up for union rallies to demand a contract. After seven months of negotiations, workers signed an agreement that provides overtime pay, seniority rights that protect them from random layoffs, procedures for arbitration of grievances, and full recognition of the union.

"These Crystal Springs workers are the real American heroes," says Raynor, the regional union director. "They stood up for something they believed in for years and years and managed to overcome the efforts of a tough anti-union company to intimidate them."

—Eric Bates

## FACTORIES BLAMED FOR BIRTH DEFECTS

Dr. Margaret Diaz decided something was amiss last year in Brownsville, Texas. Between 1989 and 1991, 15 women in the border town of 100,000



people had given birth to babies without brains, a birth defect known as anencephaly. Another 15 babies suffered from spina bifida, a malformation of the spinal cord that causes paralysis.

Diaz, who specializes in occupational medicine, was alarmed. Both birth defects are caused by malformation of the neural tube, the bundle of cells in a developing fetus that become the spinal cord and brain. And the rate for both defects in Brownsville was 2.5 times the normal level for the population as a whole.

Doctors from the Centers for Disease Control in Atlanta and the Texas Department of Health in Austin are investigating, but Diaz thinks they are overlooking the obvious — pollution from manufacturing plants in Matamoras, Mexico, just across the Rio Grande from Brownsville.

"I have a strong suspicion it's being

caused by something in the air," Diaz says. "But we don't have proof."

Prevailing winds push air pollution from the Matamoras plants north — over the neighborhoods where most of the women who have given birth to anencephalic babies live. Explosions and releases of toxic gas in Matamoras are commonplace. In December of 1990, an explosion at a chemical plant sent a poisonous cloud over the two cities, hospitalizing 83 people.

Studies performed by environmental groups have shown that large amounts of chemicals and solvents are being released into the air and water by maquiladoras — American-owned factories that moved to Mexico to take advantage of cheap labor and lax environmental laws.

Although Diaz and many other Brownsville residents believe that air

pollution from the maquiladoras are causing the birth defects, health officials from Atlanta and Austin are taking no air samples. Sampling the air would be unscientific, they say, because it would presume that air pollution caused the increase in birth defects.

Health officials also appear to be ignoring birth data from Matamoras. Dr. Carmen Rocco, a pediatrician at the Brownsville Community Health Center, points to a study done at Seguro Social, the largest hospital in Matamoras, which sampled 8,700 live births during the same two-year period under investigation in Brownsville. Rocco says that 13 of the babies were born with anencephaly and 15 were born with spina bifida. Two thirds of the women who gave birth to babies with neural tube defects worked at maquiladora plants in Matamoras.

The health problems on the border

come at a difficult time for the Bush administration, which has been pushing the pending Free Trade Agreement between the United States and Mexico. The agreement will allow even more industrialization along the border — with almost no provisions to safeguard worker and community health.

According to Rocco and other local officials, the border region already faces a health crisis. Tons of raw sewage flow into the Rio Grande every day. Thousands of people on both sides of the border lack running water, electricity, and sewer service. And the region is threatened by a shortage of drinking water.

"There are issues here that go beyond epidemiology," says Rocco. "It's clear that if we can't keep a healthy populace now, we won't be able to deal with all the growth that will come with the Free Trade Agreement."

—Robert Bryce

Photo by Matt Witt/American Labor



MAQUILADORA WORKERS DIG A DITCH TO RUN WATER TO THEIR HOMES, THREATENED BY WASTE FROM NEARBY FACTORIES.

## COLUMBUS GALAS SPARK PROTESTS

As states across the South prepare to celebrate the 500th anniversary of the arrival of Columbus, thousands of Native Americans in Texas are using the occasion to honor those who preceded the Spanish by thousands of years.

"It is time to remind the children of the human race that we Native people were placed in this part of the world by the creator," states the Traditional Circle of Elders, leaders of 17 Indian nations who have declared 1992 the Year of the Indigenous People. "No person 'discovered' us or our 'countries.'"

In recent months, Native American leaders have stepped up their efforts to protest the lies being perpetuated by official Columbus celebrations. Launching a statewide petition drive, organizers successfully pressured the governor and local mayors to declare April 5 the first Native American Recognition Day to officially acknowledge Indian contributions to Texas culture.

"You have to work at a community level," explains organizer Ric Grigsby. "Education with understanding is knowledge — and wisdom is action."

Santos Hawk's Blood Suarez agrees. As Texas president of the American Indian Movement, he is working to educate people about what he calls "the worst holocaust of mankind." When the city of



Corpus Christi celebrated Columbus by offering tours of replicas of his ships, Suarez organized a protest to voice the indignation of Native Americans.

"They should mourn the fact that the Columbus mentality is destroying the rain forests and killing thousands of Indian people every day," says David Hill, a Choctaw Indian.

The most dramatic protest began on June 8, when a group of Concherros Indians began a pilgrimage scheduled to converge on Mexico City on Columbus Day, October 12. Although the protesters are short of money, leaders say they are willing to endure the hardships of the march to help educate people about the rich heritage of Native American groups.

The Concherros trace their history to the onslaught of Cortez and the *conquistadors* in the early 1500s. Rooted in Aztec tradition, the Concherros blended Indian rites with Christian rituals imposed by the Spanish invaders — a unique mixing of two cultures that has survived and spread.

"We consider ourselves Native American because our roots are in this continent," explains Jose Flores, a professor of English and leader of the Texas Concherros. "The Chicano has a peculiar dilemma; we are conflict incarnate, possessing a bit of the oppressor and a bit of the oppressed. Who you identify with is a matter of what you feel in your heart."

—Karen Heikkala

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## PEROT KNEW ABOUT ILLEGAL CONTRA AID

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H. Ross Perot, the Texas billionaire running an independent presidential campaign, likes to portray himself as a Washington outsider untarnished by politics. But recent reports by two major daily newspapers indicate that Perot is in fact a well-connected insider who has used his business influence to place himself at the heart of Washington wheeling and dealing.

First came a May 15 story in *The Atlanta Constitution* revealing that Perot knew from the outset that the Reagan White House was illegally funneling covert aid to the Nicaraguan contras. Handwritten diaries kept by Oliver North show that the former Marine lieutenant colonel decided to approach Perot for a contribution for the contras in December 1984 — two months after Congress voted to shut off all covert aid to the guerrillas.

"Perot — see about funding," North wrote in one of the 22 fat spiral notebooks he filled while orchestrating a fundraising campaign for the contras from a White House basement office.

The *Constitution* suggested that Perot, who was serving on the President's Foreign Intelligence Advisory Board at the time, "was in a unique position to warn Reagan about what was brewing and perhaps spare him from the Iran-contra scandal that exploded two years later."

But Perot now says that he didn't need to tip off Reagan that North was asking private citizens like himself to fund the contras, because "a large number of people" knew about the back-room deals. "It was publicly known that the fundraising efforts were under way," Perot told the newspaper.

Perot also said he refused to provide money to overthrow the Nicaraguan government. "Vietnam taught us not to get involved in a war that the American people do not support," he said. "And it was unrealistic to try to fund a war with private donations."

The story in the *Constitution* was followed three days later by a report in the *Wall Street Journal* recounting how Perot tried to bail out a failing Wall Street brokerage in the early 1970s. Perot says he was pressured by the Nixon administration to prop up duPont Glore Forgan, and lost \$60 million in a public-spirited effort to save the firm from ruin.

But the *Journal* found that Perot had a personal business stake in the brokerage, which was paying his firm \$9 million to computerize its offices. The paper also reported that Perot got a guarantee from the stock exchange to cover \$15 million in duPont debts. "It was enlightened self-interest," says investment banker Felix Rohatyn. "He was trying to protect a customer."

—Eric Bates

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## CAN STATES AFFORD THE DEATH PENALTY?

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The South has long been the most punitive region in the nation when it comes to carrying out the death penalty — but a recent report suggests that cash-strapped states might want to reconsider their hard-line stance on capital punishment.

According to a study by the *Dallas Morning News*, it's cheaper to lock a prisoner up for life than to try and execute him.

"Trials and appeals take 7.5 years and cost taxpayers an average \$2.3 million per case in Texas," the paper reported. "To imprison in a single cell at the highest security level for 40 years costs about \$750,000."

A similar study by *The Miami Herald* found that the death penalty costs Florida taxpayers \$3.1 million per execution.

Southern officials, who have remained unpersuaded by moral and spiritual arguments against the death penalty, may prove more concerned about the cost in dollars and cents than about the cost in human lives.

"Even though I'm a firm believer in the death penalty, I also understand what the cost is," said Norman Kline, Dallas County district attorney. "I think maybe we have to be satisfied with putting a person in the penitentiary for the rest of his life as opposed to spending \$1 million to execute them."

The expense is also becoming a national issue. "All social policies ultimately come down to a question of cost," said James Exum, chief justice of the North Carolina Supreme Court, who is chairing an American Bar Association committee studying the costs of the death penalty. "Those of us involved in prosecuting these cases have this uneasy notion that, gosh, these cases take a lot of resources that might be better spent on other kinds of crime."

So far, though, the cost of executions hasn't slowed the death toll in the South. In the first five months of this year, Southern states executed eight men — up from three in the same period last year.

Between January and June, Texas killed four prisoners by lethal injection and Arkansas killed one. Alabama electrocuted a man in March, as did Florida and Virginia in May.

The killings brought to 146 the number of people executed in the region since the Supreme Court reinstated capital punishment in 1976. Overall, 87 percent of all death sentences have been carried out in Southern prisons.

—Eric Bates

*Readers are encouraged to submit news articles to Southern News Roundup. Please send original clippings or photocopies with name and date of publication, or articles of no more than 500 words.*



# WHERE CRE

## The S&L **bailout**

**is shifting small-town money to big-city banks, making it harder to get a loan in the rural South.**

**BY MARTY LEARY AND LETICIA SAUCEDO**

**BATESVILLE, MISS.** — Charles Nix is fighting an uphill battle. As executive director of the Panola County Chamber of Commerce, the 61-year-old former state senator presides over local efforts to develop a rural, working-class community where unemployment has hit 13 percent and federal support such as food stamps and social security accounts for one fourth of all income.

In the midst of such poverty, Nix says, one of the biggest impediments to prosperity is the lack of local control over credit. The six banks and one savings and loan in Panola have plenty of money to lend — \$332 million in deposits as of June 1990. The problem is, those dollars are increasingly flowing out of the county. Two of three locally owned banks in Batesville have been taken over by an urban-based megabank, and one of two hometown S&Ls — Mississippi Savings Bank — went bankrupt and was closed by federal regulators.

Nix can remember when local financial institutions held almost every mortgage in the county. Today, few banks or thrifts in Panola make home loans. The biggest local source for housing credit is the former owner of Mississippi Savings Bank, who runs a mortgage brokerage out of his house.

“More S&Ls and small banking concerns are being taken over by large banking concerns,” Nix laments. “Access to money at the local level is a thing of the past.”

Panola is not an isolated case. Across the South, hundreds of rural communities have been hard hit by the collapse of

local savings and loans — and by government efforts to bail out the industry. In the rural South, the bailout is like global warming — most people know it's happening, but they don't understand how it affects them. Media coverage has focused primarily on the big Southern cities where the most dramatic failures took place.

To better understand how the largest financial calamity in history is affecting small towns and rural communities, the Southern Finance Project of the Institute for Southern Studies conducted a year-long study of the federal bailout. What areas in the rural South have been hardest hit? Who has bought thrifts that have failed? Have the S&L crisis and cleanup efforts made it harder to get home loans and credit for small businesses?

To answer those questions, the Finance Project tracked changes in financial institutions, branches, and deposits in 620 rural counties in 14 Southern states. The non-profit research organization also examined detailed information about 584 savings and loans that were sold or liquidated by federal regulators between August of 1989 and the end of 1991.

The findings are startling. Since 1989, the Resolution Trust Corporation (RTC) — the federal agency created to liquidate or sell hundreds of insolvent S&Ls and their assets — has handed over scores of small-town thrifts to big-city banks. The result has been a massive consolidation of financial resources and power with far-reaching implications for communities throughout the South and the nation.

In just three years, the RTC has trans-



# DIT IS DUE

Photo by Lauri Lawson

ferred more than a billion dollars in rural deposits to urban-based institutions, draining rural savings away from local needs like home loans and business credit. And in some areas, the agency's sale of property held by failed S&Ls threatens to cut into local tax revenues that support essential county services.

"This just confirms what a lot of us in the rural South already suspected," says Jim Hightower, former Texas Agriculture Commissioner and chair of the grassroots Financial Democracy Campaign. "The overall effect of the S&L bailout has been to shrink people's control over their own money and to expand big bank control over everyone's money."

## PLOWED UNDER

The rural South was no stranger to financial calamity by the time hundreds of savings and loans started going bankrupt in the mid-1980s. Unlike many metropolitan areas in the region, most rural counties had not benefited much from the Southern economic boom of the previous three decades. As many major cities enjoyed an influx of jobs and money, the traditional mainstay of the rural economy — agriculture — had been declining steadily.

Between 1969 and 1989, farmers saw their share of regional income drop by half. Thousands of small and medium-size farms disappeared, and many farmers sought second jobs to make ends meet. By 1989, farming accounted for more than one fourth of county income in only 25 of the 620 rural counties in



**SINCE REGULATORS CLOSED ONE OF TWO LOCAL SAVINGS AND LOANS, CHARLES NIX SAYS, HOMETOWN LENDING IS "A THING OF THE PAST."**

the Finance Project survey.

Today the disparity between urban and rural areas is wider than ever. Almost a fifth of rural Southerners live below the poverty level. Hundreds of counties lack doctors and adequate medical facilities. Population has de-

clined in many counties, as younger people have migrated to urban areas in search of jobs. Federal assistance programs for farmers and women and children have been cut or eliminated, and county tax bases cannot keep up with local needs.

## HOME WRECKERS

During the mid-1980s, the savings and loan industry was at a crossroads. For half a century, thrifts had been dedicating most of their deposits to home mortgages, lending working families the money they needed to buy homes. But by 1986 a small, aggressive group of the largest thrifts had all but abandoned home lending. Instead, they were gambling with \$44 billion in what was known as "hot money" — funds supplied by Wall Street money brokers.

Nowhere was the contrast between the old and new breed of S&L more pronounced than in the rural South. Fast-growing, urban-based mega-thrifts like First Savings in Arkansas, Unibank in Mississippi, and Sunbelt in Texas had expanded into small communities, competing directly with locally owned rural S&Ls.

The transformation was best exemplified by tiny Southern Building and Loan of Pine Bluff, Arkansas. Like most thrifts in the region, Southern Building and Loan spent the 1970s quietly investing most of its deposits in fixed-rate home mortgages to local homeowners. But all that changed in 1980. That was the year that Congress allowed S&Ls to offer higher rates to depositors — and the year that Howard Weichern took over as CEO of Southern.

With encouragement from federal bank regulators, Weichern adopted a fast-growth strategy for the \$130-million thrift. His first move was to dramatically increase the interest paid on large deposits. Funds — from wealthy investors and Wall Street money brokerages — came pouring in. The thrift, which changed its name

to FirstSouth, invested most of its newfound money in loans for acquisition, development, and construction (ADC) of commercial property. Most of the ADC loans made by FirstSouth required no down payment by borrowers. Instead, the thrift loaned developers — frequently FirstSouth board members and shareholders — more money than they actually needed to develop properties into condominiums, shopping malls, or office towers. The borrowers then used some of the excess funds to "pay" FirstSouth lucrative loan origination fees. In effect, FirstSouth used this method to loan itself money.

Between 1980 and 1986, FirstSouth invested hundreds of millions of dollars in ADC loans, many of them secured by properties hundreds of miles away in Dallas or Palm Springs. With the blessing of federal regulators, Weichern purchased a dozen small, struggling thrifts and turned them into FirstSouth branches.

As FirstSouth abandoned home lending in favor of risky deals on resorts and condos, federal officials held Weichern up as a model of the new breed of thrift managers. Regulators never bothered to examine FirstSouth's books between 1982 and 1985, even though the thrift's assets more than doubled during that period.

By 1985, FirstSouth had 36 branches, five of them in rural Arkansas counties. But rural Arkansans were not the ones who benefited from this rapid growth. The average S&L in Arkansas devoted 37 percent of its assets to home loans; FirstSouth invested only eight percent. Instead, the thrift funneled 46 percent of its \$1.7 billion in assets into land grabs

and commercial developments in faraway cities.

By the time regulators seized FirstSouth in December of 1986, they discovered that Weichern and his officers had hidden hundreds of bad loans from regulators and stockholders. What's more, many loans that were not yet in default were unsecured. As many as two thirds of all FirstSouth loans were essentially worthless. The thrift appears to have been insolvent for years before regulators moved in, although Weichern continued to earn his \$400,000 annual salary, report profits, and issue new stock.

Federal regulators and stockholders sued Weichern alleging fraudulent practices, but the real culprit was federal policy that encouraged thrifts to wheel and deal. Former FirstSouth board member Gerry Powell told the *Washington Post* that the thrift carried out its disastrous fast-growth strategy "more or less as a directive from the chief of the Federal Home Loan Bank Board" in Dallas.

Although taxpayers and shareholders were the big losers in the FirstSouth saga, they weren't the only ones. By aggressively soliciting high-rate deposits, FirstSouth and its imitators throughout the South bid up the cost of funds for all savings institutions. The higher the cost of funds, the harder it became for S&Ls to afford fixed-rate mortgages. For small rural thrifts, the dramatic rise of megabanks and thrifts like FirstSouth meant a new era of cut-throat competition — an era that many did not survive.

— M.L.

Half of the 620 counties surveyed rank among the poorest 20 percent of counties in the nation. In one fourth of the counties, the average resident earns less than \$10,000 a year.

As rural communities suffered during the past decade, many of the local savings and loans that served them also faced hard times. For more than half a century, S&Ls had been quietly and conservatively financing homes across the country, paying small depositors three percent interest and lending the money to home owners at six percent. It was a safe investment strategy, and it worked.

The trouble started in 1980, when Congress abolished ceilings on S&L interest rates that had been in place for

decades. Thrifts were suddenly permitted to compete with unregulated money market funds, paying sky-high interest rates to attract "jumbo" deposits from wealthy depositors and Wall Street money brokers.

In the early 1980s, federal and state lawmakers went even further: They relaxed virtually every restriction on where S&Ls could invest their deposits. A new breed of go-go thrifts was born. Instead of investing money from small depositors back into local homes, high-flyers like Centrust in Miami and FirstSouth of Arkansas solicited billions of dollars of deposits from Wall Street money brokers and plowed the money into office towers, strip shopping malls,

junk bonds, and worthless land (see sidebar, above).

While thrift managers got fabulously wealthy from loan fees and salaries during the heady days of deregulation, the S&Ls they ran — and the federal insurance fund that backed them — went bankrupt. Two weeks after being sworn in as president in 1989, George Bush presented Congress with a plan for the largest and costliest bailout in U.S. history, a plan that even government officials say will cost taxpayers more than \$500 billion. Eight months later, Congress passed the Bush plan and entrusted the cleanup to a new federal agency — the Resolution Trust Corporation.



## HOMETOWN RUIN

As the agency took control of property owned by failed thrifts, it quickly became the largest landowner in the world. By last December, the RTC had sold or liquidated 584 thrifts with a combined \$212 billion in assets. Not since the emergency banking legislation of the New Deal has a government agency become so involved in the restructuring of the financial marketplace.

According to the study by the Southern Finance Project, the federal clean-up effort was centered in the South. A third of the assets involved in all RTC deals belonged to thrifts in just three Southern states — Texas, Louisiana, and Florida. Overall, 60 percent of all agency transactions between August 1989 and December 1991 involved Southern thrifts. By the end of January, 421 Southern-based thrifts had come under government control, and the RTC had inherited another 41 Southern institutions with \$24 billion in deposits.

By far, the biggest thrift collapses in the region involved urban-based S&Ls that made risky investments in commercial office towers, hotels, townhouses, strip shopping malls, and undeveloped land in the suburbs. But dozens of small, locally owned banks and savings and loans that served rural communities also failed. And many rural branches were hurt by the wheeling and dealing of their urban cousins.

A close examination of government thrift deals in the rural South reveals widespread financial ruin:

▼ **Rural Dollars.** The RTC inherited big bucks from small-town deposits. Nearly half of all thrift deposits in the rural South — more than \$5 billion — came under regulatory control between 1988 and 1991.

The hardest hit state was Texas, where more than 90 percent of rural thrift deposits came under regulatory control. In three other states — Oklahoma, Arkansas, and Louisiana — regulators took possession of more than 50 cents of every dollar deposited in rural thrifts.

But the damage was spread across the region. Regulators seized at least three fourths of thrift deposits in nearly 130 rural counties in the South. Communities where large thrifts had failed were particularly hard hit, especially in Texas, Arkansas, and Georgia.

▼ **Hometown Lenders.** All told, the RTC sold or closed insolvent thrifts holding a total of \$2.1 billion in rural deposits in 106 counties across nine Southern states.

Thirteen transactions involved "local" thrifts — those headquartered in rural counties with at least 70 percent of their deposits from local residents. Two local S&Ls — Mississippi Savings Bank of Batesville and Sabine Valley FSA of Center, Texas — were closed, and depositors were paid \$153 million. The remaining 11 local thrifts, with total deposits of \$502 million, were sold to other savings and loans or to commercial banks.

In addition to local S&Ls, the RTC sold or liquidated dozens of rural branches of urban-based thrifts holding \$1.5 billion in rural deposits.

Photo by Lauri Lawson



IN RURAL TOWNS WHERE S&LS WENT UNDER, FINANCE COMPANIES ARE CHARGING INTEREST ON HOME LOANS AS HIGH AS 16 PERCENT.

▼ **Big Banks.** Instead of giving communities control of their hometown thrifts that failed, government deals have concentrated rural deposits in a handful of large financial institutions.

In 16 early deals overseen by the Federal Home Loan Bank Board, eight Texas buyers assembled extensive networks of rural branches containing \$1.8 billion in deposits. Texas Trust Savings Bank of Llano acquired four thrifts with \$494 million in rural deposits, and Sunbelt S&L of Irving picked up 12 thrifts with rural deposits of \$363 million.

In the RTC deals, big banks were the big winners. Of the \$2.1 billion in rural deposits distributed by the RTC, 74 percent were transferred to commercial banks.

More than half of every rural dollar went to large institutions — banks with assets of more than \$1 billion, or S&Ls with more than \$500 million. More than a third of the deposits went to just two commercial banks — Worthen Bank and Trust in Arkansas and NCNB in North Carolina. Other big winners included SouthTrust in Alabama, Citizens and Southern Bank in Georgia, Bank South and Trustmark National Bank in Mississippi, and First Gibraltar and Kilgore S&L in Texas.

Few of the new owners had ever operated in the rural counties where they acquired branches. In three fourths of the counties affected by RTC sales, rural deposits were transferred to institutions with no local track record.

Despite their lack of local experience, the big banks got a good deal. In addition to expanding their rural franchises, they bought rural deposits from the RTC at bargain-basement prices. In 14 Southern states, buyers paid approximately 1.6 cents for every dollar of deposits they obtained.

## "GOLD BULLION"

The numbers make clear that government deals helped transform the financial landscape of the rural South, fueling the trend toward financial consolidation. Between 1986 and 1990, the number of local S&Ls operating in rural counties declined from 107 to 63, while the number of commercial bank branches increased from 1,594 to 1,645.

As a result, large financial institutions significantly increased their share of rural deposits. In 1986, the largest banks and S&Ls held 15 percent of all rural deposits. Five years later, such institutions held 25 percent of all local money.

In fact, rural deposits in large institutions have soared by 96 percent since 1986, compared to an increase of only 19 percent for rural deposits overall. In five states — Georgia, Kentucky, Oklahoma, Tennessee, and West Virginia — rural deposits in large institutions more than quadrupled in the past four years.

The RTC insists that the consolidation of money in big banks and thrifts won't affect depositors and borrowers in small towns and rural communities.

"What's the alternative?" says RTC spokesman Mark Burmeke. "If we can't

find a buyer, the institutions would just be closed down. How would rural communities benefit under that scenario?"

But the numbers indicate that the trend toward bigger banks could make it harder for rural Southerners to borrow money for homes, farms, and businesses. According to the Southern Finance Project study, the bankers who acquired rural thrifts tend to be less interested in home lending than their predecessors were.

The eight institutions that acquired nearly all of the rural Texas deposits in 1988, for example, devoted between 4 percent and 20 percent of their total assets to home lending in 1990. The statewide average for Texas thrifts that year was 44 percent.

Similarly, most of the banks that acquired rural thrifts from the RTC devoted much smaller proportions of their total assets to home lending than did the thrifts they purchased. The two Arkansas thrifts acquired by Worthen Bank and Trust in the fall of 1990 each had devoted more than 25 percent of their total assets to family home loans. Worthen, on the other hand, invested less than 6 percent of its assets in family homes.

The result: Local borrowers are finding it harder to get a loan. "When Worthen took over, it was a loss of credit for the county," says Charles Barnett, treasurer of Independence County, Arkansas. "They tend to invest our money in large chunks somewhere else rather than loan it out in the county."

Many rural officials report that the new owners of their local S&Ls don't seem interested in lending to local homeowners. After Magnolia Federal Bank bought First City Savings and Loan last July, "homebuying just dropped off," says Wilburn Bolen, a tax collector in Lucedale, Mississippi. "Some people have managed to get a loan from another bank or from a finance company that just opened an office here, but many put off buying a home because they can't get credit."

To make matters worse, local banks in rural counties where thrifts were sold or closed have not stepped up their home lending to make up for the loss of the failed S&Ls. Between 1988 and 1991, home loans by local banks declined or remained stagnant in eight of the 12 counties that lost a local thrift — including Marion in Alabama, Baxter and Poinsett in Arkansas, Habersham in

## WHO CONTROLS RURAL DOLLARS?

Large financial institutions — banks with assets of more than \$1 billion and S&Ls with more than \$500 million — have dramatically increased their share of rural deposits in the wake of the savings and loan crisis.

	% 1986	% 1990
Alabama	18.9	23.3
Arkansas	12.2	10.7
Florida	27.8	37.8
Georgia	9.0	20.9
Kentucky	0.1	12.7
Louisiana	0.0	2.7
Mississippi	16.4	22.3
N. Carolina	54.4	59.8
Oklahoma	1.5	5.8
S. Carolina	20.2	32.9
Tennessee	5.0	27.6
Texas	7.9	16.7
Virginia	51.9	55.5
W. Virginia	6.1	13.7
<b>South</b>	<b>15.4</b>	<b>24.9</b>

Source: Southern Finance Project

Georgia, George in Mississippi, McIntosh in Oklahoma, and Karnes and Shelby in Texas. In the remaining four counties — Chatooga in Georgia, Red River in Louisiana, Panola in Mississippi, and Wayne in Tennessee — home loans by local banks increased, but only minimally.

The reluctance of local banks to increase their home lending suggests that residents in rural counties where the RTC sold or closed local S&Ls can expect to have a tough time getting credit. How tough? According to one county official in Texas who asked not to be identified, "You have to have gold bullion as collateral to get a home loan from the new S&L owners here."

### A TAXING PROBLEM

Having a hard time getting a loan for a home or business may not be the only way rural residents are hurt by the collapse of the savings and loan industry. Rural officials and realtors also say the RTC is selling off the assets of failed

thrifts at such rock-bottom prices that the deals may depress real estate prices and reduce property taxes that pay for essential county services.

"The RTC recently sold four local properties for \$40,000," says Ricky Harris, a realtor in Chatooga County, Georgia. "Those properties had been appraised at \$250,000." Harris says he worries that the agency will sell the six or seven remaining properties it owns in the county for similarly low prices.

Harlen Barker, a county judge in San Saba, Texas, says that the RTC sold the office building of the failed Heart of Texas S&L — which cost \$1.7 million to build — for \$330,000. The lost money, he says, could have been used to help pay the cost of bailing out the bankrupt thrift. Instead, he says, "guess who picked up the tab?"

Such examples are not isolated incidents, if the RTC's own real estate inventory is any indication. The average list price for rural residential properties in the inventory for July 1990 was \$40,748. Fourteen months later, the average price had plunged to \$25,817.

Some of the decline may have been caused by the sale of high-priced properties, which would lower the average price of remaining properties on the inventory. But figures show that the inventory is growing faster than the RTC can sell the properties, and the agency recently loosened its pricing guidelines — suggesting that the RTC has lowered prices on a significant portion of its rural inventory.

Many rural officials and residents also say that the RTC and its contractors are not marketing rural properties aggressively. A major problem, they say, is that the agency contracts with out-of-town realtors and asset managers to dispose of properties.

"The property I bought was under two or three different asset managers," says Tom Martin, who spent nine months negotiating with the RTC over a modest, agency-owned home in Independence County, Arkansas. "It was transferred twice and I had to start the bidding process over each time."

According to Martin and others who have dealt with the RTC, agency contractors have little incentive to sell the properties in their charge. "Once the properties are gone, they can't pull down any more fees," Martin explains. "So



they're in no hurry to get rid of them."

Harlen Barker, the county judge in Texas, recalls trying to obtain information from the RTC about a former county-run hospital on its inventory. The county wants to buy the building and turn it into a rural health center. "I called them up about it and they said 'What hospital?'" Barker says. "I really believe that if we called them up and said we found a million dollars that belonged to them, they couldn't tell me where to send it or what to do with it."

Indeed, the RTC has a poor record of keeping track of the properties it owns. The U.S. General Accounting Office has repeatedly ripped the agency for its shoddy recordkeeping. The first two editions of the RTC inventory, for example, listed more incorrect counties for Texas properties than correct ones. Rather than fixing the problem in subsequent editions, the RTC simply stopped listing counties altogether.

Similarly, the inventory omits or incorrectly reports vital information about property condition and appraisal value. When researchers with the Southern Finance Project examined the inventory, they noticed the address "625 Seagate Drive" listed for hundreds of properties in dozens of cities. It turned out the "address" is also a brand name for a common type of computer hard drive.

## MORTGAGING THE FUTURE

Some local officials report that residents in their counties had purchased properties at RTC auctions but could not obtain deeds and titles from the agency proving ownership. Ramage Appliance and Furniture Company of Mitchell County, Texas bought an RTC property last December and moved in before Christmas — only to receive an eviction notice from the RTC in early January.

County officials worry that underpriced and unsold property will diminish county tax collections. The danger is especially acute in Texas, where the end of the oil boom has driven down property values — and the taxes that county schools and other local services rely on. In rural Texas counties, a 10 percent decline in real estate values means a 10 percent decline in local school budgets.

Ray Mayo, a county judge in Mitchell County, Texas, says that poor handling of



**TEXAS OFFICIALS WANTED TO BUY THIS FORMER HOSPITAL FROM THE RTC AND TURN IT INTO A RURAL HEALTH CLINIC. "WHAT HOSPITAL?" ASKED THE AGENCY.**

the RTC inventory has contributed to the decline in local property values. "Houses appraised at \$100,000 are now selling for \$20,000 or \$30,000 — and tax appraisals have gone down to the purchase price." Mayo estimates that as many as 30 homes in the county seat of Colorado City — a town of 5,000 — have been devalued.

In some cases, the RTC itself appears to have directly contributed to a drop in rural taxes. When Wilburn Bolen, the tax collector in Lucedale, Mississippi, sent the federal agency a tax bill for its properties in the county, RTC officials responded that government agencies are exempt from local taxation. And in Pecos County, Texas the RTC paid its local property taxes late — and then refused to pay the full amount of late penalties and interest due.

"It's absolutely the biggest racket I've ever heard of, from the White House on down," says Louise McCollum, a realtor in Chatooga County, Georgia. "The only ones benefiting are big banks that are not going to meet the needs of the community."

According to many community leaders and activists, economic recovery

in rural areas depends upon local control of lending. "If your hometown bank or S&L is bought by a big bank like NCNB, you've got to go to Dallas to get a loan," says Jim Hightower, chair of the Financial Democracy Campaign. "The folks in Dallas have to ask the folks at corporate headquarters in Charlotte. And the folks in Charlotte aren't very warm to the business possibilities in Liberty or New Deal or Ida Loo."

The answer, say Hightower and others, lies in stopping giveaways to big banks and creating financial alternatives that put money in local hands. "We need to decentralize banking and create a layer of community-based banks that support local needs," Hightower says. "Federal policy should protect such community banks — not mortgage our economic future to big banks." □

*Marty Leary is research director of the Southern Finance Project, a non-profit organization sponsored by the Institute for Southern Studies. Leticia Saucedo is former outreach coordinator with the Financial Democracy Campaign. For copies of the SFP study, write: 2009 Chapel Hill Road, Durham, NC 27707.*



# Who Owns the Government?

*Their dollars versus our votes.*

By Bob Hall

If you see a lawyer hand a thousand bucks to the judge, you call it a bribe.

If a pitcher in a World Series game gave a bundle of money to the umpire, you'd call it a bribe.

You see a lobbyist hand money to a politician, and you call it a "campaign contribution."

— Ben Senturia

*Working Group on Electoral Democracy*

American politics is in chaos. The parties don't work. People don't vote. Politicians can't talk straight. Government is discredited; regulation is considered a barrier to freedom, not a tool for protecting society from individual greed. Concepts of "public responsibility" and "citizenship" have disappeared.

"I don't believe what the politicians say, and I don't see them doing anything," says Debbie Wooten of Charlotte, North Carolina, one of the majority of Americans who are eligible to vote but don't. "There isn't a candidate worth voting for most of the time," echoes Richard McGovern of nearby Kannapolis.

It's no accident that people have dropped out of politics. That's exactly what the system tries to do — and has always done since it first limited the vote to property-holding white men. From the Regulators and Populists to the Suffragettes and Civil Rights Movement, the struggle for democracy — especially in the South — has meant ordinary citizens fighting well-financed elites for the right to control their own destinies.

Making "one person, one vote" a reality lies at the core of the battle for equality. But at every turn, money has worked against the leveling power of the vote.

Following the Civil War, newly enfranchised Southern blacks swelled the voting rolls and began flexing their political muscle. By the late 1870s and 1880s, when they joined white yeoman farmers in Fusion or Populist coalitions across the region, they made politics the mass enterprise it's supposed to be. Voter turnout reached 83 percent in Virginia, 80 percent in Mississippi, 78 percent in Tennessee, and 69 percent in Alabama and Arkansas.

These reform-minded coalitions installed blacks and progressive whites in state legislatures, enacted sweeping tax changes, mandated universal public education, regulated business, and proposed laws to protect worker safety and establish a minimum wage. Their enthusiasm posed an enormous threat to the planter-merchant elites who bossed the antebellum South.

The elites struck back with a brutal campaign to restore Democratic Party control. Red Shirts and Klansmen terrorized voters, murdered reformers, and evicted elected officials from their homes and communities.

To secure their tranquility, business interests consolidated behind the new Democrats and systematically gutted the voting rights of their enemy. Literacy tests, second primaries, poll taxes, grandfather clauses, and a dozen other techniques joined the rise of farm tenancy and wage slavery to repress democracy and render people voiceless. Blacks and poor whites were shut out of politics, and voter turnout plummeted. By 1904, it fell to 28 percent of adult males in Virginia, 24 percent in Florida and Georgia, and 16 percent in Mississippi.

## "PISS THEM OFF"

As this special section of *Southern Exposure* makes clear, money has once again exerted its authority to define the limits



of proper political behavior. In his interview on page 42, author and journalist William Greider notes that another consolidation of business interests followed the rush of liberal legislation spawned by the modern civil rights movement. And as Alabama activist Gwen Patton observes, the target is once again the newly enfranchised, the responsible candidate, the ordinary citizen who believes he or she owns the government.

Using money to control the political process — pushing people out rather than pulling them in — has become a bad habit. Even liberals, once they enter electoral politics, understand that the game is not about getting lots of people engaged in the system. It's about getting 50 percent, plus one, of those who *show up* at the polls to vote your way. Limiting participation may serve your interests as much as a large turnout.

That's exactly what pollster Pat Caddell told Alan Cranston in his last race for the U.S. Senate. Even though Cranston was raising millions of dollars for voter registration drives in the South and elsewhere, Caddell advised him to finance a negative advertising blitz in California. The mud-slinging, Caddell predicted, would disgust young white voters who favored his Republican opponent — and drive them away from the polls.

"The voters were very alienated. The fewer who voted, the better for Cranston," Caddell told journalist Christopher Hitchens recently. "So I told him, 'Run the most negative campaign you can. Drive the voters away. Piss them off with politics.' It worked. Cranston just made it by two points. The day after, I realized what I had done and got out of the business."

Senator Jesse Helms of North Carolina used an even more blatant tactic to scare off black voters in the final days before his 1990 victory over Harvey Gantt. Official-looking postcards mailed to 125,000 black voters in high-turnout precincts warned of jail terms for false answers given to poll monitors. Three months after the damage was done, the Helms campaign signed a consent decree to settle a Justice Department complaint that it had intimidated black voters.

### FAT CATS AND PAYBACKS

Such devious, exclusionary tactics require the backing of vast resources. Sadly, the cash is readily available from the deep pockets of the corporate rich. As a consequence, the price of election gets bid up and voters get shoved out. Many candidates simply buy their way into office — Helms has paid \$30 million in his last two races — and then spend their time courting donors instead of voters. The average Senate seat now costs \$4 million, which means survivors must hustle \$12,000 a week during their six-year terms. Governors typically raise as much or more for their elections, and the cost of legislative races is soaring.

The payback from politicians is often blatant. Stories in this section from North Carolina, Texas, and Alabama demonstrate that state roads, federal housing, and other well-intentioned government programs have been turned into cash cows for campaign contributors.

But the simple image of bribery discounts the larger power of special-interest money to poison the entire political process. The



**VOTERS ARE STAYING AWAY FROM THE POLLS — AND THAT'S EXACTLY WHAT WEALTHY CONTRIBUTORS AND THEIR CANDIDATES WANT.**

money chase drives voters from the polls, discourages potential candidates from running, limits who has access to elected officials and government bureaucrats, restricts what gets discussed, and transforms politics from a mass-based, voluntary endeavor to high-stakes, high-tech dealmaking among professional insiders.

The bottom line: People are purposely excluded from the government they theoretically own. Millions of voters stay home on Election Day — allowing well-endowed private interests to buy candidates, define public policy, and stick taxpayers with the tab. It is easy to become so disenchanted that we lose sight of government's potential for good and wash our hands of the whole process — *which is exactly what big money wants.*

What's to be done? Reformers point to a two-fold strategy: elevate the power of voters by making it easier to register and vote, and deflate the power of special-interest money with tough campaign finance laws. The goal, say elected officials and grassroots activists, is to push private money out and put ordinary people in.

It sounds simple on paper. But just as money has spun a complex web of relationships that ensnares fat cats and politicians, so a new system energized by people's participation would necessitate an elaborate network of ties from the local precinct to Capitol Hill. It would be supported by a new ethic of reciprocity among peers, with structures of accountability that respect diversity and nurture consensus.

To get there, we need patience and flexibility and a generosity of spirit that flies in the face of economic competition and political cynicism. It is a mission that many Southerners, like their peers around the nation and the world, are undertaking in local and larger arenas: Democracy — of, for, and by the people. □

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# Highway Robbery

*Campaign dollars pave the roads in North Carolina — wasting money, wrecking communities, and destroying the environment.*

By Barry Yeoman

**LINVILLE, N.C.** — When Governor James Martin visited the Blue Ridge mountains one July day in 1988, the summer residents of Linville Resorts threw a grand outdoor party. A well-heeled group of stockbrokers and doctors, real-estate developers and retirees, they gathered under a pavilion to drink cocktails and shake the governor's hand. Republicans and Democrats alike dined on grilled trout and roast tenderloin, served with peanut rice.

William Lippitt, a retired surgeon from Savannah, Georgia, remembers forking over \$125 to attend the dinner with his wife. And he remembers why. A long-time resort member, Lippitt had grown tired of the traffic whizzing past the golf course and lodge. Like many of his neighbors, he wanted the state to build a new highway to steer cars and trucks around the country club.

"We were trying to get a road," says Lippitt. "So we gave a donation."

For 20 years, highway engineers had

argued that the road Lippitt wanted would not "serve any useful purpose." Still, the next winter, the state Board of Transportation awarded a contract to build the Linville Bypass — a \$2.9 million road designed solely to divert traffic away from a resort whose members include some of Governor Martin's closest political allies.

Campaign dollars rule the roads. That's the inescapable conclusion of an eight-month investigation into the insider deals and political connections that shape the state highway system.

Sponsored by the Institute for Southern Studies, the non-profit research organization that publishes *Southern Exposure*, the investigation examined thousands of pages of documents, interviewed more than 150 people, and checked hundreds of names against a campaign-finance database. The results make clear that the people who donate big money to political campaigns maintain a tight grip on the state Department

of Transportation (DOT), steering millions of dollars to specific roads to help themselves and their friends.

The political favoritism wastes public money, robbing taxpayers of millions at a time when the legislature has been cutting education and raising taxes. What's more, the inside deals harm the environment and pave over human communities.

DOT denies the connection. "I don't see there is a link between contributions and road-selection process," says Transportation Secretary Thomas Harrelson. He asserts that the state spends billions on highways to create jobs and stimulate growth.

But the investigation into campaign finances shows that political influence — not economic development — drives much of the state road system. A trip to the mountains and coast of North Carolina offers a look at two roads paved with campaign dollars: a bypass around a country club, and a beach road moved to make way for an oceanfront villa.



## The Bypass Around the Country Club

Linville Resorts is an island of graceful living amidst one of the poorest counties in North Carolina. A century-old development of \$400,000 summer homes with stone chimneys and rough-hewn wood siding, the alpine resort is set among wildflowers, tall pines, and thick rhododendron.

The 155 members have the use of tennis courts, a croquet greensward, and an 18-hole championship golf course. They can take their meals in a dining room that serves nightly five-course dinners of French and New American cuisine (coat and tie required for gentlemen), and then stroll along stone walkways and over red footbridges that traverse a small creek. The resort also has a 30-room hotel called the Eseeola Lodge.

The members come from all across the South — Charleston, Birmingham, Coral Gables. But the biggest bloc, about 40 percent, comes from Charlotte. Members of old-line families, they make up the city's business elite — the people who helped Governor Jim Martin launch his political career. Together, the current members of Linville Resorts and their families have contributed more than \$308,900 to the Republican cause since 1983 — including \$71,300 to Martin.

"We have some folks who are pretty influential in the state — I won't deny it," says resort general manager John Blackburn.

Their leader — the president of Linville Resorts — is one of the most influential of all. Alan Dickson serves as president of the Ruddick Corp., a Charlotte conglomerate that owns the Harris-Teeter supermarket chain and three other companies.

A self-described "Republican purist," Dickson headed the last county campaign to re-elect U.S. Senator Jesse Helms. And he has used his network of Charlotte business contacts to raise money for the governor. Since 1983, Dickson and his family have contributed \$5,700 to Martin and at least \$32,395 to other GOP candidates and committees. Ruddick Corp. kicked in \$2,000 to help pay for Martin's first inauguration, and the company's directors and their wives contributed \$13,125 to Martin's gubernatorial campaigns.

"I don't look for anything," Dickson says of his campaign contributions. "Hopefully, it's a good investment in a good person to do the right job."

### FRAT BOYS

Life at the Linville Resorts was a "golden world," in the words of manager Blackburn — except for one problem. U.S. 221, a two-lane road that meanders through the mountains, divided the resort. The lodge, golf course, and most of the homes were on one side, while a parking lot and swimming pool were on the other. Truckers routinely broke the 35 mph speed limit, according to resort members, menacing pedestrians and other drivers alike.

"You pull out of your driveway and see a truck coming down at 50 mph, and you see the last 50 years of your life flashing before you," says Blackburn.

As far back as the 1950s, Linville Resorts had proposed a solution to this problem: The state should build a new road to divert traffic away from the country club.

The 1.3-mile bypass would skirt Pixie Mountain along undeveloped land donated by the resort. It would cross the Linville River and then come to an abrupt halt. Drivers who once had a straight shot into Boone would now have to make two turns.

Until Governor Martin's election, no one inside state government took the idea too seriously. Avery County direly needed improvements to its existing roads; many were winding, shoulderless highways with close outcroppings of rocks right at road's edge. But U.S. 221 was smooth and safe as it passed the resort. Federal officials scoffed at the notion of paying for the rerouting of the U.S. highway because — according to one state DOT document — the "project did not go anywhere."

"It appears entirely possible to build a road through the proposed corridor," wrote DOT engineer Tony Cornacchione in 1984. "However ... it does not appear the proposed bypass would serve any useful purpose."

All that changed within days of Martin's inauguration.

As soon as he settled into office in 1985, Martin took a cue from his predecessors and rewarded some of his most

*Photo by M.J. Sharp/The Independent*



**SEVERAL FRIENDS OF CECIL CRAWFORD DIED ON THIS WINDING MOUNTAIN ROAD — BUT STATE OFFICIALS PREFERRED TO PUT A BYPASS AROUND A SUMMER RESORT FOR THEIR COUNTRY-CLUB CONTRIBUTORS.**

generous campaign contributors with seats on the Board of Transportation. The 24-member board, among the most coveted appointments in state government, has absolute control over which roads get built in North Carolina (see "Road Hogs," below).

Near the top of that list of contributors was Seddon "Rusty" Goode, president of University Research Park in Charlotte. As a Davidson College freshman in 1954, Martin was Goode's "little brother" in the Beta Theta Pi fraternity. As the older boy's pledge, Martin served at Goode's beck and call, shining his shoes and performing other daily tasks.

Goode outgrew his frat-boy ways to

become a major force in Charlotte's business and political circles, working the corporate community for big campaign contributions. He and his family have contributed at least \$30,595 to the Republican cause since 1983, and he raised more than \$200,000 for Martin's re-election campaign. Martin rewarded Goode with a seat on the Board of Transportation, where he earned the nickname of "Rusty God" for the power he held.

### HAMMER TIME

As one of the 100 top-paid executives in North Carolina — the president of a \$1.4 billion business — Linville Resorts head Alan Dickson knows an opportu-

nity when he sees one. After Martin was elected governor, Dickson decided "it was time to turn up the burner" on the Linville Bypass. "I did that as a good loyal Republican."

Dickson lobbied everyone he knew within DOT, but he focused his efforts on Rusty Goode. Though not close friends, the two men belong to the same business and political circles. They attend the same cocktail parties, belong to three of the same country clubs — even run into each other in the elevator of the First Union office tower where they work on adjoining floors. And they raise money for the same Republican candidates. In 1990, Dickson and

## ROAD HOGS

Looking for a seat on the most powerful government board in North Carolina? Power over an annual budget of \$1.6 billion with almost no strings attached? The chance can be yours — for a mere \$62,500 in Republican campaign contributions.

That, election records reveal, is the average cost of a seat on the state Board of Transportation. Over the past eight years, the 56 people appointed to the board by Governor Jim Martin and Lieutenant Governor Jim Gardner have given or raised at least \$3.5 million to the Republican cause — and the actual figure could be much higher.

The reward for their donations is one of the biggest plums in state government. Board members carve up the highway money that goes to their regions. That's a lot of power — particularly for those whose business interests are served by highway construction.

Of the 23 current members, 18 have real estate interests. One heads a petroleum distribution company. Another runs a construction company and co-owns a trucking firm. One manages an automobile dealership called Confederate Chevrolet.

The state Ethics Board found that 17 members have business dealings that create potential conflicts of interest — but board members dismiss such findings. "If I had to be concerned about the location of highways in relation to my customers, I would never be able to be involved with any road projects," says member C. Richard Vaughn, a building contractor.

### BURGERS AND BUCKS

Perhaps the best-connected board member is Jack Laughery, former chief executive of the Hardee's restaurant chain, which was co-founded by Lieutenant Governor Gardner. One of the top Southern money chasers for President Bush, Laughery has lunched with the president at the White House and attended policy briefings by Cabinet secretaries. Bush calls Laughery and his wife "old friends." Now Laughery serves as finance chair for the Bush re-election campaign in the Southeast.

"He's got five states and he's twisting arms in every one of them," Bush told a crowd of campaign contributors at a barbecue fundraiser in Charlotte last April.

Laughery did more than turn Hardee's into a big business: he transformed it into

a money machine for the Republican Party. Since 1983, Laughery and his corporation have donated at least \$479,700 to top Republicans. He denies that his political contributions led to his board seat, calling such charges "a witch hunt."

While most board members give large campaign contributions, officials with the state Department of Transportation maintain that politics don't influence where roads go. "The notion that any board can come in and turn the highway program upside down is antiquated," says DOT Assistant Secretary Jim Sughrue.

As a rule, most roads are not built to benefit board members and their friends. But there are many noteworthy exceptions:

▼ William Buchanan, a leading Martin fundraiser, quietly slipped a \$625,000 bridge into the long-range highway plan. The bridge, which spans Interstate 85 in Graham, connects a Chevrolet dealership owned by Buchanan with a residential street.

Buchanan told a reporter the bridge could actually hurt his dealership, and that town officials supported the project. But the local Transportation Advisory Committee never discussed the bridge.

▼ DOT tried to shift the Charlotte Outerbelt to accommodate a real estate developer with business ties to former board member James Garrison. Garrison brokered meetings between the developer and DOT engineers, who kept their plans a secret from the public for 15 months.

Garrison, a Democratic appointee, denies influencing DOT. "I was there to introduce those two guys,

Photo by M.J. Sharp/The Independent



**BOARD MEMBER JACK LAUGHERY TURNED HARDEE'S INTO A MONEY-MAKING MACHINE FOR THE REPUBLICANS.**



Goode co-chaired a Charlotte fundraiser for Helms that raked in \$1 million in one evening.

"I guess I hammered him pretty hard," Dickson remembers.

The hammering paid off. "As you know, I am most interested in seeing this project started as soon as feasible," Goode wrote in a letter to DOT deputy secretary Billy Rose just days after Martin took office.

"Rusty was instrumental in pushing that project through when it was a marginal project," recalls Rose, now retired from state government. "When you look at the other road needs in that area, you couldn't justify doing that project."

but you'd think I shot the Pope," he said. Transportation Secretary Thomas Harrelson decided to review the route after *The Charlotte Observer* exposed the inside dealmaking.

▼ Tommy Pollard, an influential Martin fundraiser, used his seat on the board to convince DOT to place a cluster of traffic lights near land and a supermarket he owned in Jacksonville. A month later, he sold some of the land for a profit of at least \$10,000. Pollard said he requested the signals for the safety of his customers. After a probe, Attorney General Lacy Thornburg said Pollard had broken no law — but lamented the lack of tough state ethics rules to prevent conflicts of interest.

While such examples provide a glimpse of the political wheeling and dealing that goes on behind closed doors, campaign contributions also exert a broader influence — shaping overall state priorities. Except for the one member appointed by the Democratic House Speaker, the board is a monolith. The members are all successful business people who strongly support Governor Martin's stated desire to put a four-lane road within 10 miles of 90 percent of all North Carolinians.

No one ever advocates scaling back roads. No one argues for a shift from roads to mass transit. Rarely does the environment — or the people and communities uprooted by roads — get mentioned. Board members are in the driver's seat — and as real estate developers, building contractors, and car dealers, they all think the \$9 billion in public funds earmarked for highway building is heading in the right direction.

— B.Y.

Other government professionals noted that the proposed bypass would degrade the Linville River, a clear swift-moving trout stream that flows into Linville Gorge, one of the finest wilderness areas in the nation.

Still, DOT's top brass sent out a clear signal: The Linville Bypass would be built. R. Wilson Laney, a U.S. Fish and Wildlife Service biologist, says he received "personal communication from DOT that it was a political project — that it didn't matter what the environmental effects were. It was going to go ahead as designed."

### GOLF-CART ROAD

News of the Linville Bypass hit a raw nerve among the full-time residents of Avery County.

Cecil Crawford, a former zoning board member in the town of Banner Elk, can tick off the names of several acquaintances who died on a single twisting road near his home. Yet Avery,

a small and poor Republican county in a state long dominated by Democrats, got short shrift when it came to road improvements. And now, the new Republican administration proposed to build a bypass around the straightest, smoothest road in the county.

In a spontaneous response, 300 angry citizens turned out at a public meeting to oppose the bypass. County commissioners passed a resolution opposing the road. The usually tame local newspapers editorialized against the bypass. Letters and petitions flooded DOT.

"There are roads where school buses run which would give the average person a heart attack, yet we propose to build a bypass for this affluent neighborhood so that they ... can run their golf carts and walk in the middle of what has always been a U.S. highway," wrote local resident Patti Setzer.

By May, DOT had received 197 letters — all but six opposing the bypass. Four opposition petitions contained 803 signatures. "We thought we'd killed it," says landscaper Mike Hughes, who led



**SEDDON "RUSTY" GOODE USED HIS POLITICAL POWER TO PUSH THROUGH THE LINVILLE BYPASS.**

the anti-highway effort. "Little did we know."

Then, at Rusty Goode's suggestion, DOT did something to defuse the opposition. With the consent of Linville Resorts, it moved up two road projects on its schedule — \$8.4 million worth of improvements to two of the county's most treacherous highways. Mike Hughes calls the maneuver a bribe to buy off the opposition; nonetheless, it worked.

"I wish we could recall all the dollars that they squandered," says Crawford, who led one of the petition drives. "But I lost interest in it after we got the other roads because I no longer wanted to stir up a hornet's nest."

At the same time, Linville Resorts launched an effort of its own. Resort manager Blackburn wrote to his members, urging them to mount a "vigorous" letter-writing campaign. "We do not want political contributions, only letters this time around," wrote Blackburn. "We do not think it would be advisable for people to mention their political contributions."

Summer residents bombarded DOT with letters; they also packed a second public hearing. DOT claimed that public opinion had turned around, and the Board of Transportation approved the bypass.

That's how the Linville Bypass got

built — at a cost to taxpayers of just under \$3 million. Blackburn says the bypass has removed most of the traffic from the old road, but some cars still speed past the resort. "It's not the smashing success I thought it would be, but it's been a success," he says.

on the ocean. But the road interfered.

So Page and Bostic offered to spend their own money to reroute the road to the sound side of the island. In exchange, the state would give the two developers much of the old roadbed, a piece of oceanfront real estate that would increase the value of their investment by tens of millions of dollars.

The state liked the prospect of a free road. After all, part of the existing road often washed out and needed to be relocated. But environmentalists thought it was a terrible idea. *Parts* of the road needed to be moved, but relocating the *whole* road would open the island to development and wreck its fragile ecosystem.

"The beautiful public beaches on the island will be ruined as large buildings encroach," Jim Kennedy of the N.C. Coastal Federation warned in a letter to county commissioners. "The buildings will gradually collapse on the beaches or else the state will succumb to political pressure for sea walls. The beaches will be ruined either way."

What's more, environmentalists cautioned, Page wanted to run the road through creeks, salt marshes, and canals — a move that would worsen the runoff of gasoline, oil, and other poisons into prime seafood nurseries. The pollution could destroy oyster beds and ruin the livelihood of shellfishers.

The Coastal Federation asked the state to study how the move would harm the environment, but DOT refused to compile even the minimum document required for state-built roads. Since Page was building the road privately, DOT maintained, no impact statement was required.

Billy Rose, the retired DOT deputy secretary, believes the state intentionally used a private developer to avoid studying the environmental impact. "I'm sure that was a factor. That's bad, when you use a procedure to circumvent the law," he says. "You're breaking the law, as far as I'm concerned."

### THE 14TH FLOOR

When Page first approached DOT about moving New River Inlet Road, he was a strong financial supporter of Democratic gubernatorial candidate Rufus Edmisten. But when Republican Jim Martin beat Edmisten in 1984, Page went to see the governor's new local Board of Transportation member, Republican B. Tommy Pollard.

A Jacksonville businessman who was once convicted of attempted murder

## The Road Around the Oceanfront Villa

Fueled by private money, the state does more than simply waste public funds on unneeded roads like the Linville Bypass. When it comes to building highways for big-money campaign donors, the DOT also runs roughshod over the environment.

New River Inlet Road was one of the few remaining coast roads that ran right along the beach, with no buildings between the asphalt and the surf. It traversed most of North Topsail Beach, one of the most fragile stretches of the Carolina coast.

North Topsail is so fragile that the federal government will no longer spend money that might encourage building on the undeveloped parts of the island. Duke University geologist Orrin Pilkey calls Topsail the most dangerous barrier island on the East Coast in terms of hurricane evacuation.

As recently as the 1970s, just three or four beach cottages dotted the northern end of Topsail. Then a handful of developers began erecting high rises and condos. Today dense thickets of tall buildings hover over the ocean. "If you'd a come here 15 years ago, you'd a have to sleep in your car," says developer Marlow Bostic. "Now a thousand families can come here and enjoy the beach."

New River Inlet Road has changed as well. Starting at the coast, it now veers toward the sound side of the island until it comes to the stucco walls and terra cotta roof of Villa Capriani, a development of mock-Italian condominiums that sits right on the water where the road used to be.

The new road passes between palm trees and tennis courts. After it leaves Villa Capriani, it turns back toward the sea. Suddenly, the pavement grows narrower and wetter. Artificial sand dunes sit bulldozed against the road to hold back the sea. On stormy days,

travelers heading for a complex of condominiums further north must detour inland onto a makeshift gravel road.

This seaside tableau — the new road, the "villa" with its palm trees, the bulldozed dunes — are the only visible signs of an inside deal between DOT and businessman F. Roger Page Jr. Thanks to political favoritism, Page was permitted to move New River Inlet Road to make way for his condo development. Page got a parcel of oceanfront land worth millions. The DOT got to ignore regulations designed to protect the environment. And Governor Martin got more than \$15,000 for his 1988 re-election campaign.

### "MONSTER" HIGH RISES

Roger Page and his partner, developer Marlow Bostic, had big plans for North Topsail in the days when it was undeveloped. Page once said he wanted to turn the beach into "Page Island," a four-mile stretch of motels, condo towers, and shops — "like Gatlinburg, Tennessee." One brochure describes Page Island as "a spirited rejection of the predictable, even a daring blueprint for the future." Bostic, not quite so mellifluous, hoped to build "monster" high rises, 18 to 25 stories tall.

Bostic is best known among state regulators for his poor environmental record — 24 citations for various projects from 1978 to 1987, including the illegal storage of toxic chemicals. Page is a developer and oilman who gives generously to small Christian colleges and rides around in a chauffeured Rolls Royce. The FBI and the IRS have investigated his business dealings but never charged him with wrongdoing.

For some people, New River Inlet Road was one of the most magnificent highways in the state. For Page and Bostic, it just got in the way. The two men wanted to build Villa Capriani right





**DEVELOPER ROGER PAGE BUILT A NEW ROAD UP TO HIS VILLA CAPRIANI RESORT — AND THEN LEFT THE REST OF THE ROAD UNFINISHED.**

stemming from a truck-stop brawl, Pollard had become a major player in eastern North Carolina politics, coaxing GOP dollars from the Democratic stronghold. He and his family gave \$3,950 to Martin's first gubernatorial bid, and he went on to raise \$350,000 for the governor's second race four years later.

"Mr. Page said, 'I know we were on the wrong side of the election, but this is a good viable project,'" recalls Pollard, now a state senator. Pollard agreed — and rallied the Martin administration behind the deal.

Because North Topsail is covered by state laws protecting the coast, Page had to get permits from the N.C. Department of Natural Resources and Community Development (NRCD) to build the road. David Owens, former director of NRCD's Division of Coastal Management, remembers the special treatment Page received.

Fifty-one times, Owens received calls from NRCD's top brass on the 14th floor of Raleigh's Archdale Building. That was highly unusual; the top brass usually trusted its professional staff to do their job without political interference. "This is one of the very few projects in my 10

years in coastal management that was handled that way — out of about 10,000 permits I was involved in," he says.

Sometimes the political leadership intervened to request a relatively modest permit change. Other times it pushed the staff to move the permitting along quickly. "The 14th floor was not saying, 'You've got to give these people exactly what they want.' It was a much more subtle proposition," Owens says. Sometimes the governor's office intervened too, complaining in one memo of the "bureaucratic problems we are having with the Topsail Beach matter."

"When you're going over to meet in the governor's office — no one ever brings out the checkbook and says, 'This person is a big campaign contributor,'" Owens says.

Then came the big request. Page wanted to divide the road into two separate projects. That would allow him to move the portion of the road he needed to make way for Villa Capriani right away — and to hold off on rebuilding the part that was in immediate danger of washing out until he acquired all the right-of-way land from the various property owners along the way.

Both the Coastal Federation and the

Division of Coastal Management warned against splitting the project, predicting that Page would move the road around Villa Capriani and then stop. "We told DOT: If you allow this to be split, you're giving up your leverage and these people may walk away from Phase 2," said Owens, the state director of coastal management.

Attorney General Lacy Thornburg also wrote a pleading letter to the Martin administration, saying he had "grave reservations about the lawfulness" of dividing the project.

But DOT said it trusted Page to build the whole road, even if he split the project into two segments. "A lot of people were skeptical, but I was not one of them," says Tommy Pollard of the Board of Transportation. "I felt Mr. Page was an honorable man and he would do what he said he would do."

After several meetings, including one in the governor's conference room, Owens believed he had no recourse. Under pressure from his superiors, he issued the permit.

#### **RATTLESNAKES AND ELEPHANTS**

Page built the first phase of the road — the part he believed would profit him.

## PAVING PLEASANT HILL

Moses and Eliza Dillahunt spent the days before the Civil War distilling turpentine and picking cotton on an Onslow County plantation. They dreamed of their exodus from slavery — and they saw the opportunity when Union troops came through eastern North Carolina.

Moses fled and joined the Northern army as a cook, surviving both gunfire and yellow fever. When the war ended, he and Eliza moved to the flat countryside outside New Bern to begin their new lives. Scraping together what little money they had, the Dillahunts bought 20 acres, six hogs, and a mule. They made a decent living farming, and on Sundays they gathered with their neighbors under an oak tree to thank the Lord for their success.

Their community of freed slaves called itself Pleasant Hill.

Now the descendants of Moses and Eliza could face an exodus of their own. But the modern-day residents of Pleasant Hill aren't fleeing slavery and war — they are threatened instead by a state highway department that wants to force them out of their ancestral homes to make way for a four-lane freeway.

Unlike the roads around Linville Resorts and Villa Capriani, the highway through Pleasant Hill is not about people with political power — the ones who use their clout to decide where the state builds its roads. It is about the people who *don't* have power to stop the highway juggernaut.

The residents of Pleasant Hill don't make big campaign contributions. They don't attend cocktail parties with business leaders. They don't have heaps of money or easy access to the governor. But they have something most DOT insiders lack: an intimate knowledge of what it's like to lie in bed and imagine the bulldozers heading for the front porch.

At 76, Leamon Dillahunt wonders what will happen if the new road forces him off his land — maybe into a housing project in the city, maybe onto welfare. The prospect seems strange and frightening to a man who has lived in the same place all his life, on a farm that goes back four generations in his family.

"It's the only place I know anything about," he says.

### SAVE THE PLANTATION

Pleasant Hill is not much to look at. Bumped up against the city limits of New Bern, it seems like a random collection of houses — some historic but deteriorated, others undistinguished. There are two churches and a day-care center, some abandoned buildings and a Scotchman convenience store. Off the main highway is an old brick road, one of the few tangible reminders of the settlement's rich history.

Most of the past resides only within the memories of the community elders. "I used to hear my mother talk about how there were five families within this area, and they had 96 children," remembers Leamon Dillahunt. "They say blacks wouldn't hang on to things — but we've been able to maintain this land for 100 years." Many children have left the area, but a core of about 250 residents have stayed on, holding the community together.

"The close ties that are here — nothing can replace it," says Nancy Carmon, secretary of the Pleasant Hill A.M.E. Zion Church. The simple cinder-block building serves as a meeting place for both sacred

and secular events. "The church is like a central point of the community," says Carmon. "Whenever something arises, it's addressed at the church."

Lately, the topic of conversation at the church has been the DOT plan to build a bypass around New Bern. When the department unveiled its plans last year, it proposed nine possible routes for the bypass; all of them go right through Pleasant Hill.

DOT had privately considered and rejected eight other possible routes, according to consulting engineer Thomas Keith Strickland. Some went through predominantly white subdivisions with homes worth \$150,000. Another passed through the 200-year-old Bellaire Plantation, which a survey prepared for DOT warned "has been associated with the most politically and socially prominent families in Craven County." Another route was knocked out because of its effect on a local dairy farm.

State documents acknowledge that all nine of the routes through Pleasant Hill would level houses and divide farms in the community, making it impossible for older

*Photo by M.J. Sharp/The Independent*



**THE STATE HAS PROPOSED SEVERAL ROUTES FOR A FREEWAY THAT WOULD WRECK THE PLEASANT HILL CHURCH AND THE HOME OF MICHAEL DILLAHUNT.**



residents to survive. Several of the corridors would go through the church. The road would also wreck as many as seven cemeteries, some holding the bodies of black Civil War veterans.

"I would have to move my mother, my father, my grandpappy, my great-uncle," says Michael Dillahunt, the great-grandson of Moses and Eliza. "My God, it would be the most damn mess in the world."

### THE BOTTOM LINE

Many residents say the DOT singled out Pleasant Hill because it is a relatively poor black community. According to a state study, as many as 65 percent of the families displaced by the bypass would be black. Overall, Craven County is 25 percent black.

"Everything that's dangerous comes through the predominantly black communities," says Charles Collins, a local resident. "They didn't care about the community because the community's black. That's the bottom line. They figured this area is dispensable."

Indeed, DOT officials knew almost nothing about the community when they decided to build the road that would destroy it. "Pleasant Hill was not a known factor," explains branch manager Jack Ward. "It's not readily recognized as a community."

But if anyone expected Pleasant Hill to remain docile about the bypass, that misconception was blown away at a packed meeting between highway officials and community members last January.

"No one has given us a reason why the bypass should go through there and destroy our community," said Edwin Brown. He pointed to gray-haired Michael Dillahunt, wearing a jacket and flannel shirt. "Mr. Dillahunt, he's 75. If you take his farm, he can't survive."

After the meeting, DOT officials agreed to look for another route. This spring they came back with a tenth alternative, one which would avoid Pleasant Hill entirely. But highway officials make it clear that the tenth route is not necessarily a preferred corridor — it's simply another option to consider.

That victory brought some comfort to Pleasant Hill, but residents still worry about what will happen if DOT chooses one of the nine original routes. "My house would be taken," says 79-year-old Oliver Humphrey. "It would destroy part of my farm no matter how you cut it. My life would pass away."

—B.Y.

Along the way, government regulators cited him for taking shortcuts that imperiled the environment.

"They wanted to fill in wetlands rather than building bridges over them," Owens recalls. "They said, 'Ooh, our engineers now tell us it will cost us five times as much to build a bridge as to fill the wetland in.'" One letter from NRCD ordered Page to "cease and desist" from 24 violations.

Page refused to comment on the road. But Bostic says the state required Page to build bridges over wetlands he considers marginal.

"They built the rattlesnakes a nice home, but it cost millions of dollars."

Then, even before Page completed the road, Board of Transportation member Pollard convinced his colleagues to accept the new road into the state system without a final inspection. Pollard explained that Page was in a hurry to open Villa Capriani because his sales deadlines loomed, with \$20 million riding on the deal. "It seemed at the time that the state ought to help him consummate the project," Pollard says.

So Villa Capriani opened. Then, after the state accepted the portion of New River Inlet Road that benefited Page, he announced he could not acquire the land to build the second phase. What's more, he had hit financial hard times. Units at the villa were selling at bargain-basement prices, as low as \$45,000.

Page walked away from the road, refusing to build the part that most needed relocating. "His defaulting on the agreement surprised no one in the world except DOT," says Jim Kennedy of the Coastal Federation.

Actually, DOT knew that there was a good chance Page would default. After a 1987 meeting with the developers, state highway administrator William Marley Jr. wrote, "If developer can't get this remaining right-of-way, state may have to step in and do the work."

Now DOT plans to move the portion of the road Page walked away from. The state has sued Page, demanding that he pay for the relocation. But the department doubts it will ever see the \$4.6 million it plans to spend.

In the meantime, a temporary gravel road prevents islanders from getting stranded during storms, and signs warn tourists to keep off the artificial dunes.



**ONCE CONVICTED OF ATTEMPTED MURDER, TOMMY POLLARD HAS BECOME A MAJOR REPUBLICAN FUNDRAISER — AND A DRIVING FORCE BEHIND STATE HIGHWAYS.**

Along the new road — which the state has already spent \$25,000 to repair — the signs are more inviting. "Watch us grow," promises the CEPCO group, owned by a Page associate. "Last available ocean-to-sound parcels," boasts Ocean Ridge Realty, owned by Bostic.

At election time, Page remembered his friends. The developer and his wife gave \$8,250 to Governor Martin. His lawyers threw in another \$3,725, and two associates contributed \$4,000.

In 1989, the state GOP held its Elephant Stampede fundraiser at North Topsail. The Stampede was organized by Tommy Pollard, the man who went to bat numerous times for Page. As part of the deal, Republicans visiting North Topsail for the event — a golf tournament and \$15-a-plate barbecue dinner featuring Governor Martin — got reduced rates at the St. Regis Resort. St. Regis was owned by — whom else? — Marlow Bostic and Roger Page. □

*Barry Yeoman is associate editor of The Independent, a weekly newspaper in Durham, North Carolina that conducted the highway investigation as part of the Money and Politics Project sponsored by the Institute for Southern Studies.*





focused on a handful of well-connected consultants who worked for the developers.

The scandal leaped onto the front pages in April 1989, a few months after Jack Kemp took over the agency for President Bush. Washington was still honeymooning with the new president, but the HUD Office of Inspector General had some old business it wanted addressed. For years, HUD auditors had been collecting evidence of massive overcharges by mod rehab developers. But the agency had not acted on the audits, and the findings failed to grab attention on Capitol Hill during the Reagan years.

Fed up, the Inspector General publicized two reports. They showed a nationwide pattern of overcharges by developers, many of whom were getting their contracts by hiring high-profile consultants. The small circle of highly paid consultants included a former governor, a former senator, and former Cabinet members.

Congress and the news media went after the influence-peddling issue with zeal. In May 1989, four congressional committees began hearings that lasted 16 months. The HUD horror stories that emerged echoed the tales of 1980s wheeling and dealing on Wall Street. Consultants had made hundreds of thousands of dollars for a few phone calls. A real estate agent in Maryland pleaded guilty to embezzling almost \$6 million in HUD money, supposedly to help the poor.

Thus portrayed, the HUD scandal was a colorful affair of insider deals and corrupt bureaucrats. But it went much deeper than the embezzling "Robin HUD." It involved what Kemp himself once said would be truly "scandalous" — profiteering developers placing tenants in substandard housing. And it provided a stark example of how the current system of financing politics turns well-meaning government programs into cash machines for big contributors.

"That was the underlying scandal, and I don't think it ever came out," said Donald Campbell, staff director of the Senate Subcommittee on Housing and Urban Affairs. "It really was a much more systematic raping of a major department."

### THE CASH CONSTITUENCY

According to Federal Election Commission (FEC) records, the top 24 most successful mod rehab developers — along with their family members and business partners — were regular, and often large, contributors to the Republican Party,



**LATACHIA JORDAN SUFFERED FOUR GUNSHOT WOUNDS OUTSIDE HER HUD-SUBSIDIZED APARTMENT IN ONE OF THE MOST VIOLENT PARTS OF MIAMI.**

members of Congress and, to a lesser extent, the Democratic Party.

The Republican Party was the largest recipient, getting \$767,710 from the developers during the 1980s. Republican candidates for president and Congress were the next-biggest recipi-

ents, getting \$403,161.

Craig McDonald, coordinator of the Public Citizens Campaign Finance Project for Congress Watch, said the \$1.67 million in total contributions gave the developers considerable clout.

"That's a very substantial amount of

money in this time when your contributions are technically so limited," McDonald said. "The average American doesn't have the ability to give anywhere near those amounts."

Of the top 24 developers who received nearly half of all mod rehab contracts awarded nationwide since 1984, 23 were political donors. By contrast, surveys since the 1950s have shown that 4 percent to 13 percent of Americans make political contributions in any given year.

The developers often gave the

maximum allowable contribution of \$1,000 to individual candidates — and their family members frequently made additional donations of \$1,000.

FEC and HUD records also show:

▼ Six of the developer groups — the developers and their associates — gave more than \$100,000 during the 1980s. Ten groups gave more than \$50,000. The largest contributor group — composed of New York developer Stephen Ross, Miami partner Jorge Perez, and their associates — gave \$238,430 during the decade.

▼ Individually, four developers contributed more than \$100,000: Ross, Joseph Michael Queenan, Herbert Barnes of Warrington, Pennsylvania, and Bernard Barnett, a Florida lawyer.

Ross and Queenan were both members of Team 100, an elite circle of 249 Republican contributors. The group made use of a loophole in campaign laws limiting contributions to political parties to \$20,000 by placing funds in a special "soft money" account earmarked for party advertising and get-out-the-vote efforts.

## POWER AND POLITICS

**MIAMI, FLA.** — Dade County once had trouble landing HUD money to renovate and manage low-income apartments. But that changed dramatically during the mid-1980s, and the Republican Party played a key role.

For decades, Democrats controlled Dade County. Then, in 1984, a young real estate businessman born in Midland, Texas took over as chairman of the Dade County Republican Party.

John Ellis "Jeb" Bush, son of President Bush, was credited by many with turning Dade County into a GOP stronghold. Using massive voter registration drives, the Republicans added an estimated 1,000 voters each month. Many of those new voters were Cuban-Americans.

"Clearly, the Cuban-American community exerts tremendous political power in Miami," said Kevin Harris, a spokesman for the Cuban-American Committee, a non-profit advocacy group in Washington, D.C.

Harris said Cuban-Americans and the Republican Party have forged a strong alliance. Asked what the Republican Party gets from that alliance, Harris said, "Money. Money and votes, but primarily money."

The top three mod rehab developers in Miami are Cuban-Americans. They and their partners gave a total of \$442,208 in political contributions during the 1980s. Most of the money went to Republican candidates and causes:

▼ Jorge Perez and his partners gave \$238,430, tops among the two dozen biggest mod rehab developers. Two-thirds of this money was contributed by a Perez partner, New York developer Stephen Ross.

▼ Developer Jorge Bolanos made no contributions, but his partners — particularly Bernard Barnett, a Florida lawyer who died in 1987 — gave \$187,500.

▼ Aristides Martinez and his partners — the largest developers of mod rehab apartments in the nation — gave \$16,278.

During the Reagan presidency, particularly his second term, money flowed back to Miami in the form of hundreds of millions of dollars in federal housing subsidies. And most of the federal money — \$360.6 million — went to Martinez, Perez, and Bolanos.

All told, Dade County received more than twice as much renovation money as any state in the nation. Between 1984 and 1988, Dade County got federal funding for 3,385 mod-rehab apartments — almost as much as the combined total that went to California, New York, and Texas, the three most populous states.

Perez said Miami developers were successful because the city needed subsidized housing — and because Cuban-Americans there gave tremendous political support to President Ronald Reagan. "They had the ears of the administration," Perez said.

— B.K. and C.F.



**MIAMI DEVELOPERS MADE OFF WITH \$360 MILLION, CROWDING TENANTS LIKE JANET SERRANO AND HER CHILDREN INTO TINY, ONE-BEDROOM UNITS.**



▼ The more developers gave, the more they tended to receive in apartment renovation deals. Ross and Perez, for instance, were the second-largest mod rehab developers in the nation, renovating 1,449 apartment units for \$139.1 million in HUD subsidies.

Barness and partner Michael Levitt were the fifth-largest mod rehab developers, renovating 1,121 units for \$83.8 million.

▼ The rate of giving rose during the decade, as did the awarding of mod rehab contracts to the top 24 developers. Contributions and contract awards both peaked from 1987 to 1988.

Most of the developers refused to discuss their campaign contributions. A few said they gave to support the party of their choice and exercise their constitutional rights. Perez said political ties did not help him get contracts.

But experts on campaign finance say that such well-financed voices buy contributors special access to politicians — access that can be parlayed into tangible rewards in Washington. Larry Makinson of the Center for Responsive Politics calls big donors part of “a shadowy cash constituency that’s all but invisible to the voters.”

The workings of this constituency are subtle, said Herbert Alexander, director of the Citizens Research Foundation at the University of Southern California. “The developer doesn’t necessarily go to a member of Congress and say, ‘I need help from you with HUD...’ Sometimes it’s just part of the old boy network. If I give \$10,000 to the Republican Party ... I get a chance to drop in on my congressman or senator — and mention that I’m a loyal Republican.”

And when contributors give loyalty in the five-digit range, politicians and their appointees at agencies like HUD remember *their* names. “When you get into campaign contributions, most of the time it gets access,” concedes Stuart Weisberg, staff director and chief counsel for the House Subcommittee on Housing and Labor. “You can’t pretend that the guy who gives you a \$10,000 contribution, that you’ve never heard of the guy.”

### WIRED BY MONEY

Did the contributions from developers actually win attention — and contracts — at HUD? Alphonso Jackson, executive director of the Dallas Housing Authority and past director of the housing office in Washington, said that by the

late 1980s it was widely understood by housing directors that the mod rehab program was “wired” to serve connected developers.

“It was clear to me: It did not make any difference how good the proposal was or what the proposal was, it was if you were connected to the top echelon at HUD,” Jackson said. “You had to be in good with somebody at HUD or some senator to get those units... You didn’t get anything unless it was wired. Every director knew it.”

The House subcommittee that investigated the HUD scandal found ample evidence that politics mattered at the agency — especially to the political appointees who exercised control over the mod rehab program.

The HUD hearings revealed, for instance, that developers Ross and Perez won an early rehab project after an appeal to HUD headquarters from a New York lawyer at Battle, Fowler, Jaffin & Kheel, the former law firm of then-HUD Secretary Samuel Pierce. The project, proposed on Battle Fowler stationery, was approved in less than two months.

Consultant Bill Taylor, former head of the Republican Party in Florida, used party stationery in writing to HUD on behalf of his client, mod rehab developer Lynwood Willis. During the HUD hearings, Taylor said he could “find nothing wrong with letting people know who I am by using my National Committee

stationery. I’m very proud of the fact.”

Yet by focusing on high-priced consultants like Taylor, Congress allowed the invisible “cash constituency” to remain safely invisible. Representatives of only four of the top 24 developer groups testified at the hearings. With few exceptions, neither the news media nor congressional investigators spotlighted the political contributions. To date, federal officials have yet to fine or suspend any of the top developers.

Stuart Weisberg, the subcommittee counsel, defends the scant attention paid

## GIVE AND TAKE

The top developers of HUD apartments and four syndicates of investors who financed their projects gave more than 1.6 million in political contributions during the 1980s. Some totals include donations by partners and relatives.

DEVELOPER GROUP	LOCATION OF UNITS	AMOUNT DONATED	TOTAL SUBSIDY
J. Perez & S. Ross	FL, NY	\$238,430	\$139,132,988
Jorge Bolanos	Florida	187,500	74,610,060
Winn-Abrams-Wilson	CO, OK, NV	180,942	152,526,970
J.M. Queenan	West, Midwest	150,284	51,508,553
Michael Levitt	East	136,597	83,814,490
Danavon Horn & Sons	California	123,710	31,521,600
Arthur Winn	D.C.	86,950	62,704,435
Judith Siegel	East	65,950	159,812,582
Edward Dering	Virginia	58,750	28,831,680
Walter & Deward Trent	TN, SC	54,100	40,234,670
Carnes Brothers	TX, OK	37,416	59,061,920
Delio Rojo	Puerto Rico	36,100	22,944,600
Paul Manafort	New Jersey	25,690	43,738,870
Alfred Katz	Massachusetts	24,000	33,234,480
Gabriel Diaz	Puerto Rico	23,500	40,892,070
Ruby Swezy	Florida	16,500	37,962,340
Aristide Martinez	Florida	16,278	173,768,380
Cleofe Rubi Jr.	Puerto Rico	16,050	59,723,720
Raymond Baker	West	14,316	56,704,720
Lynwood Willis	FL, GA, TX	12,660	21,762,900
Gerald Carmen	Texas	7,700	32,420,920
Four Investor Syndicates		153,600	
<b>TOTAL</b>		<b>\$1,667,023</b>	<b>\$1,435,357,932</b>

Note: Total omits \$18 million in subsidies awarded to Berel Altman, whose contributions are included with those of his partner Judith Siegel.

Source: Federal Elections Commission and HUD

to developers. He says political donations do not prove a quid pro quo — that contributions garnered contracts.

“I would be surprised if you found any area where you have people who depend on either government grants or government subsidies who are not big



**RAW SEWAGE STAINS THE PARKING LOT AT A HUD-SUBSIDIZED APARTMENT COMPLEX IN MIAMI.**

campaign contributors," he said.

But Larry Makinson at the Center for Responsive Politics said a quid pro quo can almost never be proved. Rather, finance analysts assess the relationship between donors and politicians by looking at the size, timing, and targeting of contributions.

"They're not exchanging bribes, but the question is: Is the net effect of what they're doing the very same thing?" he said.

One indicator that contributors are being more practical than philosophical is when they give to politicians of varying partisan stripes. Campaign finance analysts say that contributors who cover their bets on both sides of the aisle are pressing their own agendas.

About 70 percent of the 24 top rehab developers contributed to Republicans and Democrats. Some split their contributions more than others. Most of the developers gave the majority of their money to Republicans and only a token amount to Democrats. Ten, however, more closely divided their contributions between Democrats and Republicans.

"These guys are very, very pragmatic," Makinson says. By giving to both parties, he notes, the developers were able to gain favors from a Republican administration — and still be shielded from public scrutiny by a Democratic Congress.

### THE LOSERS

While Congress paid scant attention to developers, it all but shut the door on information about the projects they renovated. Not a single tenant of the mod rehab projects testified before any of the committees.

Instead, Congress heard consultants and developers describe their projects in glowing terms. Judith Siegel, for instance, testified that she had "followed the rules and developed high-quality, low-income housing." She encouraged members of Congress to talk to residents at her biggest project, Kingsley Park Apartments in Essex, Maryland.

Lawmakers said that wouldn't be necessary. Representative Matthew Martinez of California told Siegel, "Clearly, you're a victim in all this ... because your project is meritorious."

"Absolutely," she replied.

Had members of Congress looked further, they would have learned that federal auditors found that Siegel and her partners overcharged taxpayers \$4.57 million for Kingsley Park. Auditors cited unnecessary expenses and subsidies for units that didn't qualify under the mod rehab program.

Had members asked tenants, they would have found them angry and ready to talk. Many consider the project less than meritorious. Kingsley tenant Adriana Scott said the complex has

decrepit appliances and crowded apartments and has been invaded by drug dealers.

"The owners don't care about anything as long as they get their rent," said the mother of two. "I wish there was someone at the top of HUD we could speak to."

Interviews with more than 250 tenants of mod rehab projects nationwide revealed a litany of woes. Many tenants say they feel trapped, struggling with problems ranging from the annoyance of a broken stove to the life-threatening lack of security in areas where nighttime gunfire plays like background music.

Pamela Freeman cannot forget the sounds of her baby's screams. It was 1988, the first time her bathroom ceiling collapsed.

"I had been calling and complaining for months, and they didn't do anything," recalled Freeman, who lives with her two children in the Liberty City section of Miami. "I heard this boom,

and then my baby started screaming. His head was bruised and bleeding. The whole ceiling came down.

"Last year half of it collapsed again," she said, producing a photo showing the ripped-away ceiling. Freeman worries that a third collapse is just a matter of time.

Latachia Jordan, another Liberty City resident, learned first-hand about another danger threatening many tenants and their children. She was on the third-floor walkway of her apartment complex last March. "My baby was coming around the corner when the shooting started, and I ran to grab her. That's when I was hit," said Jordan, who was struck four times.

For thousands of tenants like Jordan, insider deals by developers have condemned them to live in substandard — and often dangerous — apartments. "This place is much worse than the public housing projects," the young mother said, her eyes filling with tears. "In the projects, they fight. Here, they shoot. And it never stops." □

*Barbara Kessler and Craig Flournoy are staff writers at The Dallas Morning News. This story is excerpted with permission from their six-part investigation of the HUD scandal published last December.*





## Bought & Sold

*Private campaign contributions set the agenda and shape public policy in the Alabama state legislature.*

By Gita Maritzer Smith

**MONTGOMERY, ALA.** — Dog-racing magnate Milton McGregor came to the state legislature last year armed with that strongest of political weapons: money.

Election records show that McGregor had funneled more than \$644,000 in campaign contributions to lawmakers during 1990 through a political action committee called JOBPAC. In the 1991 session, McGregor wanted state legislators to approve a special referendum that would allow him to race greyhounds at a defunct horse track in Birmingham. He also demanded a provision exempting the track from scrutiny by the state racing commission.

When the vote came on McGregor's bill, 19 of the 20 state Senators who received JOBPAC money voted his way. In the state House, 39 of 46 members getting JOBPAC money voted for passage.

"Bought and sold!" cried Representative Phil Poole as his colleagues voted to give McGregor what he wanted. "Bought and sold!"

"Now you know why the legislature is a rubber stamp for the special interest groups," Senator Larry Dixon said after the vote. "With the way special interests buy commitments, there are some issues where we might as well all be wearing team jerseys."

In a state where 18 percent of the

population lives below the poverty level, few individuals have McGregor's resources to influence public decision-making. But other powerful interests — trial lawyers, timber companies, and the farm bureau — pay full-time lobbyists to work the halls of the state legislature. PACs spent \$14.2 million during the 1990 elections, with the top five spending \$1.4 million in the last six months of the campaign.

While the payoff may not be as blatant as the dog-racing bill McGregor won, a look at the laws passed in 1991 and 1992 shows that campaign contributions are still an effective way to gain the ear — if not the votes — of state legislators.

"If you've loaded a legislator's wagon up, all you've got to do is remind him of that fact" when votes come up on key bills, says Representative Bob McKee, a Montgomery Republican who has authored several campaign reform bills. He says he has little chance of passing. "The lobbyists ain't no fools. They know where to put that money."

### KILLING TAX REFORM

Bill Drinkard, a former legislator turned lobbyist, believes the process is more subtle than simply buying votes outright. He says campaign money is used not as a bribe, but to perpetuate the

careers of candidates whose voting records support the needs of big donors.

"The farm bureau knows which candidates will vote against raising property taxes, and that's the guy who gets their campaign dollars," Drinkard says. "The paper mills and timber interests know, either by campaign promises or voting records, which candidate is a strong environmentalist. And unless there's a strong mitigating factor, they won't give to that individual. In Alabama, it is more a case of the giver selecting the one who already best represents their wants, as opposed to trying to turn a lawmaker's head with dollars."

Pro-business contributors found a sympathetic majority in the legislature this year on the issue of tax reform. For an entire year, study groups and special task forces had considered how best to overhaul the state's antiquated tax system, which heavily favors major landholders and starves schools. Alabama has the lowest property tax rate in the nation — and the highest percentage of adults who lack a high school diploma.

The initial thrust of tax reform was to pump extra money into education and other needed services by shifting the tax burden away from the poor and middle class to large industries and huge landholders. Going into the 1992 session, a

package of 30 bills began the twisting path through the House and Senate, then to a conference committee, back to the House, and finally to the Senate again — where the package died.

By the last night of the session on May 18, the original measures were so diluted by special interest groups that Alabama stood to gain only \$424 million a year — \$126 million less than when the bills first left the House Ways and Means Committee.

Who killed tax reform is now the subject of much post-session rhetoric and newspaper editorializing. But one vote clearly illustrates how legislators did the work of their campaign contributors: 13 of 19 senators who voted for an amendment to reduce property taxes for landlords got money through lobbyists working for realtors.

PAC contributions to the pro-landlord legislators ranged from \$500 to \$30,000. Bob Wilson, the senator who offered the amendment, received \$4,500 from the special interests.

### THE BIG PLAYERS

Still, not all lobbyists agree that money buys votes. Rick Harris, legislative liaison for the state Department of Public Health, says it's more a matter of buying access.

"Lobbyists and those who give substantially to campaigns get the ear of legislators," says Harris. "The big players walk into any legislator's office at any time and can sit down and have the legislator's attention."

Don Gilbert, president of the Alabama Trial Lawyers, agrees. "All we ever expect in exchange is the opportunity to sit down and explain our position," he has said. The group topped the list of all PAC givers in 1990, contributing \$406,758 to lawmakers.

Such sums buy more — and better — access. The public is confined to glassed-in observation galleries in both the House and Senate. Reporters work in glass press boxes and must send pages to the floor to request interviews. But lobbyists like Gilbert may enter the Senate chamber and work the same floor where legislators cast their votes.

Gilbert is a regular visitor to the offices of the House speaker and Senate president, and a regular contributor to such events as the "sine die" bash where



**ALABAMA STATE LEGISLATORS WENT TO THE DOGS AFTER GREYHOUND-RACING MAGNATE MILTON MCGREGOR CONTRIBUTED \$644,000 TO THEIR CAMPAIGNS.**

lobbyists pay \$350 to join legislators and celebrate the end of the session.

This year the trial lawyers had a strong interest in the outcome of a massive package of worker compensation reforms. During the debate, their lobbyists convinced legislators to eliminate a provision that would have allowed administrative law judges to arbitrate disputes. Such arbitration would have shortened the time that victims of workplace accidents spent in court — and cut into the number of billable hours lawyers could charge their clients.

The tobacco lobby offers another example of how campaign dollars influence the outcome of bills. The Coalition for a Tobacco-Free Alabama, with strong support from public health officials and doctors, proposed a Clean Indoor Air Act to promote smoke-free indoor environments. Joe Carothers, chair of the House Health Committee, got the bill assigned to his panel — which twice failed to raise a quorum when the bill was scheduled for a hearing.

Members of the Coalition for a Tobacco-Free Alabama, angered over the delay, pointed out that Carothers had received \$1,800 in campaign contribu-

tions from three tobacco companies in 1990. In 1991 — a non-election year — he received even more tobacco money, and others on his committee got between \$200 and \$700 each. All told, tobacco-related lobbyists gave lawmakers \$20,000 in 1991.

Then, just as the bill seemed poised for action in the full House and Senate, the tobacco companies countered with their own legislation: two bills promoting "smokers rights."

"The whole issue of smoke-free air indoors became a warped and cynical piece of legislation," says Holley Midgely of the state medical association. "Tobacco interests have lost the battle over the health implications of smoking, so they have put this whole other spin on it to make smoking a civil rights issue. By stating that smokers rights shouldn't be abridged, they drew legislators into a battle over a side issue."

State Senator Danny Corbett, who sponsored one of the pro-tobacco bills, took \$500 each from Philip Morris and RJ Reynolds, plus additional contributions from the Tobacco Institute. In the end, the clean-air bills died for lack of attention: They never made it onto the calendar in either chamber for a final vote.

"Clean indoor air bills will never pass this legislature," observes Bill Drinkard, the veteran legislator turned lobbyist. "If we educate people enough and they begin to put the pressure on, maybe then it'll stand a chance."

Lawmakers and lobbyists alike agree that the most effective way to offset the influence of big contributors is to mobilize voters. "It's the non-participation by constituents that forces representatives to rely on big business," says former Representative Bill Slaughter of Birmingham.

"The power of the constituency back home still holds more sway than the wishes of the lobbyists," agrees Rick Harris of the public health department. "If the people in the district back home want something and make their wants known, there's no amount of money that can get most of these guys to vote against the people." □

*Gita Maritzer Smith covers the state legislature for the Montgomery Advertiser.*





# Money Out, People In

*A guide to what went wrong with campaign financing — and how to fix it.*

**By Mary Lee Kerr and Bob Hall**

**TALLAHASSEE, FLA.** — Lawton Chiles was tired of seeing corporations and other private interests buy lawmakers into office. After 18 years as a United States Senator, the veteran lawmaker had seen more than his share of backroom deals where fellow legislators catered to wealthy campaign contributors.

In his 1990 bid for the governorship of Florida, Chiles decided to do something about it. Rejecting business as usual, he set a \$100 limit on contributions to his campaign, refused donations from political action committees (PACs), and stumped across the state vowing to kick big money out of politics.

Despite his name recognition, Chiles found the financial odds stacked in his opponent's favor. Incumbent Bob Martinez raised \$10.6 million — almost twice as much as Chiles, mostly from the construction industry, lawyers, and doctors. Martinez averaged \$690 a contribution. Chiles, with four times as many contributions, averaged just \$65.

Yet when the ballots were counted,

Chiles won — with 60 percent of the vote. True to his word, the new governor set to work to rid the system of private money. Wooing state legislators to his side, Chiles enacted a strict campaign finance law that limits contributions and spending, requires more complete disclosure, forces media to give candidates low-cost air time, and taxes political parties and PACs to provide public funds for statewide candidates who voluntarily limit campaign spending.

"This is part of people believing they are part of the system again," says Chiles. "Does this mean the end to all troubles? No, it does not. But it really shakes the game up."

While Chiles was shaking things up in Florida, Dennis Kelly and other grassroots activists in western Massachusetts were taking the fight over campaign finances to the streets. Members of the Pioneer Valley Pro-Democracy Campaign went door-to-door handing out leaflets calling for "equal political opportunity for all." Their goal: Eliminate all

private money by financing campaigns with public funds.

A system of public financing, says Kelly, would remove economic barriers that prevent most citizens from running for office. "We don't look at this as food stamps for politicians," he says. "We see it as a way of getting good people into office."

Although Kelly and Chiles are miles apart in both geography and political technique, they are both working to restore public faith in democracy. Like other reform advocates across the country, they are struggling to take the money out — and put the voters back in.

"What is needed to bring that about is grassroots organizing," says Kelly. "We have to put pressure on the system in order to change it."

## **THE MONEY FLOW**

The need to clean up campaign finances gained widespread public attention after the Watergate scandal of the early 1970s. The televised hearings into

## DOLLARS VS. VOTES

Southern states have among the most expensive gubernatorial campaigns in the nation, yet among the lowest voter turnouts.

	CAMPAIGN SPENDING		VOTER TURNOUT	
	\$ per Vote	U.S. Rank	% Adults	U.S. Rank
Alabama	11.92	7	46.0	42
Arkansas	8.65	15	47.3	38
Florida	7.14	18	44.7	44
Georgia	11.91	8	39.4	49
Kentucky	23.50	3	48.1	35
Louisiana	5.66	28	52.3	27
Mississippi	7.45	16	50.5	29
N. Carolina	5.17	30	43.7	46
S. Carolina	2.92	41	39.0	50
Tennessee	2.26	45	44.7	44
Texas	13.56	4	45.5	43
Virginia	12.16	6	48.0	36
W. Virginia	13.14	5	46.7	40

Source: Spending on most recent gubernatorial elections from Thad Beyle, University of North Carolina. Turnout of eligible voters in 1988 presidential elections from U.S. Census.

While some Southern states have initiated significant reforms — notably Florida and Kentucky — there's room for improvement. Reforms work: Each of the five states with the highest voter turnout nationally (Minnesota, Montana, North Dakota, Maine, and Wisconsin) have adopted at least four of these five measures to control political money and promote the vote:

**Limits on giving:** The eight Southern states that cap what individuals can give candidates are AR, FL, GA, KY, LA, NC, SC, WV.

**Limits on spending:** FL and KY have new laws providing public funds to statewide candidates who agree to spending limits. NC has a similar fund, but it contains virtually no money. WV asks candidates to limit spending, but lacks the incentive of public funds.

**Registration by mail:** KY, MS, SC, TN, TX, and WV are among the 27 states nationwide that allow it.

**Motor voter:** In the South, only LA, NC, TX, and WV allow citizens to register to vote when they register their vehicles.

**Last-minute registration:** AL is the only Southern state where citizens can register within two weeks of an election.

the Nixon administration revealed an executive branch awash in secret slush funds, beholden to wealthy contributors — and willing to break the law to get its way.

Outraged, some states passed laws to reverse the tide of corruption. Candidates were required to disclose the sources of some contributions, and voters were allowed to dedicate a dollar or two of their taxes to help finance the campaigns of candidates who agreed to limit their

reliance on private donors.

Although the efforts were well-intentioned, the results have been mixed. While some states have managed to provide public financing for statewide races, mud-slinging campaigns and dirty politics have undermined taxpayer support for public financing, leaving state coffers nearly empty. Candidates have found ways to get around limits on spending and contributions. The scandals haven't stopped.

"A lot of things that were done a decade ago or so are failing," concedes Bill Hauda, director of Wisconsin Common Cause.

One thing the reforms *did* accomplish is greater disclosure of how money flows through the political system. Tons of paper are now routinely filed with various state and federal agencies by political action committees, lobbyists, candidates, and those appointed to public office.

"Disclosure reinforced people's feeling that they had a right to know," says Samantha Sanchez, director of the Money and Politics Project for the Western States Center in Montana.

In fact, so much information is now recorded — and in such a haphazard fashion — that tracking the flow of money generally requires a computer database. For example: Candidates must report contributors by name, address, donation date, and amount given. But the

names may be in no logical order. With a computer, researchers can pinpoint the largest givers, arrange them by zip code, and find common dates that may indicate a fundraising party or "bundling" of gifts by a special interest.

The major fault in campaign disclosure laws in the South is that they fail to *require* contributors to identify their employer and occupation. Only through painstaking research can major newspapers and research groups hope to discover patterns, such as nursing home owners, chiropractors, developers, or sugar interests backing candidates who deliver special favors.

### BO KNOWS SLEAZE

Such patterns provide a revealing profile of who's spending how much to influence whom. Unfortunately, disclosure laws leave out entire areas of cash flow, allowing contributors to funnel money to candidates without public scrutiny. Nearly two decades after Watergate, there are still plenty of ways to get cash to elected officials.

Contributors are not required, for example, to disclose the amounts they *raise* for a candidate — which can be 100 times more than they report in personal donations. Contributors can also pay a candidate undisclosed amounts for a speech or a vacation in Hawaii. Several states require lobbyists or legislators to report the value of gifts, or ban them altogether if they exceed \$50 or \$100; but enforcement is worse than haphazard.

Another method of undisclosed support is buying insurance, construction, legal, or other services from a firm owned by a legislator. Southern utilities — among the most influential PACs and lobbyists — are notorious for keeping dozens of legislators on retainer, with their ratepayers picking up the tab.

There are also countless less direct ways to trade favors. The daughter of one North Carolina legislator asked lobbyists for up to \$100 each for her sorority's debutante fundraiser. "Your support as a sponsor will be greatly appreciated," wrote Chyla Hunter. "My father and I thank you in advance." Asked about the shakedown, the father said, "I cannot and will not apologize."

Influence peddlers can also donate to various slush funds that office holders set up. The commercial credit industry in North Carolina rallied 40 of its members to pump \$6,000 into Lieutenant Governor Jim Gardner's Inaugural Committee. Governor James Martin's Inaugural



Committee accepted \$212,000 from the leading Tarheel corporations; now that he is retiring, they are pouring similar amounts into the Jim Martin PAC, which he may spend at his discretion.

In Texas, Lonnie "Bo" Pilgrim visited the floor of the state Senate a few days before a key vote on a worker compensation law. Pilgrim, a millionaire chicken processor, approached several lawmakers, asked them "to give us a win-win bill" — and then handed each a \$10,000 check with the payee line left blank. "I didn't know the name of their campaign file," he deadpanned.

"I was pretty startled," admitted one senator. The district attorney called it "outrageous conduct," but allowed that "the bribery statute has a loophole big enough to drive a truck through."

Such examples — all reported amid great indignation in daily newspapers — underscore just how many pockets politicians have in their coats. If disclosure laws require them to empty one pocket to public scrutiny, they simply fill up another pocket not covered by disclosure statutes.

Unfortunately, exposing this kind of dirty politics also seems to have soiled the very enterprise that post-Watergate muckrakers wanted to clean up. Instead of targeting their anger at wealthy contributors, many citizens have cast a wide net of suspicion over anyone connected with government. Millions of people now share the view of state and federal legislators held by Billy Anderson of Stanley, North Carolina. "You want my opinion of those guys?" Anderson told a reporter. "They're so crooked they've got to screw their socks on."

#### "A MONEY CHASE"

The post-Watergate reforms have not only failed to control the behavior of private donors — they have also failed to get a handle on the soaring cost of running for office. Fueled by huge contribu-



**LAWTON CHILES STUMPED THE STATE DURING HIS RACE FOR GOVERNOR OF FLORIDA, LIMITING CAMPAIGN CONTRIBUTIONS TO \$100.**

tions from special interests, election campaigns consume hundreds of millions of dollars each year, turning the halls of government into an exclusive "millionaires only" club.

Just how much do elections cost? The price is climbing fast. In Florida, legislative candidates spent a total of \$20 million in 1990, three times the 1980 total. In Kentucky, total spending has jumped tenfold in the last 20 years. In North Carolina, the average campaign for the state legislature in 1990 cost seven times as much as races in 1976.

At the federal level, the presidential and congressional elections could consume an astonishing \$1 billion this year, counting independent candidate Ross Perot's millions.

Where does all the money go?

According to election records, a lot goes just to raise more cash. The typical congressional candidate spends one dollar in five for fundraising. Senator Jesse Helms poured 61 cents of every

dollar he raised for his 1990 re-election campaign back into direct-mail fundraising.

Disclosure reports also reveal that much of the campaign money is consumed by pollsters, publicists, media advisors, and other consultants. The high-tech nature of modern politics puts more distance between the candidate and the voter, and drives up the price per vote. Money still gets funneled to individuals and groups for "get-out-the-vote" efforts — but in some states, the

funds are essentially spent to buy the endorsement of key leaders or local organizations. Some incumbents facing little opposition even send their campaign funds to other candidates, apparently to

consolidate their leadership position. The rising cost of running for office means challengers don't stand much chance of success. Despite widespread public distrust of Congress, 96 percent of

*The district attorney called it "outrageous conduct," but allowed that "the bribery statute has a loophole big enough to drive a truck through."*



**ELIMINATING THE INFLUENCE OF SPECIAL-INTEREST MONEY REQUIRES A MOBILIZATION OF CITIZENS WHO ARE FED UP WITH POLITICS AS USUAL.**

the members running for office in 1990 were re-elected. Many faced no opposition at all because they could use their positions to build sizable war chests that intimidated potential opponents.

"It's easy to raise money in Washing-

ton," says Daniel Buck, chief of staff for Representative Pat Schroeder. "The longer you're here, the easier it is to depend on your committee assignment to help raise money. People know to show up with a check. You don't have to ask."

The money flow is just as automatic in state legislatures, enabling incumbents to raise and spend far more than challengers — and to win again and again until they decide to retire. In North Carolina, campaign records show that winners spent twice as much as losers in the 1990 state House elections and nearly three times as much in the Senate races — \$50,900 per winning senator compared to \$17,700 for each loser.

"From the time they get elected, many legislators are on a money chase to fund their next election," says Patricia Watts of N.C. Common Cause.

#### **PRIVATE MONEY OUT**

With politics so mired in cash, can we really hope to straighten things out? Many people think so. In the past few years, grassroots activists and concerned public officials have renewed the push to take the private money out of politics. Here's a look at some of their efforts:

▼ **Limit what candidates spend and receive.** Putting a ceiling on campaign spending and contributions — including how much individuals can give to PACs and political parties — pushes candidates to compete on the basis of merit rather than money.

Such limits received a serious setback in 1976, when the Supreme Court ruled that federal ceilings on campaign spending violate the free-speech rights of candidates. Consequently, the only way to limit spending is with a voluntary system.

New Hampshire has taken the most innovative approach to voluntary limits. Candidates who agree to limit their spending can waive expensive filing fees and petitions. In the 1990 elections, all but five of the 1,430 candidates for state office abided by the limits.

Some activists want to go even further. Ben Senturia, co-director of the Center for Active Citizenship, suggests that candidates be required to raise 2,000 contributions of \$5 each to be eligible to run for office. "Candidates would qualify because of the breadth of their support, not access to wealth," he says.

▼ **Disclose the source of all contributions.** Forcing candidates to reveal where they get their money helps ensure public accountability and limit special influence. Some states are now beginning to require broader reports on contributions to prevent politicians from circumventing disclosure laws.

In Arizona, for example, a scandal known as AzScam prompted the state to



# WHY SHOULD WE PAY?

As big business and other special interests funnel billions of dollars to candidates who do their bidding, many officials and activists are calling for public financing of campaigns. Their proposals have raised questions about how such a system would work.

## Why should the public pay for elections?

Candidates tend to listen to the people who pay their ticket into office. When big business and other special interests foot the bill, they get paid back with billion-dollar favors like huge tax breaks and the bailout of the savings and loan industry. Public financing ends up being cheaper for taxpayers in the long run because it makes candidates more accountable to the public and less responsive to special interests.

Candidates who receive public funds also waste less time raising money once they're in office. The average U.S. Senator must currently raise \$12,000 every week for six years to pay for a winning campaign — energy that could go to addressing national issues and providing better public services.

## How does public financing work?

Public financing provides tax money to candidates who voluntarily agree to limit their campaign spending. Candidates become eligible for the money by gathering petition signatures, winning a primary election, or raising qualifying funds from a broad base of supporters.

Candidates are offered public money as an incentive to limit what they spend; the system is voluntary because the U.S.

Supreme Court has ruled that campaign spending is a form of free speech that cannot be restricted. Public financing not only decreases the cost of elections, it also levels the playing field, giving newcomers and unmonied candidates a better chance of winning.

This spring, Congress passed a bill to reward candidates who accept spending limits with other advantages, such as discounted postal rates on campaign mailings and "broadcast vouchers" for television and radio time. President Bush vetoed the bill.

## How much would it cost?

Compared to the billions the government spends each year on special-interest favors, public financing is a bargain. "Every year we spend in excess of \$50 million on military bands," says Senate Majority Leader George Mitchell. "Now there are those who suggest this nation cannot afford to spend \$60 million a year to wash away special-interest influence peddling from the U.S. Senate."

The non-profit group Public Citizen estimates that complete public financing for all federal elections would cost taxpayers \$300 million each year — roughly \$2 per taxpayer. By contrast, the average family will pay about \$5,000 to bail out the savings and loan industry.

## Where would the money come from?

Right now funds for financing presidential elections come from federal taxes. Taxpayers can check a box on their tax forms to earmark \$1 for presidential races. Candidates receive matching funds

in the primaries and full funding for the general election.

A recent bill passed by Congress extended matching funds to congressional candidates who agreed to limit campaign spending, but President Bush vetoed the measure.

Twenty-three states also allow taxpayers to earmark money for public financing of statewide elections. Only two, Minnesota and Wisconsin, provide public funds for legislative races.

Additional money for public financing could be raised by taxing those who can most afford it — the people who make large private campaign contributions. Proposals include requiring political action committees to pay registration fees, eliminating the current tax deduction for lobbying expenses, and taxing contributions to parties and PACs.

## Who supports public financing?

In the Senate, seven of 26 Southerners supported full public financing for Senate general elections: Lloyd Bentsen of Texas, Dale Bumpers of Arkansas, Robert Byrd of West Virginia, Wyche Fowler Jr. of Georgia, Al Gore and Jim Sasser of Tennessee, and Terry Sanford of North Carolina.

In the House, Charlie Rose of North Carolina has supported public finance legislation, along with Butler Derrick of South Carolina, John Lewis of Georgia, and Jim Bacchus of Florida.

Among the Southerners who pushed the hardest to defeat reforms are senators Richard Shelby of Alabama and Ernest Hollings of South Carolina.

reform its disclosure law last year. After seven state legislators were indicted for accepting cash in exchange for supporting a gambling bill, the state passed legislation requiring contributors to identify both their occupation and their employer. The new law also limits gifts from lobbyists to under \$10 and requires lobbyists to disclose donations more frequently.

▼ **Enact ethics laws to punish politicians who abuse their public office for personal gain.** After more than a dozen state legislators in South Carolina were accused of extortion and bribery, lawmakers passed a 153-page ethics law that limits campaign donations and prohibits lobbyists from giving gifts to public officials.

New Jersey also passed a law extend-

ing the state ethics code to municipalities without their own ethics rules. Thanks to the new measure, 22,000 elected officials in the state are now covered by an ethics code.

▼ **Enforce existing laws.** States need to keep closer tabs on whether candidates, PACs, and lobbyists file information on time, abide by contribution and spending limits, and follow ethics laws. The task is enormous and expensive, but some states are giving candidates financial incentives to play by the rules. New Hampshire imposes a fee on any campaign spending above the prescribed limit — ranging from one percent for excess spending up to \$100, to 100 percent for excess spending over \$1,000.

The new ethics law in South Carolina imposes criminal and civil penalties for

violations. And the Rhode Island ethics commission has fined former Governor Edward DiPrete \$30,000 for helping his cronies get state contracts.

▼ **Use the news media to hold candidates accountable.** "The press enforces the laws," says Deborah Nankivell of Minnesota Common Cause. The group got an important boost in its reform efforts when the *St. Paul Pioneer Press* published a 28-page special section analyzing the influence of big money in state politics. "Our greatest ally is the press," Nankivell adds.

Newspapers and television stations in several Southern states have examined the truthfulness of political campaigns in "truth boxes" and "ad watches," forcing candidates to withdraw inaccurate accusations about opponents.



**SOME STATES ARE MAKING IT EASIER TO REGISTER AND VOTE, ENABLING A BROADER CONSTITUENCY TO PARTICIPATE IN THE POLITICAL PROCESS.**

Other reformers say that since the air waves legally belong to the public, the media should be required to provide candidates with free access to TV and radio. A Kentucky TV station has been offering free time to candidates for the U.S. Senate since 1984 to help focus campaigns on issues and discourage mud-slinging.

### **PUBLIC MONEY IN**

Whatever reforms activists support — free media access, tighter spending limits, tougher disclosure laws — a growing number agree that states need to place a greater emphasis on providing public financing for all political campaigns (see “Why Should We Pay?” page 35).

“Band-Aid reforms are not the right approach,” says Ellen Miller of the Center for Responsive Politics, a Washington-based group working to educate grassroots activists about money and politics. “Reform of the system is what’s needed. You can’t do that with piecemeal methods.”

Miller is a member of the Working Group for Electoral Democracy, a net-

work of activists advocating complete public financing. Many members of the group believe that taking all private money out of politics could form the foundation of what one calls a “national pro-democracy movement.”

Although a declining number of taxpayers are checking the box on their state tax forms to devote \$1 to public financing, polls still show nearly 60 percent of all taxpayers favor a ban on private money. “Public financing is a difficult issue because people view it as giving money to politicians,” says Ed Davis, director of issue development for Common Cause. “We view it as using \$1 or \$2 to replace large contributions.”

According to Common Cause, New Jersey has “the most successful of the state public financing laws.” Although the state pays only for the governor’s race, public money has opened the field to a wider range of candidates. Between 1977 and 1986, all but six of 42 candidates have received public financing — and nearly a third of all taxpayers agreed to provide money for the races.

Minnesota and Wisconsin are the only states that provide public funds for

state legislative races. In 1990, 66 percent of Wisconsin candidates and 93 percent of Minnesota candidates limited spending in exchange for public funding.

“Spending limits and public financing have helped increase the number of individuals participating in the political process in Minnesota,” said Robert Vanasek, speaker of the state House. “Not only have there been fewer and fewer unopposed races, but elections have become much more competitive.”

### **BALLOTS NOT BUCKS**

Taking private money out and replacing it with public funds is only half the solution to rejuvenating the American political system, activists say. At the same time they are pushing to rid campaigns of high price tags and special interests, reformers are trying to encourage more voters to participate in the system — to counter big contributions with big turnouts at the polls.

Activists acknowledge that they are fighting a slow, uphill battle. Voter turnout has plunged to all-time lows, and getting people to believe that their vote can make a difference is hard work.



"It takes a lot of education," says Nacho Gonzalez, resource director for the Working Group for Electoral Democracy.

"People won't get radicalized until they see how it connects to their own issue," adds Janice Fine, another Working Group member. The group tries to show environmental, labor, and women's organizations that they won't win on their own issues until big money interests are purged.

Proponents of reform advocate practical ways to get the word out and eliminate barriers to registering and voting:

▼ **Educate citizens about campaign finances.** The Center for National Independence in Politics compiles lists of contributors and documents the performance of lawmakers in all 50 states. The Center for Responsive Politics sponsors state conferences where activists gather to discuss strategies for pushing for reforms on the streets and in the legislature.

▼ **Make it easier to register and vote.** Some states have established "motor voter" programs enabling drivers to register to vote when they get their license. The programs make registration easier and save money by cutting down on paperwork.

The military now allows personnel to use fax machines for absentee voting, and a voting-by-mail system would make voting easier for elderly, disabled, and rural voters. The city of San Diego used mail voting to cut election costs and increase voter turnout to 61 percent, a local record for a special election.

▼ **Broaden the constituency.** Many groups are working to include voters who have been excluded from the political process. The National Coalition for the Homeless is developing a national get-out-the-vote campaign for homeless citizens, and the National Coalition on Black Voter Participation is sponsoring a project to educate and register black voters in 29 states.

Colorado has changed its election code to automatically deputize tribal secretaries as registrars, making it easier for Native Americans to register and vote. And local officials in Dade County, Florida are reaching out to new voters, allowing 18-year-olds to register to vote in their classrooms.

▼ **Put campaign finance reforms**

**on the ballot.** In many states, activists are pushing lawmakers to submit reform measures directly to the voters. Public financing has been enacted or expanded by popular votes in Hawaii, Minnesota, and Rhode Island. And in Amherst, Massachusetts, the Pioneer Valley Pro-Democracy Campaign drafted a law calling for complete public financing, and then succeeded in getting enough petition signatures to put the proposal on the ballot. The measure passed by a 3-to-1 margin.

Gwen Patton, a member of the Working Group and director of the Southern Rainbow Education Project, says voters are pushing a similar ballot

initiative in Greene County, Alabama. Such fights to get private money out of politics, she says, represent a continuation of the civil rights struggles to overcome racial barriers and extend the vote to all Southerners.

"It's absolutely insulting to know people have died for the right to vote only to find their vote doesn't count," she says. "It makes a mockery of our struggle — but it also provides a motivation to get the money out." □

*Mary Lee Kerr is a research associate and Bob Hall is research director with the Institute for Southern Studies.*

## FOR MORE INFORMATION

Reports on federal campaign laws, plus data compiled by individual candidates and contributors, are available from the Federal Election Commission, 999 E Street NW, Washington, DC 20463. Phone: (800) 424-9530.

For information on campaign finance laws in your state, contact your state board of elections, secretary of state, or state ethics commission. Ask for reports on giving and spending limits, public financing, schedule of campaign filings, disclosure requirements for contributors and lobbyists, conflict-of-interest statements, and penalties for violations.

Here are a few of the national groups working to reform campaign finances and increase voter participation:

**Working Group on Electoral Democracy**  
1608 Milwaukee Avenue, Room 1008  
Chicago, IL 60647  
Phone: (312) 227-4277  
Contact: Nacho Gonzalez  
Clearinghouse on campaign finance issues. Publishes working papers, newsletter.

**Common Cause**  
2030 M Street NW  
Washington, DC 20036  
Phone: (202) 833-1200  
Contact: Ed Davis, Julie Marsh  
Lobbies for state and federal reform, focuses on PACs, and publishes Common Cause Magazine.

**Center for Responsive Politics**  
1320 19th Street NW, Suite M-1  
Washington, DC 20036  
Phone: (202) 857-0044  
Contact: Ellen Miller  
Conducts research, assists outside researchers, sponsors workshops, and publishes reports on campaign money.

**Public Citizen Congress Watch**  
215 Pennsylvania Avenue SE  
Washington, DC 20003  
Phone: (202) 546-4996  
Contact: Bill Parsons  
Educates and lobbies to reform federal campaign financing.

**Center for National Independence in Politics**  
Project Vote Smart  
129 NW Fourth Street #204  
Corvallis, OR 97330  
Phone: (800) 786-6885  
Provides information on candidate records and publishes the Voter's Self Defense Manual.

**National Coalition of Black Voter Participation**  
1629 K Street NW, Suite 801  
Washington, DC 20006  
Phone: (202) 659-4929  
Contact: Sonja Jarvis  
Works to increase black voter participation with Operation Big Vote and local voter education projects.

**Center for Policy Alternatives**  
1875 Connecticut Avenue NW, Suite 710  
Washington, DC 20009  
Phone: (202) 387-6030  
Contact: Jamie Cooper  
Clearinghouse for model state initiatives that promote voter participation and campaign finance reforms.

**Citizens' Research Foundation**  
3716 South Hope Street  
Los Angeles, CA 90007  
Phone: (213) 743-5211  
Contact: Herbert Alexander  
Issues periodic reports on electoral spending, public funding, and other financing issues.



# Giving Up Spending

*Election officials and reform activists are pressuring West Virginia candidates to curtail their lavish campaigns.*

By Susan Leffler

**CHARLESTON, W.VA.** — It's six o'clock in the evening a week before the May primary, and the campaign headquarters of David Grubb buzzes with activity. Grubb, a 41-year-old member of the House of Delegates who is vying for a seat in the state Senate, hunches over a pencil-marked mailing list. Across the table from the candidate, volunteers stuff and stamp envelopes. The phone rings incessantly, and Grubb mutters to no one in particular about a recent newspaper poll.

"Emma, don't even think about throwing that ravioli at your father." Grubb's wife Kate shoots a warning glance at their three-year-old daughter, who is leaning out of her highchair. "Katherine, get those stamps out of your mouth and take Barbie and Ken off the table and clear a space so we can eat," she adds.

The volunteers — eight-year-old Katherine Grubb, seven-year-old Jessica, and their neighbor Faith Davis, who is six — jump up and start shoving what's left of the campaign mailing to

one end of the dining room table. Grubb for Senate can wait.

Kate estimates that she and the girls have stuffed and stamped about 5,000 pieces of campaign mail. As the de facto campaign manager, she often balances Emma on one hip while she fields calls from reporters, talks strategy with volunteers, or sets up speaking engagements for her husband.

"It's been like this all spring," she sighs. "It will be wonderful to settle back into a routine lifestyle. I really look forward to that."

Grubb decided to campaign with low-cost mailings from his family's toy-strewn duplex because he did something rare for a politician: He signed a pledge agreeing to limit his campaign spending and run an honest race. Known as the Code of Fair Campaign Practices, the pledge puts a \$25,000 ceiling on state Senate races — nearly half what the average candidate spent to win a seat six years ago.

Created in 1988 by Secretary of State Ken Hechler and a coalition of reform

activists, the Code is at the heart of an effort to get a grip on the undue influence of private money in West Virginia politics. By pressuring candidates to limit spending, Hechler and others hope to curb the skyrocketing cost of running for public office and reduce the need for candidates to go to wealthy contributors to finance their campaigns.

"The wellspring of democracy was being polluted by huge campaign spending," says Hechler, who served in Congress for 18 years. "It was absolutely necessary to cap spending to allow young people and those who couldn't afford the current trend to participate in the democratic process."

## FAMILY FORTUNES

Nowhere is the need to control campaign spending more apparent than in West Virginia. Although poor and small — the state ranks 49th in per-capita income and 41st in land size — it is fourth in the nation for spending on gubernatorial campaigns. Candidates for governor in 1988 spent a combined total of \$9 mil-

lion — \$13.12 for each vote cast.

The two most expensive campaigns in state history were both waged and won by former governor John D. Rockefeller IV. When the Democratic incumbent drew on his family fortune and devoted \$11.7 million to win re-election in 1980, supporters of Republican opponent Arch Moore put out bumper stickers that read, "Make Him Spend It All, Arch." Rockefeller partisans responded with the slogan, "At Least It's Jay's Money," a thinly veiled reference to charges that Moore had accepted illegal campaign contributions.

Rockefeller went on to spend \$12.1 million on his election to the U.S. Senate four years later. Moore went to federal prison for tax evasion.

The astronomical increases in gubernatorial spending helped drive up the price of other state campaigns. In 1976, candidates spent a total of \$154,953 on all races for the Senate. By 1986 the total had soared to \$1.5 million.

Concerned that wealthy and well-funded candidates were dominating elections, a diverse cross-section of groups formed a coalition called the Campaign Finance Task Force to study the problem. The coalition — which included the state Chamber of Commerce, the League of Women Voters, and Common Cause — found that the demands of fundraising limit the number of people who can afford to run for office, limit the time candidates have for voters, and influence their decisions once they are elected.

"The Task Force believes that limiting or controlling campaign expenditures in West Virginia would help curb or eliminate many of these problems," the group concluded in its final report.

The most effective way to curb spending, the Task Force noted, would be to impose mandatory limits on campaigns. But such ceilings might violate *Buckley v. Valeo*, a 1976 ruling by the U.S. Supreme Court that invalidated



**KATE GRUBB AND A STAFF OF VOLUNTEERS STUFF AND STAMP A CAMPAIGN MAILING FOR HER HUSBAND DAVID GRUBB, WHO AGREED TO LIMIT SPENDING IN HIS RACE FOR THE WEST VIRGINIA SENATE.**

mandatory limits in federal campaigns. Fearing that state limits would also be struck down as unconstitutional, the Task Force recommended that West Virginia pressure candidates to accept voluntary limits and develop a system of public financing to reduce the sway of private money.

The following year, Secretary of State Hechler used the recommendation to draft the Code of Fair Campaign Practices, a voluntary set of ethics guidelines and spending limits for state candidates. The Code puts a ceiling of \$1 million on campaigns for governor, \$25,000 for Senate and circuit judge, and \$12,500 for the House.

### ROCKING THE BOAT

At first, many observers were skeptical of the Code. After all, the secretary of state had no way to *enforce* limits on campaign expenditures — all he could do was ask candidates to spend less and play fair.

Nevertheless, candidates began signing the Code voluntarily. The year it was introduced, 72 percent of all winning House candidates and 82 percent of

all winning Senate candidates abided by the guidelines. Total spending for Senate races dropped for the first time in state history, from \$1.5 million in 1986 to \$899,881 in 1988.

Hechler was thrilled by the initial acceptance of the Code. "There came a sweet smell of success when the cost of campaigning came down even a bit," he says.

Hechler and others say a major reason for the success was public pressure on candidates to sign the pledge. Public interest groups and the media wholeheartedly supported the reform effort.

"One of the most important factors in reducing spending is calling attention to the problem," says John Barrett, director of West Virginia Common Cause. "We hammer away at the candidates who spend lavishly, and so do the media. We embarrass politicians."

David Grubb was one politician who wasn't embarrassed. As director of the West Virginia Citizen Action Group, Grubb had played a key role on the task force that recommended spending limits. Elected to the House of Delegates in 1988, he went to work to convince his fellow legislators to clean up campaign finances.



## DEMOCRATIC COPS

Activists in West Virginia aren't alone in their efforts to uproot the power of campaign contributors. Elsewhere in the South, community organizers are working to involve more citizens in politics — countering big money with an even bigger vision of democracy.

One of the most successful campaigns to rekindle grassroots control of the political process has been waged in San Antonio, Texas. Over the past 18 years, community organizers in the city have succeeded in uniting low-income residents of all races in a group called COPS — Communities Organized for Public Service. Working together, residents have commanded more attention of local officials and more control over public resources.

Since its founding in 1974, COPS has helped channel more than \$750 million into inner-city neighborhoods for new housing, streets, sidewalks, sewers, parks, and libraries. Perhaps more important, it has helped overcome a sense of powerlessness among citizens, showing them that government can be redirected to serve community needs.

"COPS has been able to wrest itself a share of the political pie," noted *The Texas Observer*. "It has changed the political equation in San Antonio."

Beatrice Gallego helped found the group and served as its second president. When the organization began, the city was deeply divided along economic lines. Black, white, and Hispanic communities all suffered from poor housing, low wages, and bad schools.

"Our first fight was for dignity — to get better streets and drainage to keep our families from walking in the mud," Gallego recalls. "Our second fight was for respect and power. Through voter education and registration, we ensured that our voice was heard. We filled city hall with thousands of COPS members."

Gallego calls the third battle "the toughest fight of all. We challenged the

business and special interest notion that San Antonio could be sold as a low-wage town." COPS fought for job training and quality education — what Gallego calls "the right and priority of every Texan."

Organizers say COPS was able to convince poor residents to unite across racial lines because its goals grow out of the values and basic needs of its members. "One of the most important and powerful organizing tools is self-interest," says organizer Ernie Cortes Jr. "You build power by organizing people around their interests. You build it by drawing people out of their passivity, out of their alienation and their bitterness."

Empowerment has paid off. COPS convinced the city to spend \$10 million to finance affordable housing, formed an Education Partnership program to give jobs and scholarships to students from poor communities, and helped win passage of a bond issue to improve streets and sewers.

COPS succeeds because it does more than mobilize voters — it also mobilizes public resources. "It takes organized people and organized money," says Cortes. Because the group has a powerful constituency of nearly 100,000 members, public officials regularly seek its input on crucial policy decisions involving millions of dollars of tax money.

COPS also teaches people "how to lift the veil of secrecy that shrouded public decision-making," Cortes says. Along with voter education programs, the group holds "accountability nights" where candidates sit and listen to members speak about local issues — a switch for politicians used to doing the talking.

The success of COPS has inspired similar organizations in nearly every major city in Texas. Working through a parent group called the Texas Industrial Areas Foundation Network, citizens have formed organizations in Houston, Fort Worth, Austin, El Paso, the Lower Rio Grande Valley, Fort Bend County, Victoria, and the Eagle Pass area. New organizations are currently being formed in Dallas and Port Arthur.

Such power redirects democracy to the grassroots, replacing the influence of big money with the values of ordinary people. "Today San Antonio is one of the most open cities in America," Cortes says. "It is a place



where the values of pluralism, family, and freedom of speech have become a concrete reality."

— Mary Lee Kerr

Mary Lee Kerr is a research associate at the Institute for Southern Studies.

Teaming up with Speaker of the House Chuck Chambers, Grubb co-sponsored a bill to officially endorse the Code of Fair Campaign Practices by "codifying" it — formally placing it on the state books and requiring election officials to give every candidate an opportunity to sign it. The bill also limited PAC contributions, as well as the amount candidates could raise once in office to repay personal campaign loans.

Chambers called the bill long overdue. "If we don't start changing the way

we finance campaigns, politics are going to become even more of a rich person's playground than they already are," he says.

The bill passed in the House by an overwhelming majority this year, but it died in the Senate Judiciary Committee without ever coming to a vote in the full Senate. Judiciary chair Jim Humphreys told reporters that committee members considered it unconstitutional to restrict campaign loans — but Secretary of State Hechler offered another explana-

tion for the resistance to the reforms.

"Many of these senators were elected under the current system, and they don't want to rock the boat," says Hechler. "The truth is, many of them might want to run for governor someday, and they don't want to be embarrassed by having to exceed a spending limit."

### BARE BONES BUDGET

It has been four years since Hechler first pushed candidates to sign the Code of Fair Campaign Practices, and there is

already evidence that it is working. Contrary to trends in other states, spending on legislative races in West Virginia has slowed since the Code was introduced. Between 1986 and 1990, the average cost of winning a Senate campaign declined from \$44,237 to \$24,914. The average cost of a House victory dipped from \$8,666 to \$7,965.

David Grubb knows first-hand that candidates can limit their spending and still win elections: He won his primary bid for the state Senate in May, even though he voluntarily kept his campaign bills to \$25,000. The hardest part of abiding by the limit, he says, was learning to allocate the contributions he did receive.

"It was very difficult at times on a bare bones budget," says Grubb, sitting at his dining room table cluttered with campaign materials. "I really had to look at the cost effectiveness of everything I did. For example, I could only afford four TV ads during the whole campaign, and I had to choose them by price. It was a real struggle."

Grubb won the primary even though his challenger, Barbara Hatfield, refused to sign the Code and reportedly spent \$31,000 before the final two weeks of the campaign. Even though Hatfield is known for her good record on consumer and environmental issues, much of her money came from oil and gas conglomerates, coal operators, and other industry groups eager to defeat Grubb, a long-time foe of big business. The big contributions enabled Hatfield to concentrate her spending on an expensive TV and radio blitz blasting Grubb.

"Dave has got a long record in politics," says Hatfield, a registered nurse who served in the House from 1984 to 1990. "I needed that money to get my message across."

But this time, money wasn't enough. Relying on direct mail and a door-to-door campaign to counter Hatfield's industry-financed ads, Grubb won by 2,000 votes. "I'm relieved," he says. "It was a tough campaign — but this proves you can withstand negative ads and still win."

### THE GOLD DOME

Despite the success of the Code at lowering spending on legislative races, campaigns for governor in West Virginia remain as opulent as the gold-plated dome of the State Capitol.

In the May primary, Governor Gaston Caperton showed no interest in joining

the movement to limit campaign spending. Caperton — who spent \$5 million to defeat Arch Moore in 1988 — ignored a public plea from the secretary of state to sign the Code of Fair Campaign Practices and limit his campaign spending.

"The state needs both your example and your leadership if it is ever going to get a handle on campaign spending," Hechler wrote the governor in the spring. "I consider it my duty as secretary of state to continue to urge you, both privately and publicly, to set a limit in the primary election of \$1 million on your campaign for governor."

But Caperton decided to set a different example. "We're going to be aggressive in presenting our message to the people, whether the cost is \$1 million or more," press secretary George Manahan

## *Despite the success of the Code at lowering spending on legislative races, campaigns for governor in West Virginia remain as opulent as the gold-plated dome of the State Capitol.*

told reporters. "We're going to do whatever it takes."

Although the final tallies from the May primary are not in, the secretary of state reports that Caperton spent "well over a million dollars" to keep his residence in the governor's mansion. Big spending helped the incumbent beat off a grassroots challenge from state Senator Charlotte Pritt, a coal miner's daughter who pulled 35 percent of the vote despite her low-budget campaign.

The win-at-all-costs attitude means that West Virginia — wracked by poverty and high unemployment — will witness two millionaires facing off in the November election for governor. Caperton, who comes from a wealthy coal and insurance family, will be challenged by Republican Agriculture Commissioner Cleve Benedict, a "gentleman farmer" who is heir to much of the Procter and Gamble fortune.

"One millionaire running against another in the state of West Virginia is obscene," Pritt told *The Nation*. "These

people have never had to worry about health care, about having enough to eat, about getting a job that pays enough to make ends meet. They have no idea how most West Virginians live, yet they're trying to lead the state."

### HERE SPEND THE JUDGE

Many judicial candidates have also rejected efforts to lower their spending. In the May primary, Kanawha County Circuit Judge John Hey spent \$61,803 — more than twice the limit specified in the Code — to defeat liberal challenger Mike Kelly. Kelly voluntarily abided by the Code, spending \$20,946 on his campaign.

Hey refused to sign the Code "because he knew that dozens of lawyers who come before him in court would give him money," charged an editorial in *The Charleston Gazette*, the major state newspaper. "In contested races, some lawyers give to both sides, so they'll be on friendly terms with whoever is elected. It smacks of coercion, a shakedown."

Despite such politics as usual, the secretary of state and other reform advocates remain encouraged by their success at bringing down spending on legislative races in West Virginia. Hechler says he is eager to enact mandatory limits that will challenge *Buckley v. Valeo*, the Supreme Court ruling that protects big campaign spending.

"Campaign spending has skyrocketed since the Court ruled on the issue in 1976," Hechler says. "It's absolutely necessary to reverse that decision to protect free speech for the average person who can't afford to enter the political arena. Hell's bells, somebody's got to challenge that ruling."

David Grubb and reformers like John Barrett of Common Cause are taking a different approach. They plan to continue to fight for a system of public financing in West Virginia — and they plan to step up their grassroots organizing before the November election. The goal, Grubb says, is to use primary victories like his to convince disenchanted citizens they can make a difference.

"My victory says you can adhere to a spending limit and still win," he says. "I hope it will help change the public perception that only the privileged and powerful count in politics. A limit on campaign spending allows people of average means to throw their hats into the political ring on an equal basis." □

*Susan Leffler is a freelance writer in Charleston, West Virginia.*



# “Taking Back the Political Landscape”

**An Interview with William Greider**

*William Greider, a former Washington Post editor, writes about politics for Rolling Stone. His new book, Who Will Tell the People (Simon and Schuster), probes the inner workings of a failed democracy. He spoke with Bob Hall about money and politics.*

**You talk about campaign contributions not as bribery, but as performing a more subtle role in solidifying “relationships.”**

Well, there’s always been money in politics. It’s more visible now. And what you see is this: As politicians get less connected to ordinary voters, they become more dependent on the people who finance campaigns. The relationships develop not over one election or one roll call vote, but over long periods of time. You become buddies and favors flow back and forth. If you think about it in human terms, you don’t have to “buy” lawmakers to get what you want.

The other side of it, which is not so human, is a kind of constant threat to anybody who steps out of line. Take the case of Mike Synar of Oklahoma. As a member of the House Energy and Commerce Committee, he’s been very aggressive in attacking the non-enforce-

ment of laws in the executive branch. Over time that’s made certain industrial sectors very mad. And they told him, very explicitly, “We’d like you to be more cooperative or we’re going to have to finance your opponent.” And that’s what they’re doing.

A lot of members of Congress, threatened with defeat by a well-financed opponent, will accommodate. They’ll back off. They may still make the same speeches, but they’ll give it away in committee, or find ways to make adjustments that, unless you’re watching very closely over time, are hard to see.

**So the intimidation gets quite specific if someone goes over the line?**

Yeah, and a politician never quite knows where the line is. And most of them, by their very nature, don’t want to find out. They want it both ways. This is most visible on the basic issues, like the fight around raising the minimum wage. In 1989 the Democrats mostly favored the raise, but if it got too high, they knew they’d anger a lot of business sectors. In the end, they raised the minimum wage an inconsequential amount; they got the symbolism of fighting for workers, and business didn’t get hurt.

**So money also works to contain the debate or limit the range of options on the table.**

That goes on mostly out of sight. Even the most liberal campaigns still find themselves trapped by the question, “If we stand up and say this, what will it do to our fundraising?” It’s usually not said that explicitly. As Bob Shrum, a Democratic campaign consultant, told me, it’s usually phrased: “What’s the responsible position on this issue?”

To me, this is the most debilitating effect of campaign money. It keeps new ideas from being articulated in a way that might arouse the public. People never get educated about issues. When they get their act together, people can overcome the advantages of money. But how do you get the public engaged in the real questions of government? That’s what the money blocks. And campaign contributions are just a part of that — and maybe not even the most important part.

**What is the more important part?**

I think the direct investment which corporations and others make in the broader political process is more debilitating. By that I mean everything from think tanks to trade associations to charitable



giving to lobbyists to their propaganda on television. These all work to limit the public debate and manipulate decisions. If you look across the whole spectrum of what they spend money on, campaign money is a minor part.

### How do you view the post-Watergate reforms?

One of the reasons I'm not so zealous about campaign finance reform is that I remember what happened the last time. It's true that the 1974 legislation forced things into the open. That was a great contribution. But it did not contain money — in fact, it gave a kind of cohesion to campaign money that probably hadn't existed before. When money was floating around in black bags, it at least couldn't be put explicitly on the table the way it is now; it was loose. Those interests are better organized today.

The incentive for creating this corporate infrastructure over the last 20 years went beyond campaign financing. In the late 1960s and 1970s, we went through a great era of reform legislation — civil rights, the environment, worker safety. Those laws were quite different than earlier regulatory laws in that they didn't focus on one industry alone: They were general and national in scope.

So now you have a situation where coal companies and airlines and food processors and automakers have a reason to work together, because EPA or OSHA sets regulations for all of them. That gave corporate America a unifying purpose in politics. They put their resources together to shape the debate and block enforcement, and they've succeeded. To me, that's the most interesting political development of the last generation.

It's pointless and not very effective to rail at corporate America for having political power. They have political power because they need it; their bottom line is affected by government in very direct ways. What's missing is anything that acts as the counterweight to that power. As the political parties lost touch with people, and the unions lost power, and other mediating institutions declined, the corporations filled all the available space. They seized the ground. That's where we are now.

To effect a real change, we have to take back that landscape of politics. And



**"LET'S CREATE AN INCENTIVE FOR ORGANIZATIONS TO GO DIRECTLY TO THE PEOPLE," SAYS WILLIAM GREIDER.**

you can't do that very easily or overnight, or with a single presidential candidate.

### It takes grassroots organizing, building our own infrastructure with our own set of political relationships.

Yes. It's hard, but I think it is very possible. People have more assets than they may realize. That's why I think the status quo is vulnerable.

The first asset — and it tends to get overlooked — is that on all the big issues, whether it's wages or the environment or financial regulation, people are on the winning side in terms of true American values. The corporations are on the wrong end of the moral argument every time, and they know it.

Secondly, electoral politics is so atrophied that anybody who enters the political arena with any kind of mobilized force of people, even a sliver minority, can disrupt the system and at least make it tremble.

**What's the best direction when it comes to the more narrow goal of campaign finance reforms — should public money replace private contributions?**

I'm not even sure that's a desirable goal, eliminating private money from politics. After all, money is part of the way we express ourselves. Obviously those who don't have very much are at a great disadvantage. If you really want to change the dynamics, create a federal tax credit of \$100 or even \$200 for every family or citizen, and let them give that money to any sort of political activity they want, whether it's a candidate or their local political club or the Sierra Club or ACORN or the NRA or the Democratic party. That would do more to balance the table than trying to put limits on corporate money, which generally don't work anyway.

Citizen politics is poor. It can't raise the resources to compete with these big behemoths. So let's create an incentive for organizations to go directly to people, engage them in useful politics, and persuade them to contribute a piece of their \$200.

That would set off some very creative dynamics. What would it do for the Democratic party, for example, if you said, "Look, you don't have to go to these fat cats for your money. All you have to do is convince 10 million Americans

that you're real."

It would also give people a chance to use the tax code to support their political activity — something the corporations now make use of in a dozen ways. Their trade associations, their lobbying expenses, their propaganda advertising, their hired consultants — it's all deducted as a business expense. You or I can't take the carfare to go to the state capitol off our taxes.

### In your book, you also propose a rule to prevent politicians who accept money from the banking PACs from sitting on the banking committees.

Yeah, I think that's very doable. I have a bunch of ideas like that in the book, but I have to preface them by saying, "I know this is a non-starter in our present politics." Congress is not going to reorganize itself. It requires a mobilization of people willing to stand up for these or other ideas. If people use their imagination and step out of the usual categories, they'll come up with many good ideas. That's how change begins. □



# “We Should Be the Government”

**An Interview with Gwen Patton**

*Gwen Patton is field director of the Southern Rainbow Education Project in Montgomery, Alabama and a member of the Working Group on Electoral Democracy. This fall, she plans to run as an Independent against U.S. Senator Richard Shelby. She talked with Bob Hall about who owns the government.*

**How did you get involved in the fight for voting rights?**

I really didn't have a choice; my community work is a continuation of what my grandparents and my father were about. As a child, I lived in Inkster, Michigan — a factory town about 20 miles from Detroit. My father was instrumental in getting the town incorporated and fighting to get our streets paved, proper sanitation and so forth. So I grew up seeing the importance of government and its role in community development.

I learned that people have a right to engage their government, to be a part of it, to have high expectations. I also learned that it was my responsibility to stand up for the race and advance the cause; that was expected of me.

My brother and I spent our summers with our grandparents in Montgomery, Alabama. My father's father was a

building contractor and a financial supporter of the Montgomery Bus Boycott. Because of that support, he could not get a line of credit from the bank, he couldn't buy tools. So at age 13 or 14, I recognized that there was an economic component to this struggle. We needed the economic base my grandfather and other local black businesses provided, but it was vulnerable to attack from white financial circles. So already I was seeing the power of money and economic reprisal.

**When did you start helping people register to vote?**

During those summers, I would go around the neighborhood with my mother's mother — I called her Mommy. She was the block captain and she taught people about the literacy form that had to be filled out when you registered. I'd go with Mommy and help people practice reciting the preamble of the Constitution and learn how to recognize the test questions just by their lengths.

Her goal was to get as many people as possible to go down and try to register. It wasn't about actually getting registered. That hardly ever happened. It was about dispelling the fear and asserting the fact

that we had a right to vote. Even though you weren't successful, people were very proud of you. Everybody in the neighborhood would say, "Sister So-and-So went down and faced that nasty registrar. Yeah, she went down anyway."

When my grandmother finally got her little piece of paper saying she was a voter, there was a great community celebration, a tea party; it was very fancy and dignified. It brings tears to my eyes even now. That was 1952 or '53. I guess I was nine or ten years old.

**So voter registration was part of a larger effort to build people's capacity as their own advocates?**

Oh yes, very much so. Even today, a voter registration drive shouldn't just be a mechanical exercise, signing cards. It's part of basic citizenship training about understanding government's role and your ownership of that government. People gain a sense of their rights, but also of their responsibility as the ones who should *be* the government.

It also teaches them perseverance so they don't easily become discouraged. We fought for 400 years to move from three-fifths human with surrogates casting our votes, to full human beings

with our own say-so. People understand the vote is their voice, it's their franchise to full citizenship. It's theirs, it's a responsibility. It's to be used to better their own lives and the life of their community.

**How have you seen the power of money undercut that sense of ownership?**

Once we got the vote, we began using the same practices that the whites used in elections — media advertisements, brochures, palm cards, and so on. It was very expensive and soon money became the criteria for who could run for office. In the 1970s, I began to see that money was closing out those who had been the real backbone of the movement. Part of the black middle class who had not been that involved became the candidates who benefited from the new black voters.

They also showed a real arrogance toward the community. They know it all and want to speak as our surrogates, not as leaders. This gets compounded when they go to the Ivy League white schools and are trained to look down at their "clients" — in this case the voters. That's a heavy problem within the black community.

**So money works to widen the gulf between the politician and the community. How has money fueled voter cynicism and apathy?**

After a while, if you are discounted so much, then you withdraw from the process. People feel the arrogance of those monied politicians. The message is: "You are stupid, I have the knowledge." You either internalize that or you rebel against it. Either way, it leads people away from the voting process. It's the exact same thing that's happening with kids dropping out of school. If I keep calling you stupid, pretty soon you'll stop coming to me.

There's another level: By accepting money as the success standard and with the cost of elections mushrooming, where do you go to get the money? You go to the special interests and to the big-time business people, and they say, "I'll give you the money, but you'll have to be for these policies." So now the candidate who started out arrogant has to grovel before someone else who holds



**"THE VOTE OUGHT TO COME AS EASILY AS DRINKING WATER," SAYS GWEN PATTON.**

the money. Now they are the ones who get humiliated.

So money has discounted our vote and corrupted public service. It's made a mockery of the 1965 Voting Rights Act. We must fight that; I keep saying we can't let private money trample on the graves of those who died to make the vote the great equalizer. Citizens have yet to own the government. Money has always been attached — even the word "franchise" is an economic term. People died in the Revolutionary War — black, white, poor, rich, women, men — yet at the end, it was primarily white men with property who got the franchise.

**What reforms should people push for?**

I want the community to understand that we have to totally change this system. We can demonstrate in Louisiana's Cancer Alley against the poisons, but we cannot expect Senator Bennett Johnston to pass any kind of useful regulation because he's paid by the chemical and oil companies. It's ludicrous. I don't want to stop people from marching, but I want them to know that to win on the

issues we must take the money out of politics.

There are two things the Working Group on Electoral Democracy is pushing for. First, the "100 percent solution" says *all* private money should come out of campaigns. There should be citizen-financed elections for all Congressional races and eventually down to the local level. I think the cost of federal elections should be a line item in the budget. The continuation of our government requires this kind of investment. The standard should be "one person, one vote," not "you must pay to play."

Second, there ought to be automatic voter registration for everybody when they reach age 18. We have technology for doing that. The vote ought to come as easily as drinking water — and be just as life threatening without it. That goes back to the need for education and gaining that sense of ownership — this is our community, our municipal government, this is how it should serve us and we it. If we

could build that organic relationship between people and their government, then I think we could have structural change.

**Is the campaign to get private money out of politics gaining momentum?**

I can give you several examples from Alabama. We just had a candidate for governor drop out, saying the high cost of running was turning politics over to the "money changers." Over in Greene County, in the Black Belt, people want a referendum on taking money out of politics, and it would win. Here in Montgomery, the newspaper is listing all political contributors giving \$500 or more, something they've never done before.

The money is out of control now. There's no self-restraint. It will go on and on and on until it explodes. As it becomes exposed, we need good grassroots organizing so people don't feel debilitated and withdraw. We have to be ready to work with mainstream people who are ahead of us on this issue. We can't act as surrogates who think we know it all. We need to listen more as we also offer leadership. □



# THE Origin OF Whales

By Randall Kenan

**T**he woman sat. She sat on a porch under the roof of an old white house, with a massive oak before her, apple trees and plum trees and peach trees to the right and left, a grape arbor at the edge of the backyard, and an abandoned chicken coop at the other end near an empty smokehouse. She sat in a wicker-bottomed rocking chair like some grim guardian, peering into the late-September air as if searching for the place where the air gives way.

A car approached from the distance, creating a mean and dusty cloud that rose up and vanished. The car stopped in front of the house. The woman who drove the car stepped out and a boy jumped out from the other side: the boy clad in ripped and sporty clothes, his shoes unlaced; the woman nicely coiffured, smartly dressed.

"How you doing today, Aunt Essie?"

"Fine, child, just fine." The old woman's voice trembled like ripples across a pond.

"Can't complain. Things sho

could be whole lot woser. How you doing, gal? You and Thad ready to go?"

"Yes, ma'am. Soon as I get Little Thad straightened away with you, we'll be ready to go." Her voice was small but sharp, like a bird's. She absently watched the boy over by the ditch at the edge of the yard poking at something with a branch.

"Well, I knows y'all is looking forward to it."

"Yes, ma'am, we are. And I want to thank you for looking after Thad for us."

"Tain't no trouble at all. Where his things at?"

"In the car. He'll get them." The woman turned on the porch, her high heels clicking on the wood, and called to the boy, telling him to get his suitcase and tote bag out of the car,

Mama's got to go, and did he have his books to study?, and to be good.

Through all this the boy continued to kick at clods of dirt around the ditch, his hands in his pockets, his head down.

"Thad, did you hear me?"

"Yeah," said the boy, without looking up.

"Come on, Thad. I've got to get on the road."

"You do it then." He did not look at her.

Closing her eyes as if in pain, she started toward the car.

"Wait." Essie stopped rocking.

"Boy," her voice rolled forth. "You get your little black butt to that car and get your mess out. This very minute. Do you hear me?"

The boy stood still and stared at the older woman. After a while he did as she'd told him, without saying a word.

The mother sighed. "Seems I just can't do anything with him these days. I really do appreciate your keeping him, Aunt Essie. I hope he doesn't give you too much trouble."

Essie commenced to rock. "Now don't you worry about a thing, child. You all enjoy the convention and we'll be fine."

"Thank you, Aunt Essie." The woman gave a little girl's prim smile. "Oh, and Aunt Essie, how is Cousin Ruth? I heard she wasn't doing too well."

The woman fixed her with a peculiar narrowing of the eyes. "Well, I don't know, girl. I just don't know. Saw her yestudy. Reverend Greene took me. Didn't look good. Had another stroke, you know." She shrugged. "But the Lord do know best, don't he?" Her voice trailed off into the blue. "You know." Essie's face lightened. "You know, me and her was born on the same day."

"Yes, Thad told me."

"Did?"

The woman smoothed the pleats in her dress with the



palms of her hands. She glanced at her watch. "Oops! I better head on out."

The boy climbed the steps carrying his bags and looking stern. His mother smiled sweetly. "Now you be a good boy and do what your Aunt Essie says. Okay?"

He groaned.

She tried to kiss him, but he stepped back.

"Aw, come on, Ma."

"Give your mama a good-bye kiss, boy, or I'll put this here walking stick upside your head. Go on now. Do it."

He gave the old woman a who-the-hell-do-you-think-you-are? glare but kissed his mother, grudgingly.

The mother thanked Essie again and walked to her car.

The old woman watched the car slide down the dirt road. She turned to the boy, who peered at her. She rolled her eyes. Presently the boy made his way over to the opposite side of the porch, walking its edge like a tightrope.

Essie turned her gaze toward the sky again. She told him where to put his bags and where he would be sleeping. She asked him if he was hungry. He said no. She told him they would eat in about half an hour.

"I'm going to look around."

"What?"

"I said I'm going out to take a look-see around in the yard. Okay?"

"You are?"

"Yeah."

"Is that a fact?" Essie bent over her cane, the gray wig on her head a little askew. She cocked her head to the side the way a listening fawn would.

The boy crossed his arms and tapped his feet. She began to tap her cane in counterpoint. They went on, ta-tap-tap, ta-tap-tap, like a couple of retired vaudevillian hoofers, their eyes locked in determination.

Finally the boy said, "May I go scout around?"

"Scout around?"

"Ah, come on. Give me a break."

"Beg your pardon?" Her expression did not change nor did she stop tapping her stick.

He dropped his hands to his side. "Miss Aunt Essie, ma'am, may I *please* go out in the yard to play, Miss Aunt Essie, ma'am, thank you, may I, please, ma'am?" He bugged his eyes and stretched his mouth sorrowfully.

"Well, I reckon if you got the sense to ask somebody, you can go." The boy dashed down the steps, only touching one with his foot. "You stay out of them ditches!" she yelled after him. "And don't go no further than the yard."

**E**ssie slowly made her way inside and down the hall, past the heavily framed sepia photographs of stern-looking men and women and past vases of dried flowers on doily-covered tabletops to the kitchen. She lifted a pot and filled it with water. Measured out cornmeal. Dipped out lard. Washed and drained a silvery-steel pan full of green-hued collard and mustard leaves. Stuffed them in a pot. Measured out a cup of rice. Put more water on to boil. Her hands moved about the cups and spoons and jars with an exaggerated deliberateness.

"Pssst! Pssst! Aunt Essie. Aunt Essie."

She peered out the window over the sink. "What you want now, boy?"

"Want to play hide-and-go-seek?"

Her expression did not change. She wiped her hand with a cloth. "Okay. Be right out." She checked the pots and the water and walked out the back door, pausing to look at a clock.

At the foot of the back door steps he met her.

"All right. Who's gone be It?"

"You."

"Uh-uh. You always hide. I'm gone hide this time, feller."

The boy heaved an impatient sigh, shifted his weight, and rolled his eyes. "Okay. Okay. I'll be It. Ready?"

The woman started to walk away. "Well? Turn around now. And start counting, why don't you? And don't count too fast neither. To a hundred."

"A hundred!"

"Yeah, a hundred. And don't peep neither. Turn round, I say."

"Good enough?" The boy had his back to her, his hands over his face. "One hundred, ninety-nine, ninety-eight..."

Essie crept away as best she could, tip-tip-tippy-toed. She walked over to the old chicken coop, the door off its hinges. She pecked in, paused, and shook her head no. She turned to the grape arbor.

"... seventy-six, seventy-five, seventy-four..."

She crouched slightly behind the big mother-stalk at its center, which was twice as wide as she.

"... twenty-four, twenty-three, twenty-two..."

She hunched there grinning, her back to the stalk, leaning on her cane. She glanced into the net of green-dark leaves above her head, saw a cluster of grapes, and plucked one off.

"... nine, eight, seven..."

With a grimace and a pucker she spat out the unripe grape, then quietly spat out more of the hull.

"Ready or not here I come!"

She tilted her head to the right and listened. She tiptoed to a post at the edge of the arbor and peeked out. Little Thad was tiptoeing, just as she had, toward the front of the house. When he had vanished from sight, Essie snuck out from the arbor toward the steps. She began to smile, for she had almost arrived at home base. Something grabbed her elbows—

"Got you!" Thad had come up from behind her.

Essie jumped with a start. "Whooooooweee! You scared the devil out of me, you little—" Playfully, laughing, she swung her cane at him. He ducked like a gazelle.

"Your turn. Your turn." His face betrayed glee.

Essie advanced to the steps.

"Turn your back and close your eyes now."

"I know, boy. I know. I was playing this before your daddy was a itch in his daddy's breeches. Now go on and let me count. One hundred, ninety-nine, ninety-eight, ninety-seven..." Essie stopped counting out loud.

"Aunt Essie. Keep counting. Come on now, play fair."

"I am playing fair." She grinned. "... eighty-eight, eighty-seven, eighty-six, eighty-five..."

She looked through her hands through the screen door into the house, straight to the front door and out, across the fields in the front, out and out.

"... thirty-five, thirty-four, thirty-three..."

Above her head she noted a spiderweb, and in it a spider making a living mummy out of freshly caught prey. A wooden thud sounded in the distance not far behind her. A smirk spread across her face.

"... four, three, two, one. Ready or not, I'm gone get you."

She turned and with a mockingly purposeful walk made her way toward the chicken coop. At its door she paused and inspected the ground around it.

"Now, Thad. I know you're in there and ain't but one way out. So come on, I got you."

No sound came from the henhouse.

"Come on, boy."

She bent over and peered in.

Suddenly Thad jumped up, yelling: "You got to get me fore I get to base." He tried to make a run for it, but Essie quickly stuck out her cane, tripping him to the ground.

Tears welled up in the corners of her eyes and slipped down her cheeks, and she could hardly catch her breath for laughing.

"Teach you. Teach you to mess with ole Essie. Teach you."

The boy sat stunned in disbelief and soon began to laugh



along with her. They giggled and snickered outside the henhouse, pointing and poking at one another.

Essie suddenly stood up straight and gasped.

"Aunt Essie? What? What is it?"

"My collards, boy. I bet they's burnt." With that she made her way as quickly as she could to the house.



don't know. You just don't know." She stuffed some more collards into her mouth. The boy's eyes were fixed on his plate.

"You say you don't love no collards. You ever hear talk of my brother Hugh?"

"No, ma'am."

"Well, I don't know why. You should. He was my brother. Now, Hugh — he loved him some collard greens. You hear me? Sho did. I remember one time.

**I**n the kitchen, over the pot, she sighed with relief when she found a smidgen of water left. Her breathing came short and she awkwardly sat in a chair. "Getting old. Getting old. Can't keep doing this foolishness. Gone kill me sho," she murmured as she tried to catch her breath and calm her breast. After a spell she rose, with more effort than before, and finished preparing the meal.

"Boy, come on in here and wash your face and hands and get ready for some supper. Hear?"

"Okay. What's for grub, Granny?"

"Watch your lip, son. Your grandma's dead. I'm your Aunt Essie. Remember that." She kept her eyes on the iron skillet as she tended the frying cornbread with a spatula.

The boy came back from the bathroom and sat at the table. The woman served his plate.

"Now you eat."

"What's this?"

"What you mean, 'What's this?'" She looked as perplexed as if someone had asked her why the sun burned in the sky. "It's collards, with some mustard greens mixed in. A little bit a fatback, rice, and cornbread. What you been eating all your life. What you think it is?"

"Collards!" The boy squinched his face up into an awful frown. "I can't eat no collards or no fatback neither." He stared at the plate as though it held a pile of dung.

"Boy, you eat that somethingtoeat. I ain't slaved all this time in this here kitchen to put up with your mouthing bout what you is and ain't gone eat. Eat." She looked at him hard, and he lifted his fork and ate. He mumbled something to himself.

"Your maw ate this here food when she was coming up. Your paw ate this here food when he was coming up. I ate it. My maw and paw ate it, and if it were good enough for them I reckons it'll suit you." She served her plate and slowly sank into her chair across the table from the boy, who picked at his food as though stirring leaves.

"Boy, stop picking in that food and start eating. Y'all children don't know what good eating is. Get you some nice smothered collard greens, some fatback, a nice piece of cornbread. Uh-uh. Now, boy, that's eating. Y'all young folks

Round August. Maw had cooked a great big ole pot of collards. Now ole Hugh — he couldn't a been more than your age — well, he knew them collards was about done. We was all out in the fields. So Hugh, he slips back to the house, you know, cause Maw left the pot on. And he ate that whole pot of collards."

"A whole pot! How? He couldn't have. He —"

"If I'm lying, I'm flying. Ate the whole blessed pot. Well, we come home for supper and there ain't no collards. Paw's furious. Say he's sho that Hugh done and ate them collards. 'No, no, Paw,' Hugh say. 'Twon't me. I seen a bear, Paw. I bet hit was a bear.'

"Now Paw wont no stupid man. He knew Hugh ate them collards. But he was a slick one, Paw was. So he just scratched his head a mite and say: 'Now, boy, if twas a bear they ought to be tracks, now oughten they?'

"Well, Hugh agreed, cause there wont nothing else to do but say he ate them collards, and he sho didn't want Paw to lay into him. So Paw and Hugh went out and I figured they was going to the woodpile so Paw could whup Hugh good. But guess what?"

"What?" Thad spoke from behind wide eyes and through a mouth full of greens.

"See, there had been a rainstorm the night before and the ground was soft. Hugh and Paw come back and say he be damned if there wont some tracks out yonder. Now I could see that ole Hugh didn't know what to think, cause he knowed he was lying. But Paw didn't give him a whupping, since he seen them tracks sho enough.

"But that night Hugh couldn't get to sleep. He twisted. He turned. He paced the floor."

"What was wrong with him?"

"He had the runs."

"The runs?"

"Diarrhea. The squirts. You know what I'm talking bout, boy."

"Oh. Well, why didn't he just go to the bathroom?"

"Cause," — Essie threw her head back and chuckled — "son, in them days we didn't have no bathrooms in the house. No, Lord, we had a outhouse."

"Why didn't he go there?"

"Cause! He was scared the bear was gone get him."

"What happened?"

Essie took a swig from her lemonade. "Well, ole Hugh lasted till about eleven-thirty — in them days we went to bed at about nine or ten o'clock — and he just had to get out of there to make a stink real bad. So he went out the door. Bout two minutes later we heard yelling and screaming and in come Hugh, yelling: 'Paw, Paw, get your gun, get your gun, I seen a bear,' and he had messed all over himself. Paw whupped him good too."

"What about the bear?"

"Tsk." Essie rolled her eyes and picked up her fork. "Wont no bear, fool." Her eyes lit with the chewing of the greens and she nodded and rocked as she ate to show how good the food tasted to her. She winked at the boy. After a time of silence she began to hum. A low, rich tune. A hymn.



fter supper Thad helped Essie clear the table, put away food, and wash dishes.

"Help me with my homework?" Thad rubbed a dishtowel across a plate until it squeaked.

"Don't I always?"

On the cleared kitchen table, atop the green-and-white oilcloth, Thad piled up his books: modern mathematics, spelling, social studies, science. Essie went to her black purse in the hall for her eyeglasses, which had round lenses and silver frames.

Thad and Essie sat at the table. By and by the brilliant horizon could be seen through the window; the sun was just setting; blues mingled with reds mingled with yellows as if the air were ablaze.

"Science first. We're doing biology now. Evolution. This says that all animals began as lower animals and adapted into what they are now. Do you believe that, Aunt Essie?"

"Not particularly." She frowned over her spectacles at the color-bright picture of dinosaurs and shaggy elephants in the book.

"Whales even were supposed to walk on the earth with legs and stuff once upon a time. Cause they're mammals like us and not fishes like goldfishes and sharks. Do you believe that?"

"No, I —"

The phone rang.

She jumped as if someone had come into her house uninvited.

"Boy, get that for me." She struggled to get to her feet, reaching for her walking stick. The boy ran to the phone in the front hall.

"Hello," he said. "Yes. Yes, ma'am . . . This is Thad . . ."

Thad Williams . . . Yes, ma'am . . . Aunt Essie is . . . Yes, ma'am . . . No, ma'am, I'm Thad Williams, the dentist's son . . . Yes, ma'am, Leota's boy . . . No, ma'am, my mama's Denise . . ."

**"...and in  
come Hugh,  
yelling: 'Paw,  
Paw,  
get your gun, get  
your gun,  
I seen a  
bear,' and  
he had  
messed all  
over himself."**

"Who that, boy?" Essie looked almost angry with worry. The boy, confused, handed the phone to her. She took it while still asking him who it was.

"Hello!" She yelled into the receiver as though she had to push her voice through the wire. "Whasay? . . . Uh-huh, yeah . . . This is Essie. Hattie, that you? . . . Oh, girl, how you doing? . . . Uh-huh. Uh-huh. Yeah. What? Lordchildyouknowitaintso . . ." She became silent for a time, nodding occasionally. The boy went back to the kitchen table, flipping through his book.

"Which hospital is she in?"

The boy looked out the window into the newly harvested soybean field, into the ever-darkening sky.

"Who there with her?"

Through the window in the door before which she stood, Essie watched a squirrel scamper up the oak tree in the front yard. It had an acorn in its mouth and its movements were quick and sharp.

"Well, I wish I could go see bout her, but I'm keeping this boy of Thad's . . . Uh-huh . . . And, well, I might bring him with me in the morning. Uh-huh. Well, the Lord's time ain't man's time. Yes, Lord."

Essie hung up the phone.

"Who in the hospital?"

"Don't vex me, boy."

Essie took off her eyeglasses and gently placed them by the phone. Haltingly, visibly tired, she walked out the front door to the porch and her rocking chair. The sky gathering velvet. Evening tangible. The squirrel darted up and about tree limbs like some devilish dervish. Essie sat in the chair and began to hum. After a few bars she stopped; but her rocking continued.

Thad stood in the doorway, behind the screen door, watching Essie. She rocked. Finally he opened the door, carefully so as to keep it from creaking, and sat down on the floor next to the metronome figure rocking back and forth. He reached up for her hand, but as his neared hers he stopped. He stared at her hand on the arm of the chair; pecan-colored, large-veined, the nails clipped short, wrinkles like stitching. He balled his fist up tight, looked at it, drew it to his chest.

"Gone help me with my homework?"

"Directly." □

*Randall Kenan was raised in Chinquapin, North Carolina and teaches writing at Sarah Lawrence College and Columbia. This story appears in Let the Dead Bury Their Dead, copyright 1992 by Randall Kenan. Published by Harcourt Brace Jovanovich, Inc.*

# Silence of the Looms

*His father was a company man, loyal to J.P. Stevens. Now the mills are growing quiet.*

By Michael Chitwood

To get him going, my sister and I would hum a union song that was popular among textile workers in those days. "Look for the union label..." The tune has a happy, light swing to it.

"All right, all right. Y'all go ahead," he would say. "The union's not paying your tuition."

He knew we were only half serious, but he would often leave the room — his form of debate when the issue is close to the heart. Those issues are not many, but when you hit one his defense is silence.

At the age of 14, I became an evangelist for atheism, and a couple of other *isms* that I knew would gall him, but he would never take me on. "You can make fun of me," he once responded to my religious baiting, "but I would appreciate it if you would not make fun of my religion." That single, knifing moment has haunted me ever since.

The union song, always a needle, became a broad sword one summer when, on break from college, I worked at the Angle Plant of the J.P. Stevens Company in Rocky Mount, Virginia. The Amalgamated Clothing and Textile Workers Union had targeted Stevens as its first major conquest in the textile

industry, and a strong organizing push was on. Just whistling the union tune would send Dad running for the door.

My father's education with unions began with his father. At a time when people lived in clapboard houses that the furniture company owned, in a section of town known as Needmore, my grandfather was a union man. He was never a union member, because at that time and in that place the union was only an idea some people had. Some people who weren't very popular with the bosses.

When the paychecks came out in those days, a certain portion went right back to the company for rent. Another chunk went to pay off the A.O. Moran Store, which kept a tab. On some payday, if the deductions were light, there would be tenderloin for supper. Needmore produced the men who are now the town's civic and financial leaders. They are quick to tell you they "grew up on Needmore." You grew up *on*, not *in*, Needmore, because the whole neighborhood was on a hill in back of one of the lumber yards. To the children of Needmore, it is just the name of a slight rise with several streets of houses. They say it the way people whose last names are

Sawyer or Potter or Smith say their names. It is so intimate and often used it has lost any meaning it once had.

My grandfather's work could not be questioned. My father's house, and mine, now hold solid walnut furniture Granddaddy made, the kind of furniture you can't even buy from furniture dealers these days. Some of the drawers, designed for holding items of precious clothing, have backs and sides and bottoms of cedar. From those drawers, you can put on a shirt or tie that is forty years old. Their smell is vivid as this morning.

My grandfather had no complete fingers on either hand. Some fingers were missing their tips, some were half gone, given to inattention on long afternoons in the furniture factories where he made his living. The furniture he made is worth thirty times today what it was then. Those solid pieces are still doing what they were made to do.

When Granddaddy had a heart attack and missed work for several months, he was "let go." "He talked about the union too much," my father says. Granddaddy was also only two years away from retirement. A man who is fired doesn't receive retirement benefits.

This was a lesson my father cut into his memory. It was like holding my grandfather's hand — you felt what wasn't there more than what was.

College boy, I learned how to change a light bulb, five hundred times. My job was to push a scaffolding over the rows of looms and change any of the fluorescent bulbs that were burned out. I had to take out all the bulbs and clean the tin shades with Fantastic.

I had the catbird seat on the whole weave room. I could see everyone — the cloth doffers, the weavers, the fixers, the smashers. It was a summer of conspiracies, and who was talking to whom was crucial. More crucial was who was *not* talking to whom when my father walked through the weave room.



"What do they want?" my father would say at the supper table. "They leave the furniture factories, even if they've been there several years, and make more money with our starting wages."

That was true. Stevens was one of the highest-paying, if not the highest-paying, employers in the county. If you wanted better pay, you were looking at an hour drive, one way, to the DuPont plant in Martinsville.

I pushed my rickety tower toward September, watching the people between the rows of looms. To speak, they had to put mouth to ear as if whispering a secret. Actually, they were yelling, even in that pose, to be heard over the roar of the looms.

There was only one sound I heard that summer louder than the looms.



The idea of a union for this mill was redundant as far as I could tell. The employees here were bound by cords stronger than any union could make. I could look out over the weave room and see husband and wife, their children, brothers and sisters and cousins, half the congregation of the Methodist church, and most of the members of the Glade Hill rescue squad.

What could a union offer them? The issues I overheard from conversations outside the weave room were about things like a lunch room where you could eat in relative quiet and more vacation days. Of course, conversations tended to change whenever I came around. In a community that tight, it is no secret whose son you are.

It was the shank of the afternoon, the blank part when your blood is still humming from lunch and the drone of the day has lulled you. It is the time of day accidents tend to happen, the time when people have grown used to the flying, steel-tipped shuttle and the jumping harness, the time when they've forgotten how quickly a working loom can grab you.

That's when the order came. My father walking quickly down the rows on one side of the weave room, the plant manager on the other, and almost in unison the looms shutting off.

Those days the plant was running at top capacity, three shifts working six days a week. The looms surged to life each Sunday at midnight and were not shut off until the following Saturday night. You could feel the vibration of their working in your shoes as you walked across the parking lot.

Only their sudden silence was louder than their roar.

It was a strike that would have delighted any military strategist. All the looms were shut down and everyone was gathered in the slasher area, which had been quickly cleared and filled with folding chairs. There was a lectern set up and Mr. Grey from the office in Greensboro was there. My father on his left.

Mr. Grey talked about the company's desire to keep the union out, but it didn't matter a great deal what he said. The silence in the two weave rooms made his point. This is what the plant would sound like if, for some reason, the company decided to shut the plant down. Afterwards some of the most ardent union people went up to my father and denied any union sympathies.

Before that summer was over, my father would have a handful of labor charges filed against him, and he would appear in court, proud of his stand for his company. The union continued to try to

organize the plant, but the tide had turned. Around the house he wore the sweatshirt that was made available to all employees. It said, "Stand Up for Stevens."

Despite a concentrated effort by ACTWU and dozens of workers, the union issue did not even come to a vote at the Angle Plant. When I went back to work at the plant the next summer, however, I found a new canteen with two microwaves, a refrigerator, a row of vending machines, and nice tables where you could have your lunch. On certain holidays, spreads that equaled what the Methodists and Baptists could turn out were offered in the canteen.

Given the history at Stevens, I was stunned to hear my father's opinion not too long ago during a strike by coal miners in southwest Virginia.

"Well, maybe they need the union," he said. "Sometimes the company has to be forced to do something."

There was the waffling of the 'maybe,' and I knew he would probably recant later, which he did. I was still dumb-struck.

He was no longer a company man, for reasons beyond his control. J.P. Stevens, in a corporate takeover, had been swallowed by Westpoint Pepperill which, in turn, was eaten by a group of investors. Due to the lumbering debt incurred in the takeovers and new federal regulations that allow companies to provide lower benefits for salaried employees, the pension that my father will receive when he retires has been slashed in half. When he retires, he will have nearly four decades of service in the same building with many of the same people.

For all the years he worked for Stevens, he remained loyal. Then, in a couple months of frenzied buying and trading, his loyalty was mortgaged. He, like many other Americans, never left the company. The company left him.

Now, Japanese air jet looms are replacing the old Drapers in the weave rooms of the Angle Plant. Compared to the old looms, the air jets are like a whisper. In the weave rooms, it's getting quieter and quieter. □

*Michael Chitwood is editor of Hypotenuse, the magazine of the Research Triangle Institute in North Carolina. His book of poetry, Salt Works, will be published by Ohio Review Books in August.*

# HARD-WORKING WOMEN

A Photo Essay by Susan H. Page

I came here as a temporary and it was so cold. I started to turn around and I said, "I'm going to be strong 'cause I know I'm strong." I always bet on myself. See, the little episodes I have to go through — it just makes me stronger.

— Irene Givens

I wonder why women have so much pain. You don't find too many men who have pain like we do. And I hate that four-letter word: pain. We was talking about it out here one day, and some man was saying, "If Eve wouldn't have ate off the tree like God told her not to, women wouldn't have pain." But you know — Adam ate off it, too.

— Dorothy Fleming



Doris Seabrooks

*She want me to tell her something about being a female. Rough. It is rough being a female.*

Their voices are rich, funny, burdened, wise, deadpan, wondering, questioning — filled with the sounds and accents of life. Their faces glow with the character gained from obstacles met and overcome.

They represent voices not often heard and faces not often seen. They are women — mostly black, mostly single mothers — who are holding down jobs, raising children, and day after day confronting the essentials of life.

Susan H. Page, a documentary photographer, recorded their voices and took their pictures. The result was "Working Women," an exhibition presented last March at the Afro-American Cultural Center in Charlotte, North Carolina.

The women work at Bollag International, a textile recycling company. They sort and bale cloth cuttings that are sold all over the world. Page met them while she was working for the firm, gathering cloth samples to send to potential customers.

Although the women lead difficult, often painful lives, Page refused to see them as victims.

"I admire these women because they have tough lives and they're succeeding — supporting kids, working," she says. "I want them to be seen as heroes."

The women talked to Page, and she listened. They told her about "what's important to them" — religion, sex, their kids. One told her about having her first child at age 14, not knowing where babies came from, and her sixth by the time she was 20. Another told of losing her job — and her apartment and car — before landing a job at Bollag.

In these hard-working women Page saw a sense of community — in their singing as they worked, their hassling and joking with each other. "Women have a way of supporting each other that's very nurturing," she says. "They take care of their families and they take care of each other."

In her photos, their smiles broad, their hands on hips or arms around each other, these women seem proud of who they are and what they've done. And that, says Page, is just what she wanted to capture: "It's about how powerful women are."

— Richard Maschal

*Richard Maschal is a staff writer with the Charlotte Observer. "Working Women" was funded by a New Forms Regional Initiative Grant, with additional support from the Art Exchange and the N.C. Arts Council.*



Lorie Porter

*I said I wasn't going to get married. I said I've been through hell. But I've changed my mind. This is the absolute truth: I'm going to marry this guy. He is so charming. He is the world. I wish I had met him a long, long time ago. I think the Lord sent him to me. I'm going to marry him next year, and I'm going to have a baby for him. I love him that much that I would do anything on Earth for him.*





Lilly Ruth Barber

*I don't want to marry him — he's too possessive. He likes to keep check on me, ride by the house when I'm at home in bed, make sure I'm there, call, come down here and bother me, aggravate me, cuss all the time for no reason. I'm getting a new boyfriend.*



Irene Givens

*One time I tried to go to work when Kim was about seven weeks old. I went to this lady's house and she had a baby about three months old, which I had to hold in my arms and feed it. I worked for those peoples I bet you about two months and I was feeding that baby and I just burst out and started crying. I could not stand it! I said my own baby needs me and I was there feeding her baby.*



Marie Whitten with her daughter Gwendolyn

*I'm real close to my kids 'cause that's all I have is my kids. I have two sisters living, but that's not like your children. It's a special bond between mother and kids. The onliest thing I can tell you to raise your kid is to love him dearly, and don't let nothing come between you.*



# Koinonia at Fifty

**AMERICUS, GA.** — Beckoning the goat into the barn, Bob Burns sings gently out the back door, “Wendy, shucka, shucka. Wendy, shucka, shucka.” The goat bounds into a wooden room that smells of straw and animals, and Burns milks her by hand. Normally a routine farm chore, the milking this day takes on the feel of history. It is part of a tour of the organic garden at Koinonia Partners, a Christian community in southwest Georgia that is celebrating its 50th anniversary on this sunny April afternoon.

Burns moved to Koinonia four years ago to practice organic, self-sustaining gardening. During the tour, he shows visitors how residents use discarded cardboard and peanut shells to mulch the tomato patch. He points out the fence they erected around the orchard to allow chickens to eat insects in fruit that falls to the ground. The chickens eliminate the need for pesticides, he explains, and their manure fertilizes the soil, continuing the cycle.

To Burns, the community garden symbolizes the importance of Koinonia. Like hundreds of others who have joined the religious community since its founding in 1942, Burns says he came here to live out a vision of a new society, an alternative way of life.

“The problems of the whole world are encapsulated in small communities and we have to deal with them healingly,” Burns says. “I don’t want to make grand changes. I want to take care of my little patch of ground and a few interpersonal relationships.”

*A half century  
after it was  
founded to promote  
racial harmony, a  
Georgia commune  
examines its own  
racism.*

By Jerry Gentry

Yet over the past 50 years, the seeds of change sown on this little patch of ground have spread across the world. Founded as a modest experiment in communal living and racial harmony, Koinonia helped spark the Southern civil rights movement, gave rise to the international organization Habitat for Humanity, and forged bonds between whites and local black residents that forever broke the grip of racism and violence in Sumter County.

The continuing legacy of Koinonia is evident throughout the anniversary tour.

Nearly 400 former residents and volunteers have returned to the community to celebrate their history today. They visit the 500-acre farm, the bakery, the mail-order business, and the Child Development Center. They gather under a large canvas tent to rejoice with 15 Sumter County families who have paid off interest-free mortgages on homes they purchased from Koinonia.

Such programs were at the heart of the community’s original vision: to help local black sharecroppers and tenant farmers overcome poverty. For black residents of Sumter County, Koinonia provides jobs, a pre-school learning center, summer youth activities, low-cost homes, and home repair services.

But today, half a century after Koinonia began its historic struggle to promote racial harmony, the mostly white community finds itself challenged to adapt to the changing dynamics of race relations. Weary of “white heroes,” many black neighbors and employees have begun to question the “integrated” institutions created by Koinonia. They are setting their own terms for racial and economic justice — and prompting many white Koinonians to examine whether their vision of Christian love and compassion contains the very attitudes of paternalism they seek to overcome.

“We learned in a workshop with our employees a few years ago that the very people we’re trying to be in partnership with are afraid of us,” says Koinonia coordinator Gail Steiner. “Many residents were not willing to recognize that racism is built into the system.”



FORMER RESIDENT GREG WITTKAMPER AND SON STEVEN VISIT HIS MOTHER MARGARET, WHO HAS LIVED AT KOINONIA LONGER THAN ANY OTHER RESIDENT.

## BULLETS AND PECANS

Koinonia was founded by the Reverend Clarence Jordan, a radical preacher, theologian, farmer, and storyteller from Talbotton, Georgia. Clarence — everybody called him Clarence — was disgusted by a white Baptist church that worshiped lofty steeples while crushing poor Southern blacks with segregation.

“Jesus probably never suspected his gospel would dead-end at a massive ecclesiastical structure,” Clarence declared. “We have been trying to eliminate Jesus by worshipping him.”

Along with his wife Florence and another couple, Clarence founded Koinonia Farm to serve as a dissenting witness amid the complacent Southern Christianity and white privilege of Sumter County. The founders rejuvenated 440 acres of eroded land and taught farming methods to their black neighbors. They shared their possessions and income, replacing competition with cooperation. They ate lunch with their black hired hands and drove black chil-

dren to school. They paid good wages when most Southern black farmers were exploited by sharecroppers. They preached pacifism during the Korean War, and they opened their farm to civil rights workers. Word got around.

Then one morning in 1956, white residents in Sumter County awoke to read in the local newspaper that Clarence had helped two black students integrate an Atlanta college. Koinonia became a target of bullets, vandalism, bombs, judicial persecution, and a countywide boycott of their produce. To survive, residents of the farm used their newsletter mailing list to start a mail-order business selling shelled pecan products.

“When we stayed and didn’t run, I think it did change the lives of people here,” says Margaret Wittkamper, who has lived at Koinonia longer than any other resident. “It gave them something to think about. I think Sumter County was greatly influenced by the presence of Koinonia.”

The mail-order business helped sustain the community during the de-

cade-long boycott, but the violence and economic pressure took its toll. By the mid-1960s, the population of the farm had dwindled from 60 people to only two families. Clarence felt that Koinonia was too isolated. Basic social conditions, he concluded, could not be changed by mere kindness.

Then Clarence met Millard Fuller. A millionaire by the time he was 28, Fuller was dissatisfied with his life. He went to visit a friend at Koinonia for two hours in 1965 — and stayed for a month to talk with Clarence. Three years later, Fuller sold off his estate and came to Koinonia Farm with his wife Linda to help rebuild the community.

The result was Koinonia Partners, a non-profit business and ministry designed to empower the poor by transforming the economic structures that hold them in poverty. Under Fuller’s leadership, the mail-order business dramatically increased its sales, and the rejuvenated farm showed a profit. Surplus income and donations went into a “Fund for Humanity” to provide capital

## THE GOSPEL ACCORDING TO CLARENCE

Before Clarence Jordan founded Koinonia Farm in 1942, he studied agriculture in college and New Testament Greek in the seminary. He loved the land, worked the fields, and carefully researched the setting of Biblical stories. The result was his Cotton Patch gospels, an earthy translation of the New Testament that captured the flavor and spirit of the South he knew so well.

Clarence believed that the church bestows on the Bible an artificial piety that sanitizes and dilutes

its powerful message. His Cotton Patch stories are set in rural Georgia rather than Palestine; they speak of peanuts and churches instead of figs and synagogues. The parable of the Good Samaritan becomes a tale of Southern racism and reconciliation, as a Bible teacher asks Jesus to identify the neighbor he is supposed to love:

Then Jesus laid into him and said, "A man was going from Atlanta to Albany and some gangsters held him up. When they had robbed him of his wallet and brand-

new suit, they beat him up and drove off in his car, leaving him unconscious on the shoulder of the highway.

"Now it just so happened that a white preacher was going down that same highway. When he saw the fellow, he stepped on the gas and went scooting by.

"Shortly afterwards a white Gospel song leader came down the road, and when he saw what had happened, he too stepped on the gas.

"Then a black man traveling that way came upon the fellow, and what he saw moved him to tears. He stopped and bound up the man's wounds as best he could, drew some water from his water-jug to wipe away the blood and then laid him on the back seat. He drove on into Albany and took him to the hospital and said to the nurse, 'You all take good care of this white man I found on the highway. Here's the only two dollars I got, but you all keep account of what he owes, and if he can't pay, I'll settle up with you when I make a payday.'"

Jesus asked the teacher, "Now, if you had been the man held up by the gangsters, which one of these three — the white preacher, the white song leader, or the black man — would you consider to have been your neighbor?"

The teacher of the adult Bible class said, "Why, of course, the nig — I mean, er ... well, er ... the one who treated me kindly."

Jesus said, "Well, then, *you* get going and start living like that!"

*Excerpted from The Cotton Patch Version of Matthew and John (New Century Publishers, 1970).*



Photo courtesy Koinonia Partners

KOINONIA FOUNDER CLARENCE JORDAN HELPED LOCAL BLACK RESIDENTS LEARN NEW FARMING METHODS.

to help displaced black farmers start their own businesses.

Hundreds of white people streamed to Koinonia to help the poor and experience Christian community. They created a housing program to build homes and sell them cheaply to black residents living in dilapidated shacks. They opened a pre-school for black children, supported the integration of public schools, and registered black voters. They started a sewing industry, a pottery industry, a pig farm, a worm farm. They helped local residents become independent contractors and pulpwood truckers.

"It seemed a new industry was launched every week," recalls Don Mosley, who lived at Koinonia for eight

years during the 1970s and now serves on the board of directors.

"We were forcefully putting our faith to the test by pushing to the very limit of our resources," recalls resident Bill Londeree. "We believed that our cause was just, that if we did all we could toward that just cause, some good would come of it."

### BOOM AND BUST

During the 1970s, the Koinonia mailing list grew to 30,000. Partnership newsletters in those days were filled with words like expansion, growth, progress, and industry.

But the rapid business development soon overwhelmed the community, and the stream of newcomers ebbed. Millard Fuller left to begin the housing organization Habitat for Humanity, which expanded the Koinonia model to 820 cities in 34 countries. Three other families left to establish Jubilee Partners, a sanctuary for Central American refugees in Comer, Georgia. Before long, the optimistic words in the newsletter had disappeared.

"Out of maybe a dozen new industries started in 1970, only two existed in 1975," says Don Mosley. "Reality set in. We found it was a lot more difficult than we thought."

According to a 1979 newsletter, most of the industries had experienced "a long series of slowly evolving changes" that were



straining community finances. Most were subsidized by Koinonia funds and volunteer labor. Those that were turned over to local residents always seemed to fail.

The longest-running venture — a grocery co-op — seemed an ideal partnership with local residents. Its bi-racial board operated independently of Koinonia, selling food at wholesale prices to all-white Koinonia and its black neighbors. It also served as a popular and diverse meeting place.

But co-op sales began to drop, and many members stopped paying their dues and contributing time to operate the store. After tense and painful discussions, Koinonia decided to close the store — ending the era of “partnership industries.”

“Those businesses weren’t begun or ended lightly,” says Mosley. “We worked hard to keep them and agonized over cutting them back.”

Today, 42 people live at Koinonia. The nationwide mail-order business begun during the local boycott continues to prosper, grossing \$600,000 in fruitcake, nuts, and candy last year. The housing program has built a total of 182 new homes for local residents. But most of the industries Koinonia developed in partnership with local residents are gone.

Why did this frantic, often frustrating economic experiment finally wind down? Some say the industries expanded too quickly. Others blame the lack of market research. But these days, many Koinonians are doing some soul searching. They are looking within themselves for the answers — and they don’t like everything they have found.

## POVERTY AND POWER

When Koinonia first began building houses for local residents next to the farm, they sent crews to clean up the property and remove junked cars. They made emergency loans to residents, many of which they forgave. They formed maintenance crews to repair homes cheaply.

“They really helped the poor people,” says Mamie Lee Bateman, who has been

paying an interest-free mortgage of \$58 for 16 years to buy a home from Koinonia. “Before I got this house I lived in a place where I had to put a tub under one side to catch the water when it rained, and I still had to pay \$25 a month.”

Most white Koinonians thought of their housing program and local industries as acts of Christian kindness and compassion that created security and independence for their black neighbors. To their surprise, however, they discovered that many black residents also felt powerless and angry.

Three years ago, white residents



Photo courtesy Koinonia Partners

**MILLARD FULLER BUILT LOW-COST HOUSING FOR THE POOR AT KOINONIA FARM BEFORE LEAVING TO FOUND HABITAT FOR HUMANITY.**

received a letter written by their two dozen full-time employees — all but one of whom was black. The workers stated that all was not well. They wanted to talk, so Koinonia hired a consultant to facilitate a workshop.

“It’s like marriage,” says coordinator Gail Steiner. “You fall in love and everything looks great. Suddenly you have to share the same bathroom and things don’t look so great.”

*They were aware of the cultural differences between themselves and their neighbors, but they had grown accustomed to the comforting rhetoric of “partnership.”*

Employees said they had not spoken up before because they were afraid they would be fired. White residents were

shocked. They were aware of the cultural differences between themselves and their neighbors, but they had grown accustomed to the comforting rhetoric of “partnership.” Only when black employees felt free to speak honestly did their white employers begin to see the dynamics of racial and economic power inherent in their relationship.

One employee said that white Koinonians do not understand the vulnerability of local workers. “If things don’t work out, they can move back into society and pick up where they left off,” the employee said. “Well, the neighbors don’t have that feeling.”

Employees who worked at Koinonia for years found themselves repeatedly training their own supervisors, as white residents switched jobs or left the community. According to one employee, the implicit message was, “Because we’re black, you don’t trust us. We were saying, ‘You’re the corporation, but we’re the consistent part of this operation.’”

Koinonia, like many mainstream businesses, discovered it has a “glass ceiling.” White supervisors came and went, while blacks were shut out of positions of authority. Without thinking a

single racist thought, Koinonia had perpetuated some of the very aspects of economic paternalism that Clarence Jordan had imagined the community subverting. “Business priorities” at Koinonia were set by a white agenda, and “local needs” were interpreted by a white institution.

“They had a tendency to set up things in *their* interest, and not necessarily in the interest of the community,” observes B.J.

Jones, an employee who is purchasing a home from Koinonia.

The cooperative store, despite its bi-racial board, “was always perceived as the company store,” says one neighbor. “It’s a pretty classic example of the company directing the conversation and flow of traffic.”

“For many blacks, it was ‘Koinonia’s store,’” agrees Mildred Burton, a long-time Koinonia employee and homeowner who helped run the co-op. “It was hard to get the message over

that it's not Koinonia's store, it's our store."

## CULTURE AND LORE

The discussions about racism and paternalism have been hard for many residents at Koinonia to accept. "There have been people here who haven't been willing to admit the power that we as white partners have," says Steiner, the community coordinator.

The community has bravely supported racial justice, but it has rarely been integrated. Koinonia attracts white Christians who, as an act of conscience and solidarity, take a vow to give up their possessions and live simply. Many black residents in Sumter

County, on the other hand, have no such desire to shun material possessions.

"Many people in the county have sharecropping memories, and they're not about to go back to that," says resident Bob Burns. "We have no right to ask them to relinquish what they have."

When white residents at Koinonia try to make sense of the race relations with their black neighbors, they sometimes sound like a parent discussing how to let a child grow up. Some say they regret that they have not "taught their values" to their neighbors. Others say that partnership industries failed because local residents "did not understand" the concept of cooperative ownership or simply "preferred to be employees." Even when speaking of ending paternalism, the tone remains.

Both blacks and whites acknowledge that it is difficult to transfer entrepreneurial energy to people who have little history of ownership, and that Koinonia's efforts at partnership have not always been reciprocated. "They've been exploited by some people they helped," says Eugene Cooper, who works as a liaison between Koinonia and homeowners.

Blacks and whites also acknowledge the meaningful personal relationships that



**WHITE RESIDENTS OF KOINONIA STARTED A PRE-SCHOOL FOR LOCAL BLACK CHILDREN THAT IS LAUDED FOR ITS CREATIVE APPROACH TO LEARNING.**

have developed between white Koinonians and their black neighbors and employees. At a local crafts group that meets each Tuesday, for example, whites and blacks sit side by side re-caning old chairs or making lap quilts for a nursing home. "That's one of the most integrated activities we have," says one Koinonia resident.

But by listening to their workers and neighbors, Koinonians are learning the limits of a white institution. Koinonia cannot be a good neighbor, it appears, without serious reflection on the structural relationship overlaying the personal relationships.

*As white residents come and go, it is the people of Sumter County who provide the farm with its communal memory.*

Koinonia is supported by its mail-order business and its row crops of corn, soybean, grapes, and peanuts. But it is no longer the self-sufficient farm that Clarence Jordan envisioned. Today the

community also lives off donations, loans, and money from the house payments made by local residents. And that, some residents now say, raises the question: Who is dependent upon whom?

Indeed, Koinonia depends on its neighbors for much more than labor and mortgage payments. As white residents come and go, it is the people of Sumter County — those who have lived on the land for generations — who provide the farm with its communal memory, its local culture and lore.

"It's really our employees and neighbors who are committed here," acknowledges coordinator Gail Steiner. "That's been a big fault of ours: to have not been more respectful of the longevity and rootedness of the people here. Let's face

it. We're the ones out of our culture."

Most of the current residents have been at Koinonia for less than five years. Most are not from the South, and they know little of the racial traditions embedded in Southern culture that they are trying to change. "Southern people, once committed to racial justice, do better than others because they have usually lived with blacks," says Eugene Cooper, the community liaison.

Koinonia has people of vision and generosity, but they lack familiarity with their own countryside. Many local residents, by contrast, have roots that stretch back well before the Civil War.

Carranza Morgan, a local black farmer who serves on the board of Koinonia, owns and tills the same land as his grandfather. "This is the only place I know," he says.

## LISTEN AND LEARN

As Koinonia turns 50, its ear continues to strain in many directions: toward God, its neighbors, its supporters, and even toward its visitors and volunteers. "This is a second-guesser's paradise," says Rock Francia, an employee who manages the farm business. "Everybody comes, whether

for two days or two months, and says, "Why doesn't Koinonia do this, or why don't they do it this way?"

Some wish the community would focus more on peace and justice work; others urge a greater emphasis on community life. Koinonia is, in a sense, a victim of its own success. Because the community is so dynamic — "more stimulating than the average gettin' dirty farm job," as Rock Francia says — it attracts people seeking an experience, a place to serve or experiment. Many stay for only a short while before moving on, creating a transient culture profoundly different from the enduring culture of Sumter County.

Many of the most difficult questions these days center on the housing program, Koinonia's only long-term "partnership" with local residents. Community members are struggling to determine their relationship with people who own their own homes but still live in poverty.

Some have suggested ending the program of providing home maintenance, arguing that it fosters dependency among local residents. Tim Lee, a five-year Koinonia resident, says the community may start a homeowner association to encourage the local neighborhood "to take more responsibility for itself." He says that residents of Koinonia would like simply "to be good neighbors" instead of adopting the paternal attitude of the past. "You're not always watching a neighbor and as soon as you spot their needs run over and meet it for them," he says.

But Koinonia employee B.J. Jones, who also serves on the board of directors, argues against the suggestion that ending the home-maintenance program will undo paternalism. "I understand what they're saying, but there is a better way of nurturing the homeowners towards independence," she insists.

According to coordinator Gail Steiner, however, the future of the home-maintenance



**KOINONIA HAS BUILT 184 HOMES AND SOLD THEM TO RESIDENTS LIKE GLORIA HURLEY AT INTEREST-FREE MORTGAGE PAYMENTS OF \$58.**

program may be a moot point. "The skills are there, but the interest is not," she says. "The people who have been doing it are burned out on it."

Some black employees are worried that more structural change is needed to foster the positive atmosphere created by the workshop three years ago. "There's a tendency to return to old routines," says Eugene Cooper. "Some problems get pushed to the back burner."

B.J. Jones agrees. "It's something we've let slide a little bit," she says.

Still, there is an air of expectancy and excitement at Koinonia as residents struggle to redefine their place in the story of Sumter County. Koinonia may pioneer a new form of racial partnership. There are a small but growing number of black-owned businesses in the county, and Koinonia employee Mildred Burton says she intends to open her own crafts store. If she does, Koinonia could be the spark for a locally owned crafts industry — a slow process, residents admit, but a highly satisfying one.

Although many white authors have written about Koinonia, some say the

complete story will be known only if there is a "people's history of Sumter County," written by a black person about that black community, beginning at least 250 years ago. It will be a long and fascinating story — and Koinonia will emerge, eventually, here and there in the narrative.

Such a perspective — one that places the local black culture in the foreground, and treats Koinonia as a relative newcomer — could be seen at a recent meeting of the Sumter County NAACP in a local black church. George Theuer, a white resident who was leaving Koinonia after 17 years, was invited to the meeting and was thanked for his involvement and commitment.

Local residents then launched into the kind of discussion that could never happen at Koinonia. The topics were the same — racism in public schools, the

need for voter registration — but black residents brought to the talk a depth of emotion beyond the experience of Koinonia, the strain of a shared struggle for respect and justice.

One man called himself and others at the meeting to task for being comfortable amid great need. A woman fretted that children are not being taught family values. Many spoke of frustration at their years of prolonged poverty.

A teenager rose and said the group should plan a march to make a statement to Sumter County, to demand racial and economic justice. "Our generation is not as tolerant as yours," he said. Older members, speaking from their experience and wisdom, advised against the march, but they were moved by the young man's anger and zeal.

As the evening wore on, the two generations met and talked. Years of local history and culture wove through the discussion. And through it all, George Theuer sat. And listened. □

*Jerry Gentry is a freelance writer in Decatur, Georgia.*



## Miniature Golf

By Harrell Chotas and Mary Lee Kerr

Photo by Connie Korbel

Whether putting through a fiberglass brontosaurus or banking off a troublesome windmill, few pursuits offer as silly a leisure experience as miniature golf. Forged by Southern fantasy in a mountaintop resort at Pigeon Forge, Tennessee, the tiny sport has achieved larger-than-life status as a genuine folk art — one that reflects the imagination and ingenuity of its regional roots.

The true origins of mini-golf remain shrouded in myth. Most reliable reports trace its birth to 1916, when James Barber built a course on the lawn of his private estate in Pinehurst, North Carolina. The diversion gained ground a few years later when a cotton baron named Thomas McCulloch Fairbairn discovered that compressed cottonseed hulls made an ideal putting surface. Fairbairn dyed and patented his discovery in 1925, creating the first artificial putting “green.”

The following year, Frieda Carter designed a miniature course to amuse guests at the Fairyland Inn resort run by her husband Garnet atop Lookout Mountain in Tennessee. Replete with elves and gnomes and hazards fashioned from hollowed-out logs, the course rapidly became the main attraction at the Inn. Recognizing its commercial potential, the Carters patented the course in 1929 and named it Tom Thumb Golf.

Within a year, the amusing pastime had become a national craze; President Herbert Hoover even asked the Marines to build a course at his Maryland retreat for his son. Estimates put the number of courses at over 25,000 nationwide. Nearly 3,000 Tom Thumb courses earned the Carters over \$1 million in royalties.

The small-golf mania began as a diversion for the wealthy, but the sport quickly attracted a wider following. Enterprising city kids created makeshift courses on corner lots with leftover construction materials. Women were thought to be particularly suited to play the game because of their “hereditary gift of wielding a broom day in and day out.” A few “coloreds only” courses were built — rigged, according to some observers, so the ball would not roll true.

For the first time, golf — or a miniaturized version of it — was accessible to Americans of all economic levels. On any given night, four million people could be found playing mini-golf. The “Madness of 1930,” as it became known, provided not only a welcome diversion from the Great Depression, but also



created thousands of jobs for cotton and lumber workers.

Despite the remarkable upswing in its popularity, miniature golf lacked follow through. By 1931, interest in mini-golf began to decline, and courses closed rapidly.

Once again, a Southern entrepreneur stepped up to save the game. One night in 1954, Don Clayton went golfing at a miniature course in his hometown of Fayetteville, North Carolina. Clayton was recovering from a nervous breakdown brought on by overwork, and he decided to create his own no-frills course.

“God just decided it was time for someone to do it and He said, ‘Don, you do it,’” Clayton recalls. The result was Putt-Putt Golf Courses, the most successful franchise in the industry. A fundamentalist at heart, Clayton disdained wacky obstacles and focused the game on the essentials of putting. “Hitting a ball into a kangaroo’s pouch is a game of luck, not skill,” he scoffs.

Putt-Putt is now a \$100-million-a-year business with more than 300 courses in five countries. Half the courses are located in the South — in large part, Clayton admits, because “land is less expensive, laws are less stringent, and labor unions are less difficult to deal with.”

According to the International Association of Amusement Parks and Attractions, there are now 3,000 miniature golf courses nationwide — half built since 1980, and one third located in the South. The sport does a particularly brisk business at resorts like Myrtle Beach, South Carolina, recently crowned “Miniature Golf Capital of the World.” Nearly 50 courses compete to attract vacationers with flying saucers, fantasy animals, and gimmicks like the Hawaiian Rumble, a 40-foot “volcano” that erupts fire and steam every 20 minutes.

Although the Southern imagination has made mini-golf an integral part of popular culture, observers caution that its goofiness can be addictive. “It is easy to be pretty good,” says photographer John Margolies, who visited 150 courses for his book *Miniature Golf*. “But it is stupid to be very good.” □

*Mary Lee Kerr is a research associate with the Institute for Southern Studies. Harrell Chotas is a research associate in the radiology department at Duke University Medical Center. His best score for 18 holes of Putt-Putt is 30 strokes.*



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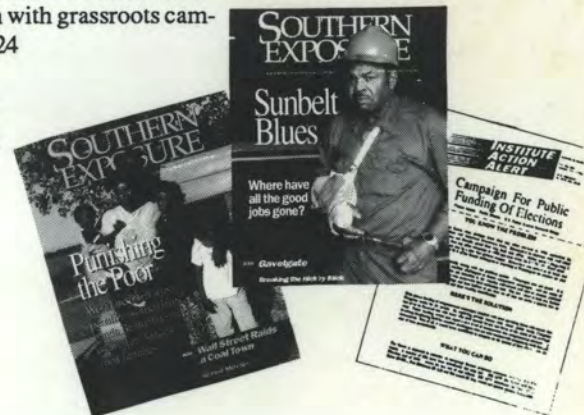
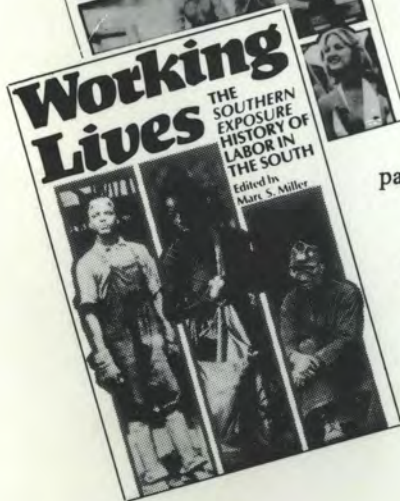
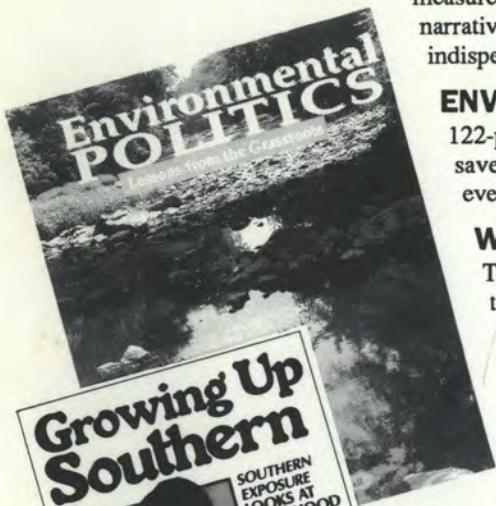
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