

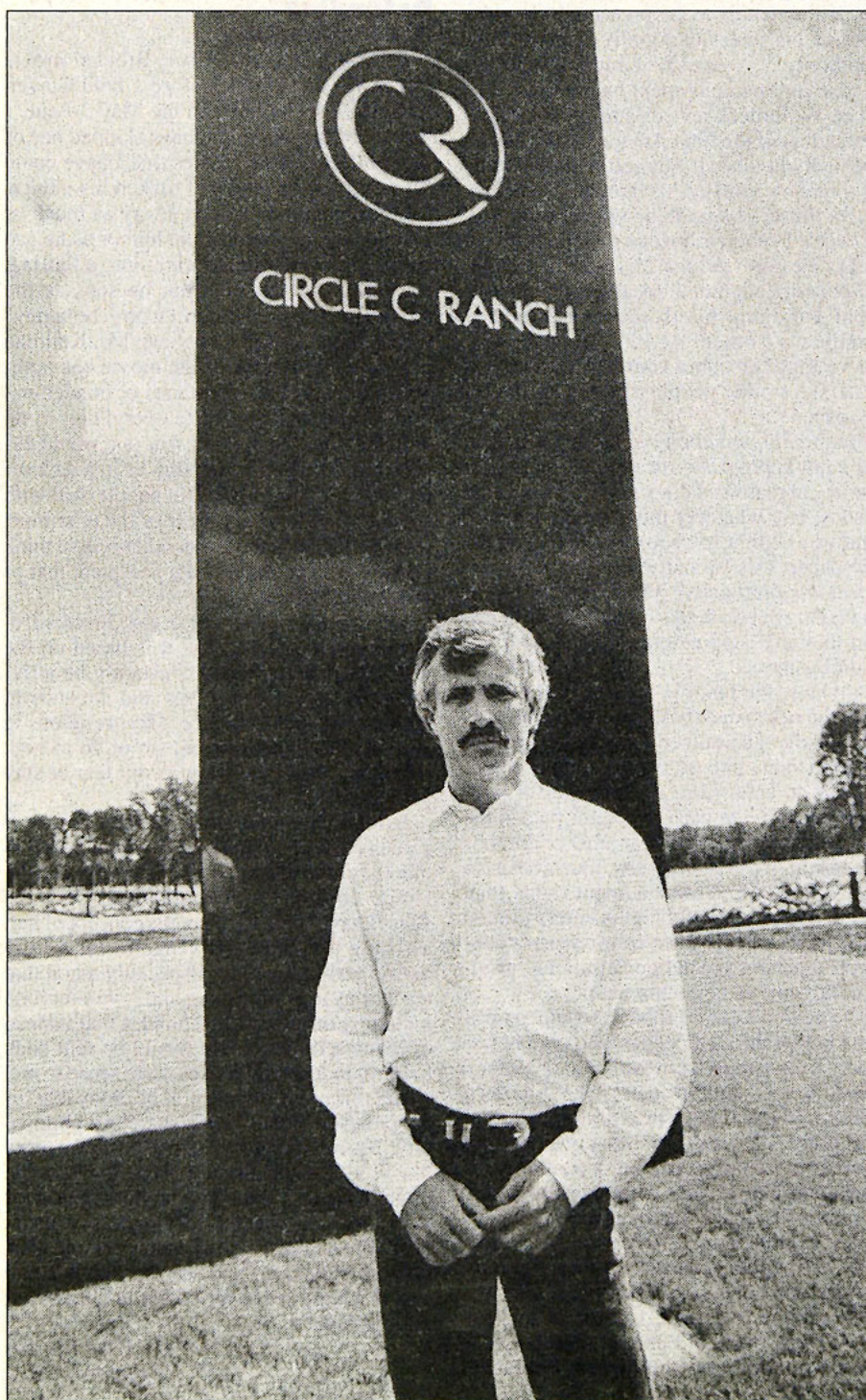
THE TEXAS Observer

**POLITICALLY
CORRECT ON
CAMPUS**

pages 3 & 6

A JOURNAL OF FREE VOICES

MAY 31, 1991 • \$1.50



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Betting the Ranch

Austin real estate king Gary Bradley's Circle C Ranch is in big trouble. But he has friends in the Legislature — and the Governor's Mansion — who may bail him out.

BY JENNIFER WONG

AUSTIN DEVELOPER Gary Bradley can be criticized for many things, but thinking small isn't one of them. When he began building on the 4,000-acre Circle C Ranch in the early 1980s, it was considered one of the largest and most ambitious real estate projects ever undertaken in Central Texas. Now that Circle C has become one of the largest real estate debacles in the capitol city's history, Bradley is looking to powerful people to get him out of the mess he finds himself in.

To prevent foreclosure on his project, Bradley has asked state legislators to modify the law in ways that could set the banking industry on its ear. Texas Bankers Association president Bob Harris denigrated Bradley's proposal as "one of the most special-interest oriented pieces of legislation we've dealt with in several sessions." Harris told legislators that the bill, known as House Bill 2192 or Senate Bill 1211, would compound the cost of

See Bradley page 10



A JOURNAL OF FREE VOICES

We will serve no group or party but will hew hard to the truth as we find it and the right as we see it. We are dedicated to the whole truth, to human values above all interests, to the rights of human-kind as the foundation of democracy: we will take orders from none but our own conscience, and never will we overlook or misrepresent the truth to serve the interests of the powerful or cater to the ignoble in the human spirit.

Writers are responsible for their own work, but not for anything they have not themselves written, and in publishing them we do not necessarily imply that we agree with them because this is a journal of free voices.

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DIALOGUE

Freedom of the Publisher

My sympathy goes out to David Wolbrueck, the [Round Rock] newspaper editor whose publisher canned him after he ran a front-page interview with a Palestinian American critical of the war against Iraq (*TO*, 4/19/91). He's right to raise hell about being fired for the type of judgment call that editors make every day. If the details as he presented them are accurate, his publisher is guilty of gross abuse of authority.... At least Wolbrueck should win his case for unemployment insurance.

Yet, Wolbrueck reveals a pretty rocky understanding of the First Amendment when he repeatedly invokes it, suggesting that his firing somehow violated his freedom of speech. I'm the editor of a small newspaper, too. Every week I receive dozens of letters to the editor. We don't publish all of them, though, and occasionally some local gadfly accuses me of abridging his freedom of speech. I usually say something like, "Look, Jack, you've already reached your 100 letters a year quota. Give other people a chance to the fill the space."

Frequently somebody submits an article that's not appropriate for my newspaper for a variety of reasons. I think they're damn good reasons, but, whatever the case, it's my prerogative as editor to choose what goes in the newspaper. Occasionally, my publisher exercises *his* prerogative and overrules me. If our reading public thinks our judgment stinks, then they can stop reading us and we'll go out of business.

Anyhow, the point is that the person who owns the newspaper has the right — the constitutionally guaranteed freedom — to put what he wants into it, or to designate somebody to do it for him. If the owner or publisher doesn't like what the editor puts in the newspaper, he can go find another editor. His old editor doesn't have any more basis to squawk about First Amendment rights than the nut who doesn't get all his letters printed in the paper. Status as an editor doesn't confer on a person special constitutional privileges not enjoyed by other people.

The constitutional problem would arise if some law prohibited people who own newspapers from filling them with whatever they please. Yes, it's unfortunate that Wolbrueck was fired for running a provocative, alternative point of view on his conservative newspaper's front page. But it would be far more disturbing if folks who run newspapers — politically left, right or upside down — couldn't publish what they wish. Alas, this type of freedom results in a lot of crappy newspapers, but a lot of great ones, too.

My advice to David: Complain to your state's Department of Labor or somebody, or else just go for the unemployment insurance.

If you want, scream bloody murder about no-guts, chickenshit smalltown journalism at the next Texas newspaper conference. But please leave the First Amendment out of it. The thing gets enough of a workout.

Terry Smith, editor
The Athens News
Athens, Ohio

Defending His Philosophy

I am glad that I saw Albert Brooks' movie *Defending Your Life* before I read Steven Kellman's review of it in the May 3 issue. I hate to think that I might have skipped one of the most enjoyable movies that I have come across in a long time had I taken his advice. Mr. Kellman tries to give away as much of the plot and as much of the humor as he can before his review deteriorates into a flailing, misguided attack on what he sees as the movie's materialistic "don't worry, be happy" theme. This is where I believe Mr. Kellman is wrong. The theme of the movie has nothing to do with the acceptance or condemnation of materialism, it has everything to do with fear. Not the kind of fear one would experience during a horror film or in a dark alley, but the kind of fear that people deal with every day of their life. Fear of the unknown, fear of change, fear of what other people think about you, fear of not being accepted, fear of failure, and more.

The world, or afterworld, that Brooks creates is intriguing because it is based on the idea that people should constantly be striving to improve themselves and advance to higher planes of existence. Most religions in America teach us to avoid sin or go to hell. Brooks is saying overcome your fear or stay put.

Brooks' movie appeals to me because it comes close to expressing my own personal theology, one that mixes Christianity with the Hindu concept of reincarnation. Over the years I have come to reject the concept of hell as being too cruel and vengeful for a truly loving god to resort to. Especially a god that teaches us to be forgiving and love everyone including our enemies. The idea that instead of being sent to hell we would be sent back to Earth to try again makes more sense to me.

But this movie would still be enjoyable for people even if they don't share my philosophy. Brooks' humor is usually subtle, more like Woody Allen than anything. Some people might have to see the movie more than once to catch all of what he is trying to say. I suspect Mr. Kellman is one such person. Perhaps he should go and see the movie again and this time leave all of his preconceived notions behind.

Mike Thomas
Branford, Conn.

On the Question of "Political Correctness"

THE CONTROVERSY surrounding curriculum reform and efforts to diversify college faculty reached a climax May 4, when President George Bush attacked "the notion of political correctness" at a University of Michigan commencement address. Bush complained that "we find free speech under assault throughout the United States" by "political extremists [who] roam the land, abusing the privilege of free speech, setting citizens against one another on the basis of their class and race." While the notion that free speech is a "privilege" might surprise some civil libertarians, the President's specious dichotomy — free speech versus political correctness — mirrors the debates portrayed in a flurry of press accounts dating to just before the Persian Gulf war.

The President's attack on "political correctness" contributes to the already growing backlash by the right-wing and the liberal intellectual establishment against a growing student movement aimed at expanding universities' curricula and diversifying their lily-white and male-dominated faculties. Several national right-wing organizations, funded by a handful of northeastern foundations, currently spearhead this backlash (see accompanying editorial, page six). But after articles in *Newsweek*, *The New Republic*, *The Atlantic Monthly*, *The Wall Street Journal*, *The New York Times*, *Time*, *Fortune*, and others, the critique of curriculum reformers as advocates of "the new McCarthyism" has become embedded in the public psyche, with nary a dissenting voice to counter the absurdities and misrepresentations of these arguments.

In fact, student reformers' demands not only aren't antithetical to free speech, but indeed are a precursor to real free speech and thought.

Free Speech for Whom?

Concerns about abrogation of free speech rights stem primarily from universities that implement racial harassment or "hate speech" codes, which often include bans on racist, sexist or homophobic speech. Invariably such regulations grow out of universities' responses to egregious incidents involving violence or the threat of violence. But these restrictions typically represent university administrators' responses, not the desires of student and faculty reformers.

For example, at the week-long UT-Austin fraternity function called "Roundup" in spring 1990, members of Delta Tau Delta fraternity

exercised their free-speech rights by taking turns swinging a sledgehammer at a beat-up car painted with slogans like "Fuck You Nigs Die" and "Fuck Coons." (See the photo, page 4.) In response, the UT Black Students Alliance (BSA) presented a comprehensive curriculum reform proposal — "Proposed Reforms to Institute Diversity in Education" (PRIDE) — that included the expansion of the number of black faculty and the number and types of courses dealing with black history and culture, as well as the creation of one required ethnic-studies class. The BSA argued, understandably, that Delta Tau Delta members' actions exemplified ignorance among supposedly educated people, and that education, not retribution, was the correct way to approach the Sisyphean task of confronting racism. In support of these demands, the BSA held the largest demonstrations at UT since the Vietnam War.

The university, however, refused to implement any of these well-thought-out proposals. Instead, UT President Bill Cunningham banned Roundup, an action for which neither the BSA nor the Black Faculty Caucus had petitioned. The result: Greeks' resentment of blacks, whom they saw as causing the loss of their party week. But to this day, UT has not brought forward a single substantive improvement in its achingly whitewashed curriculum.

Certainly UT restricted the expression of white, racist fraternity men, to the extent that it discontinued sponsorship of their event. But compared to the university's refusal to implement courses teaching black history, literature and culture, these restrictions are minor. The more destructive of UT's restrictions on speech and thought stem from its failure to supply students with opportunities to study thinkers and writers such as Frederick Douglass, W.E.B. DuBois, Ida B. Wells, Ralph Ellison, Toni Morrison, Malcolm X, Audrey Lorde and Bessie Head. Unlike relatively common sentiments like "Fuck Coons," these writers' speech and thought are structurally excluded from consideration within the university.

Redbaiting, Smear Campaigns and Flawed Arguments

Often, opponents of multiculturalism systematically overstate its threat to free speech and thought in order to attack it. One of the first responses by the far right was to label

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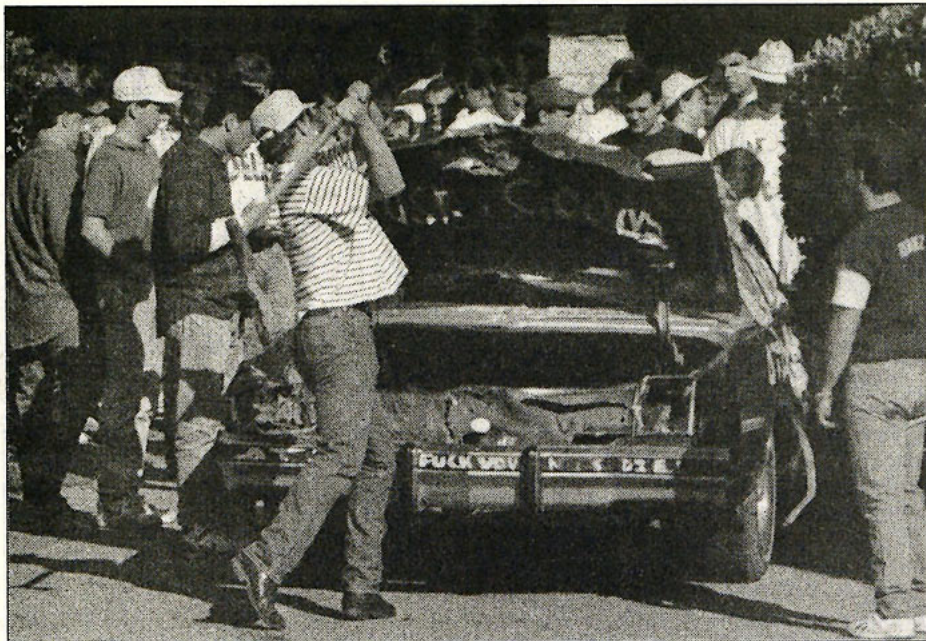
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Cover photo of Gary Bradley by Lynne Dobson, courtesy Austin American-Statesman.

anything resembling a diverse curriculum "Marxist" or "Communist." Arguing against a proposed syllabus for a freshman English course at UT-Austin, a philosophy professor labeled the program "Marxism 306" because the class would address issues of race and gender, including readings from Supreme Court decisions and a decidedly liberal text. *Newsweek*, in the opening national volley against multiculturalism, on Dec. 24 declared "Politically, PC is Marxist in origin, in the broad sense of attempting to redistribute power from the privileged class (white males) to the oppressed masses." *Newsweek* offered no source for this assertion, but its fallacies are clear. Marxism advocates the redistribution of political and economic power, and defines "capital" and the "working class" in terms of economic status, not race and gender. Multiculturalism proponents simply want the opportunity to study a variety of topics



AUSTIN HOLIDAY

Free speech at UT-Austin; spring 1990

within the university, not to overthrow its capitalist-dominated structure.

Other statements are, at the risk of myself being labeled "PC," decidedly racist. Arguing against multiculturalism, the president of the University of Wisconsin branch of the National Association of Scholars, Theodore S. Hamerow, told *Newsweek*, "I feel that an American student should know American history before he or she turns to Afro-American history or Asian-American history." The implication here is that African and Asian-Americans aren't really Americans, and that their history isn't part of American history.

Other opponents of "PC" are less concerned about history. For right-wing pundit George Will, for example, history apparently didn't begin until he sat down at his typewriter to attack the "curdled liberalism" of political correctness, which he declares "a program for the pleasure of bossing people around." In Will's addled worldview, as revealed in the pages of *Newsweek*, there's no history of slavery or racism that might justify an ardent defense of views other than his own. He never addresses the question of rape, or of violent, race-based attacks on people of color — both demonstrably on the rise at universities across the country — as possible reasons why his enemies support their cause with such fervor.

The columnist whines that "tenured radicals" are "attempting to make campuses into ministates that do what the Western tradition inhibits real states from doing: imposing orthodoxies." Will does not critique American orthodoxies like his beloved Western canon. Nor does he criticize *de facto* orthodoxies created when the university excludes or refuses to fund substantial fields of study. This selective blindness permeates many right-wing arguments about multiculturalism.

Suggestions that people of color or "the left" could possibly dominate policymaking or "impose orthodoxies" greatly overestimates their power; this notion results either from intentional misrepresentation or severely muddled thinking. Thomas Byrne Edsall and Mary D. Edsall, for example, argue in the May 1991 *Atlantic Monthly*, "In segments of the black community the response [to racism and the perpetuation of the black underclass] is often a wounded outrage so extreme that it precludes all debate." The very thought that any political idea, however "extreme," cannot be debated can only point to a paucity of intellect on the part of its opponents, or an admission of the truth of the argument.

The Edsalls go on to cite as an example of such undebatable arguments a black scholar, who thinks that whites will exploit the plight of the urban black underclass as "an excuse to undo the legal, social and economic advances made by the black middle class, plunge the country into a race war, and worst of all, serve as a pretext for genocide." Why can't we debate that argument? The Edsalls never tell us. We can be certain, though, that this black scholar cannot summon the police to haul away people who disagree with him, as has happened to curriculum reform advocates at demonstrations around the country.

Some well-meaning liberals also fall within the reactionary camp in the multiculturalism debate. For example, UT-System Chancellor Hans Mark, with his personal assistant Sheldon Ekland-Olson, writes in the Winter 1990-91 *Academic Questions* (the journal of the National Association of Scholars) that "the university exists to develop and pass on a 'common understanding' of the world in which we live." While George Will complains that radicals want to impose orthodoxy, Mark celebrates such a consensus. But for Mark,

this consensus can only come by excluding divisive issues like race and gender from the curriculum, unless they are taught in ways that "move us toward a more encompassing worldview."

By its end, Mark's article reverts to an exercise in reductionism: "The academic integrity of the core [curriculum]," Mark writes, "depends on the pursuit of central ideas. The social significance of race, ethnicity, and gender is one such idea. There are others. All cultures have developed a sense of beauty and morality, a sense of justice, and practices regarding use or abuse of power. Across the spectra of time and place, from tribal to international relations, the issue of intergroup conflict has always been a matter of concern. Psychological investigations consistently reveal the importance of perceptual mechanisms and the influence of self-identity, emotion, pragmatic judgement, and varying levels of commitment to religion and other belief systems."

Mark detaches issues of race, gender and class from their political and social contexts, elevates them to the level of "ideas," and then equates them with all other ideas, regardless of content. Plato would be proud of the UT Chancellor, but intellectual honesty demands that we not decontextualize social questions. In addition, Mark's "common understanding" would separate issues of race, class and gender from "intergroup conflict" or "self-identity," masking the power relations that create "intergroup conflict" and help determine "self-identity." For Mark, a former Secretary of the Air Force and nuclear-weapons designer, ignoring these relations serves to justify the power structure of which he is a part.

The Corporate Curriculum

These are the arguments against diversifying the curriculum. But how *are* curriculum decisions made at the modern "multiversity?" As a case study, let's look at the University of Texas at Austin, the flagship institution in Hans Mark's UT System. When UT-Austin expands its curriculum, it does so in deference to programs that subsidize industry and create potential for corporate and individual profit from patented research. It takes into account neither the demands of students nor even the intellectual requirements of its faculty. Because industry is no longer willing to pay for its own capital-intensive R&D or job training, universities have increasingly assumed this work using public funds set aside for the education of the next generation of Texans.

Take, for example, the UT planning document, *The Strategic Plan, 1990-1995*, which outlines UT's intention to create four new degree programs — molecular biology, marine science, nutritional sciences and Slavic languages — as well as off-campus and evening programs that "respond to present and future needs of industry."

The University's decision to implement its molecular biology program, which *The*

Strategic Plan says is designed "to meet the acute demand for professionals to develop Texas's embryonic biotechnology industry," illustrates UT's priorities in funding for curriculum expansion. The molecular biology building itself will cost \$25 million, the same amount as, say, a new financial aid building.

Financial aid has been a continuing problem at UT for at least a decade. During peak periods of demand, students must often relate their families' financial status to aid counselors with other students present, since space constraints force counselors to share offices. Students wait in long lines every semester, and spend hours hoping to get through on the phone, trying to confirm their aid status. At the beginning of each semester, students typically attempt about 22,000 calls per day to the building—only about 700 of which get through.

This summer UT will move the financial aid office into a temporary space. A UT representative said the school has no concrete plans right now to build new facilities.

UT President Cunningham defends the molecular biology program as a "one-time expenditure," but a financial aid building would also be a one-time expense. The total expense for a new molecular biology program is estimated at \$70 million over the next seven years, and of this \$51.4 million goes to purchase research capital.

UT's spending priorities are clear: Expensive research capital takes precedence over student demands or societal needs. Financial aid is a class issue, and in America — especially Texas — class issues are race issues. The ethnic breakdown of students receiving financial aid demonstrates that point. African-American students constitute 3.7 percent of the student population, but make up 6.6 percent of students on financial aid.

Similarly, Latino students make up 10.3 percent of the UT-student population, but 15.4 percent of students receiving financial aid. Asian and Native American students combined, account for 7.5 percent of students receiving financial aid, while making up only 5.9 percent of the student body. The financial aid building clearly serves the needs of students of color disproportionately to their numbers at the university.

But rather than spend \$25 million to facilitate expedient financing for 24,000 students each semester, UT prefers to pay \$70 million on a molecular biology program, which the administration intends to serve at most 100 students.

According to *The Strategic Plan*, one objective of the new graduate degree program in marine science will be to "furnish a modest flow of students uniquely trained to address practical environmental and natural resource problems common in the coastal zone, with an emphasis on Texas bays, estuaries, and the adjacent continental shelf." *The Strategic Plan* doesn't mention that "environmental ... problems common in the coastal zone" often result from the very industries UT sees as its mission to subsidize.

These arguments should not be construed as opposing all scientific or technical training at universities — quite the opposite. To truly implement diversity, engineering and science programs must be opened up through increased financial aid and other mechanisms

entry of women into colleges and the workplace. Today disparate and competing interests complicate a once cozy ideology that valued capital accumulation and Cold-War militarism over more particularistic concerns. Meanwhile, corporate powers dominate uni-



KATHY MITCHELL

to facilitate the entry by people of color into those fields. But investments in science that benefit students must focus on *human* development, while most universities, certainly the University of Texas, focus their resources on developing *capital*. Capital-intensive R&D like that at Sematech — the semiconductor manufacturing consortium for which UT spent more than \$12 million — is the real obstacle to bettering the college education in a time of shrinking state budgets.

The only non-technical curriculum expansion cited by UT's *Strategic Plan* illustrates similarly skewed priorities. UT will shape its new Slavic languages doctoral program to meet the needs of U.S. industries wanting to compete in newly opened Eastern European markets. According to *The Strategic Plan*, "recent studies indicate that the field is entering a period of sustained growth in terms of both employment possibilities and financial resources made available by governmental and private sources."

By contrast, the UT Oriental and African language department currently teaches not a single African language. This example embodies what multiculturalism advocates declare "institutional racism" — while students demanding diversity are denied access to African cultural and language studies, UT trains students, it hopes, to exploit newly opening economies in Eastern Europe.

Toward Free Speech

The merits of implementing curriculum reforms and faculty and student diversity can be argued strictly in terms of free speech. The "common understanding" that Hans Mark relishes began to break down in America with the influx of students after the GI bill in 1945 and with the post-war capital-labor accord that allowed working-class families for the first time to send their kids to college. It diminished further throughout the 1950s and '60s, and then disintegrated with the Vietnam War, the civil rights movement, and the mass-

versities' curricula decisions more than ever before.

The times are not just a changin', they have changed. But campus reformers today battle, for the most part, the same canon Thorstein Veblen blasted in 1917. The new ideas and expressions of these segments of the population deserve their place in the academy — simple respect for others demands no less. The attack on "political correctness" amounts to a backlash targetting the handful of spaces created in the academy over the last 20 years for women and minorities to pursue their own scholarship. To this end, rightist scholars and pundits have defined disagreement with these newcomers as "repression" of their own ideas.

But, in the final analysis, losing an argument does not qualify as losing one's freedom of speech. The more odious repression comes when disputants refuse to allow an argument to begin, by fighting to exclude large fields of scholarship from the academic curriculum.

—S.H.



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The Campus Right

GEORGE BUSH'S RECENT commencement address on "political correctness," written by his new chief speech writer Anthony Snow, foregrounds the increasing influence of the far-right in the current administration. Before joining the Bush team, Snow worked as an editorial writer for the *Washington Times*, a D.C.-based newspaper owned by the political network of Rev. Sun Myung Moon, a religio-political fanatic with well-documented close ties to fascists and other ultra-rightists around the world. Bush's attack on "PC" marked Snow's first foray into presidential speechwriting, and indicates the emphasis that Snow and far-right groups like the Moonies place on suppressing multiculturalism and the growing student movement on college campuses.

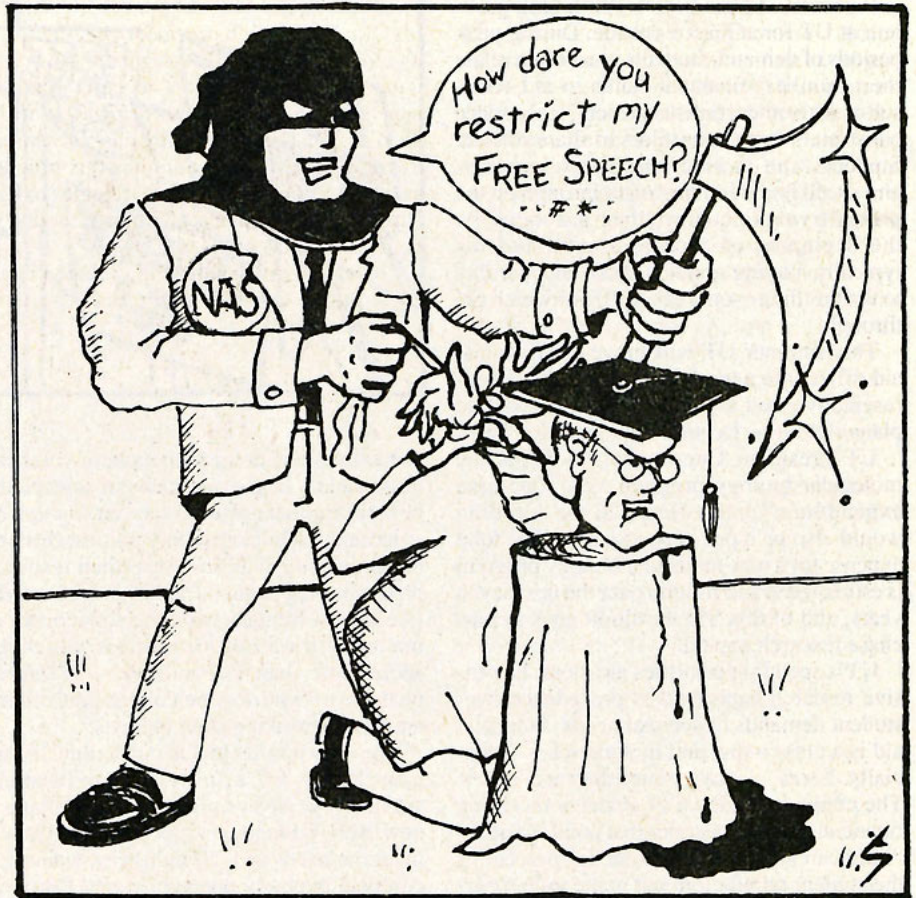
The backlash against "political correctness" has a carefully crafted political agenda, one that needs to be clearly understood as a right-wing response to liberal/left gains made at universities since the 1960s. Since a Dec. 24, 1990 *Newsweek* article launched the attack in the national mainstream press, these arguments have become more widespread, and the motives for making them more diverse. But a small number of national organizations, funded by just a handful of identifiable rightist foundations, have been laying the intellectual and physical groundwork for this confrontation since the mid-1980s.

The message of these far-right intellectuals has reached campuses across the country, and the highest levels of government, because their well-funded think tanks can afford a national propaganda campaign backed by dozens of subsidized local organizations. The most prominent of these national groups, the National Association of Scholars and the Madison Center for Educational Affairs, baldly lay out the underlying agendas behind the anti-"PC" movement in their own literature.

The National Association of Scholars

The origin of the National Association of Scholars dates to 1982, when the right-wing Committee for the Free World, directed by Midge Decter (wife of neoconservative Norman Podhoretz and boardmember at the Heritage Foundation) helped found a group called the Campus Coalition for Democracy (CCD), using money obtained from the equally right-wing Smith-Richardson Foundation. The CCD's chairman of the board was Herbert I. London, a dean at New York University, and its president was Stephen Balch, a professor of government at the City University of New York.

In spring of 1986, *Society* magazine published a series of articles, introduced by Balch,



SEAN FRENCH

attacking "the politicization of scholarship" by the Left. In October 1986, the conservative journal *Commentary* published a similar but much longer article on "The Tenured Left" by Balch and London. In those articles they construct two arguments: First, that "the Left" was well on its way to taking over the academy, and second, that previous efforts to check this Leftist takeover — specifically cited was Reed Irvine's notorious *Accuracy in Academia* — had failed. They called for a new, more effective campaign to kick the Marxists out of academe.

In 1987, the same year Alan Bloom published his book-length attack on radicalism in the University, *The Closing of the American Mind*, London intensified his own offensive against the Left in a series of far-right journals. In the January issue of *The World and I*, he warned of "Marxism Thriving on American Campuses." In the May-June issue of *The Futurist*, he prophesied the "Death of the University."

The Futurist is a publication of the American Family Association, while the Rev. Sun Myung Moon puts out *The World and I*, as well as the *Washington Times*. London, as

it turns out, also wrote for the now-defunct Moonie publication, *The New York City Tribune*.

By late 1987 and early 1988 the Campus Coalition for Democracy evolved into the National Association of Scholars (NAS), with London as Chairman of the Board and Balch as President. The NAS created a new journal, specifically targeting university professors, called *Academic Questions*, to provide a vehicle for publicizing their views. London, who edits the journal, laid out the battle ground in that first issue: The enemies were the "radicals" and the "liberal majority" that had now surrendered the initiative to them.

The prime targets of that first issue were feminist scholarship, literary theory and programs instituting student evaluation of teachers. Since then, *Academic Questions* has carried articles attacking affirmative action, peace studies, evolution, and "Left" influence in African, Latin-American and Asian studies. In the journal — as well as the NAS newsletter — there have also been reports from the front lines of the crusade: sometimes lamenting defeats, as at Stanford where the Western Civilization course was broadened,

and sometimes celebrating victories, as at Michigan where an anti-harassment code was successfully challenged.

In addition to its national publication, the NAS supports and guides the work of its local chapters. Its UT-Austin chapter, the Texas Association of Scholars, led the widely publicized smear campaign on a proposed syllabus for a freshman English class. That attack resulted in the cancellation of the new course, and will very probably gut the English department faculty, which in a fall 1990 vote supported the course by a three-to-one margin, as disgruntled and frustrated professors leave for more amiable climates.

The NAS lists as its supporters an impressive array of rightist scholars. Its board of advisors includes: Jeanne J. Kirkpatrick, former U.S. ambassador to the United Nations; Irving Kristol, neoconservative co-editor of *The Public Interest*; and John Silber, fired UT Arts and Sciences dean and failed archconservative candidate for governor in Massachusetts.

According to its literature, the NAS operates a "Speakers Bureau on American Education ... staffed by NAS members who have earned national reputations as writers and speakers on a wide range of educational issues." Among the topics listed in this "wide range" are: "Academic Freedom," "Academic Feminism," "Affirmative Action and the University," "Education and Indoctrination," "Ethnic Studies," "The Nature of the Core Curriculum," "The Place of the Great Books in the Curriculum," "The Politicization of Education," "The Decline of Intellectual Standards," and "Western Civilization and its Critics."

Speakers in the Bureau include both Balch and London, as well as representatives of the Madison Center for Educational Affairs.

The Madison Center for Educational Affairs

The Madison Center for Educational Affairs (MCEA) was formed last fall through a merger between the Madison Center and the Institute for Educational Affairs.

The Madison Center was founded in 1988 by Alan Bloom and former Education Secre-

tary turned drug czar William Bennett, who worked for the Heritage Foundation before joining the Reagan administration.

The Institute for Educational Affairs (IEA) was founded in 1978 by Irving Kristol, who publishes *The Public Interest*, and William Simon, Treasury Secretary under Nixon, John M. Olin Foundation president and libertarian ideologue. In 1980, IEA began funding right-wing, student newspapers. Today it funds 64 papers including the *University Review* at UT-Austin and the now-notorious *Dartmouth Review*. The MCEA continues this program as one of its most important strategies to fight curriculum reform and affirmative action on college campuses.

"Independent" right-wing college papers, according to an MCEA representative interviewed last fall, typically receive \$1,500 per-semester grants. The organization also has a "hot line" student editors can call for technical advice on newspaper production, and it contributes national advertisers. IEA for years has operated an advertising consortium, where the national association sells advertising — say, to Domino's Pizza or to Coors beer — and the student papers run the ads and collect the money. In addition, IEA funds skills seminars and its representatives periodically inspect and advise local papers in person.

In addition the IEA, and its new incarnation, has historically funded right-wing scholarship on a variety of topics; for example, Allan Bloom received an IEA grant to write a *National Review* article that he later expanded into *The Closing of the American Mind*.

One MCEA project attempts to fight the "liberalization" and "politicization" of college curriculums by targeting groups outside the university, particularly parents. According to a letter received by an NAS member last fall before the merger, "the NAS is now collaborating with two other organizations, the Madison Center and the Institute for Educational Affairs to produce what we think will be a rather innovative guide to American undergraduate education: one that seriously examines issues relating to curricular structure, intellectual standards, the politicization of campus life, safety on campus, etc. The ob-

jective will be to create a ready reference tool for students and parents."

The guide, to be published by next fall, will be based on a 36-page questionnaire sent out last year to NAS members asking questions like "Are there any groups on campus critical of the core [curriculum]? If so, which groups and why?" Or, "Do homosexuals comprise a vocal, active interest group on campus? ... What are their objectives?" Madison also wanted to know whether "there [are] minority and/or women's studies centers on campus? If so, what is their role?" Another question asks, "Are many courses used for indoctrination?"

Clearly from the questions asked and the people chosen to answer them, MCEA doesn't intend to create an apolitical handbook to choosing universities. Instead, the academic right will use this "guide" as a club to scare universities into caving in to its agenda, for fear of a parental backlash.

Other MCEA projects include the formation of a "Student Forum," through which it hopes to organize black and Latino students against efforts to increase ethnic diversity in academia. Sara Diamond, writing in the *Guardian*, quotes the coordinator of the Student Forum, declaring that its purpose is to counter "the 'politically correct' minority students who are the most organized and the loudest." The Forum, though currently only 60 to 70 members strong, boasts a monthly newsletter and produces a syndicated column on campus race issues.

Next fall, according to a Forum representative, MCEA plans to produce a new quarterly magazine devoted solely to race issues. Diamond says MCEA expects the magazine, tentatively called "Diversity," to start out circulating 75,000 or 100,000 copies.

Following the Money

In the 1980s, four conservative foundations — Harry Bradley, John M. Olin, Sara Scaife and Smith-Richardson — funded these and other right-wing inroads into college campuses. In a March 1991 article in the *Rothbard-Rockwell Report*, politics professor Paul Gottfried of Elizabethtown College notes that these foundations, which he labels "the four sisters," have funded hundreds of conservative projects, "particularly in universities." Gottfried is a conservative who's

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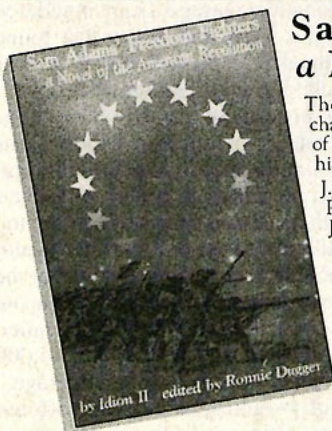
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Insurance Deform

Business and Insurance Interests Use Health-Care Crisis to Pad Profits

BY BRETT CAMPBELL

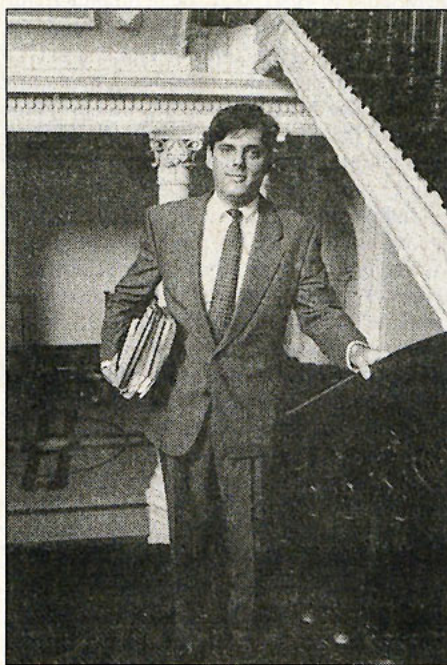
THE NEXT BIG political conflict in this country could be the battle over access to health care. Even this month's *Journal of the American Medical Association* is devoted entirely to a discussion of national health insurance, which, one article says, has "an aura of inevitability" about it. Large corporations, pressured by soaring premium costs for policies offered to their employees, have begun nudging the government to bail them out by providing a universal health care system. In addition, both Congress and the Texas Legislature are studying health-care access proposals; last week, in fact, the Legislature was considering an unprecedented plan to form a health-services financing district in Travis County to address some working-class health care needs.

While such well-meaning efforts are being directed toward one of the nation's most pressing social problems, however, there is a darker side to the health-care dilemma. Business interests have always noted the Chinese language's equation of the term for "crisis" with that for "opportunity," and there is no shortage of unscrupulous operators willing to turn the health care crisis into an opportunity to make money. If health-care advocates are correct, this is the case with one piece of seemingly well-intentioned legislation that, as we went to press, was being discussed in a Senate subcommittee — House Bill 532, by state Rep. M. A. Taylor. The bill passed the House last month with little notice and only one dissenting vote, by Rep. Elliott Naishtat of Austin.

Narrowly Tailored Policies

The legislation would allow small businesses, defined as having between three and 50 employees, to offer "bare-bones" insurance policies to their workers. State law presently requires any business offering health insurance to provide certain "mandated benefits" in 30 categories, such as reimbursement for mental health problems and prenatal care. Taylor's proposal would permit businesses to offer as many of these — or as few — as they wanted. The bill would also require policies for small businesses to offer only 20 days of hospital care, "reasonable" (as defined by the insurance company) outpatient care, and four physician visits a year — including visits while a patient is in the hospital.

Taylor says he introduced the bill to ease the burden of high premiums on businesses, and thereby expand the number of employees who receive employer-paid insurance benefits. "This bill will let more people buy



ALAN POGUE

Consumer lobbyist Rob Schneider

insurance tailored to their particular need," the Waco Republican said. "It's like going to the cafeteria. They'll have the option to buy what they want.

It doesn't eliminate all or any of the mandated benefits. It's left to the discretion of the employer and the insurance company to provide what's appropriate and what they can afford." Note that the employee is left out of the formula.

Taylor's reasoning is that if small businesses are permitted to buy cheaper, bare-bones policies, more of them will be able to afford to purchase insurance for their employees. "I'm not going to say it will solve all the problems of insurance rates," he continued, "but I do know that if you keep adding benefits, it will drive the cost of insurance up. The point is that this is temporary relief until we can find some way" to solve the crisis.

Dodging the Issue

No one denies that there's a crisis in affordable, accessible health care in Texas today. According to an article in *Business Insurance* magazine last month, the state leads the nation in the percentage of uninsured citizens: one in four Texans — over 3 million people — lacks health insurance of any kind. Another 3.73 million are under-insured: they can't pay the difference between what they are billed and what the insurance company pays, according to the Texas Medical Association.

A principal reason for this phenomenon is that, as every policyholder knows, insurance premiums have been soaring over the last few years ("Unhealthy Profits," *TO*, 2/22/91). Company-paid health-insurance premiums jumped an average of 10 to 15 percent per year during the last decade.

The crisis is particularly acute for employees of small businesses, almost 900,000 of whom lack coverage. Most large corporations offer comprehensive insurance benefits to their employees, the very poor are eligible for government health care programs such as Medicaid, and the middle class can usually afford to purchase their own policies, albeit at inflated prices. It's primarily the working poor and small-business workers who fall into the coverage gap. Will Taylor's plan ease that crisis?

"No," said Consumers Union staff attorney Rob Schneider. "The bottom line is that eliminating mandated benefits doesn't reduce costs." A Blue Cross/Blue Shield study backs him up. Even if a policy offered none of the mandated benefits, the study revealed, the average cost of a premium would drop from \$137 to \$111, less than a 20-percent reduction. Since, according to the American Medical Association, the average annual rise in premiums is 18 percent, the savings are negligible. The more benefits the company chose to include, the less the savings.

But even the low Blue Cross numbers are almost certainly over-optimistic. (Blue Cross/Blue Shield testified in favor HB 532.) A comprehensive report called *Health Insurance: Rising Costs and Declining Access*, issued by the Texas Research League (itself heavily funded by insurance companies) last January, examined all other states and concluded that "it is not at all clear how mandated benefits are affecting insurance costs." It cited several studies that found no impact on provision of coverage from mandated benefits, and a Maryland report that found mandated benefits responsible for at most 12 percent of claims and premium costs.

Since the benefits of Taylor's plan hinge on lower costs of premiums, if those costs don't drop significantly under the bill, employers who presently do not provide their workers with insurance because costs are too high are unlikely to go out and buy health insurance policies, said Dianne Stewart of the Benedictine Resource Center. "In Oregon, out of a target population of 200,000 uninsured employees, they picked up less than 4,000 new employees with insurance coverage," Stewart said — and that program offered much stronger incentives for employers to participate than would Taylor's. Perhaps

that's why other states that have tried such bare-bones policies haven't reaped the benefits of more insured workers. "Even in an experimental program in seven states under which the states pay 50 percent of the cost of bare-bones health plans for small firms, employer participation is not very strong," said Dallas Salisbury, president of the Washington-based Employee Benefit Research Institute, in testimony before the U.S. House of Representatives Ways and Means Committee earlier this year.

Rep. Taylor said that despite his efforts to generate figures on how many more workers would be covered by insurance if his proposal were enacted, he had not been able to do so. Stewart reports that the Texas Employment Commission has said it is willing and able to perform such a survey of employer needs, but Taylor nevertheless forged ahead with his proposal.

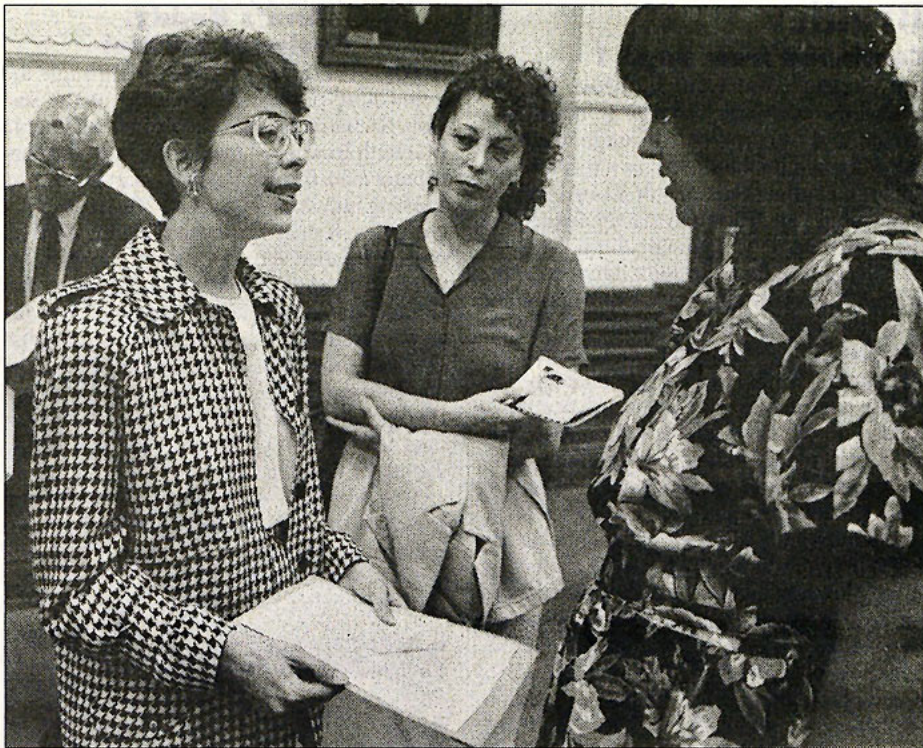
Stripped to the Bone

If HB 532 won't significantly reduce costs to small businesses, it will certainly endanger hundreds of thousands of Texans who depend on employer-supplied insurance policies to protect them when illness or injury strikes. Some of the benefits the bill would eliminate include treatment for drug and alcohol abuse, breast-cancer screening and treatment for AIDS/HIV infections. Oral contraceptives and special infant dietary formulas would no longer be required to be reimbursed. It repeals the requirement that policies be offered to employees' spouses on an equal basis regardless of gender. More ominously, the bill would strike at the most vulnerable members of society by eliminating mandatory continuation of coverage during labor disputes, if a policyholder becomes mentally or physically disabled, and for dependents if a policyholder dies.

As might be expected, this broadside attack on benefits provoked an angry response from a broad spectrum of public-interest groups. A coalition of 32 such organizations held a press conference at the Capitol on May 21 to express their opposition. Women's groups decried the elimination of coverage for pregnancy-related conditions, maternity care, and mammography screening.

Representatives from three different children's rights groups, noting that 35 percent of Texas' uninsured citizens are children, objected to the omission of required benefits for immunization, newborn care, and preventive services. Counselors and social workers, who see the tragic impact of inadequate prenatal and perinatal care every day, joined the chorus. Church groups, older-Texans organizations, and advocates for the poor expressed similar concerns.

Disability groups protest the discriminatory impact such policies would have upon them, and Jacqueline Shannon of the Texas Alliance for the Mentally Ill pointed out that the proposal might force uninsured people with mental disabilities to resort to the already



Dianne Stewart at Capitol press conference

ALAN POGUE

overburdened state mental health and mental retardation facilities — a cost to the state that Taylor evidently didn't consider when he said, "I think this is the best legislation I've ever carried because it deals with a serious problem and it doesn't cost the state a dime." The state would also pick up additional costs for newborn-infant and maternity care.

Organized labor, of course, opposes making employees bear the full burden of the health crisis with no comparable sacrifices on the part of the other players: employers and insurance companies. Under the plan, employers could pick and choose among their workers, excluding members of certain groups from full coverage. Or they could form a small subsidiary to obtain separate, bare-bones insurance policies for high-risk or low-seniority workers. And if a company qualifies as a small business at the time it applies for insurance coverage, it retains the ability to offer the stripped-down policies even if it grows beyond 50 employees.

Hidden Agenda

If the bill won't give many more Texans insurance coverage, and will deprive some of the state's most vulnerable citizens of a way to pay for expensive medical treatment, then what possible motive could be behind it?

One clue lies in the groups that testified in favor of the bill, during House committee hearings: automobile dealers and insurance companies. Taylor's campaign contribution reports are littered with contributions from business and insurance interests; he received \$500 this year from veteran lobbyist Gene Fondren's Texas Automobile Dealers Asso-

ciation political action committee. He has not, in the past, demonstrated a commitment to improving access to health care.

Insurance companies have an interest in cutting out mandatory coverage for less-profitable lines of insurance. Their reluctance to cover such services is the principal reason the state required them to offer the benefits in the first place. Auto dealers are typically small businesses that would get a price break on insurance rates from the bill.

Dianne Stewart believes the motives of such businesses aren't to extend coverage to uninsured workers — but to devastate coverage for workers who already have insurance by dropping comprehensive policies or letting them expire and then forcing workers to accept the cheaper, bare-bones policies Taylor's bill would permit. "In other states that have tried this approach, such as Illinois, the real market is for people who already have insurance," said Stewart. "The true target isn't the uninsured, it's the insured. The effect will be a huge increase in the number of underinsured Texans," she said.

"The best evidence the bill is aimed at the insured and not the uninsured is the fact that the business lobby doesn't want a 'maintenance-of-effort' policy in the bill," Stewart contended. A maintenance-of-effort (MOE) provision, which most other states who have allowed bare-bones policies require, would prohibit businesses that already offer insurance coverage to switch to the stripped-down version. If the goal is to give more Texans coverage rather than undermine the coverage most Texans already enjoy, such a require-

See Insurance page 24

Bradley

Continued from page 1

the savings and loan bailout. The bill allows the borrower, if taken to court by a lender, to try to prove to the judge that he or she defaulted on their loans as a result of the lender's negligent actions or its insolvency. If the judge can determine that the lender, not the borrower, is at fault for the borrower's fiscal troubles, then the court can reduce the amount the borrower owes as retribution.

Sponsored by Sam Russell, (D-Mount Pleasant, in the House and Chris Harris, R-Arlington, in the Senate, the proposal has caught the attention of powerful people in federal government. William Seidman, head of the Resolution Trust Corporation, pointedly warned Gov. Ann Richards not to sign the bill in a recent letter. He said he had "grave concern" that the bill would "add enormously to the price the nation's taxpayers are having to pay in consequence of the widespread failures in the savings and loan industry." Legislators have met several times with lobbyists, trying to draft a version of HB 2192 acceptable to both sides. While Bradley waits for lawmakers to decide the fate of his bill, he faces three lawsuits that may keep Circle C mired in court proceedings indefinitely — one he filed himself, one filed by his bank, and another threatened by Austin environmentalists, who contend that the development never should have been built.

Trouble on the Ranch

Bradley's problems with the Circle C development began when his lender, Gibraltar Savings in Houston, became insolvent in 1988. At the time, Bradley had received \$100 million of what was supposed to be \$250 million loan from Gibraltar — a note for which Bradley was personally liable. On the night of December 28, 1988, Gibraltar Savings was merged under the Southwest Plan with several other failed thrifts to form First Gibraltar. "After the smoke cleared, First Gibraltar representatives told me they had my loan, but had no obligation to fund it," Bradley told House committee members. "It didn't matter if the subdivision was a success." Bradley told the committee he found many parties interested in buying off the loans at a price equal to or higher than their appraised value, but First Gibraltar was unresponsive.

The Circle C development group began to fall behind on its loan payments, and appraised property values plummeted from \$100 million to a current low of between \$20 and \$30 million. Last November, First Gibraltar began foreclosure proceedings on the property when Bradley defaulted on the loans. One local foreclosure expert estimated that it was the highest foreclosure posting in the history of Travis County. Bradley filed for bankruptcy to protect the venture from liquidation, and a U.S. bankruptcy court judge has been holding hearings ever since to decide whether to allow reorganization of the project or order it into foreclosure.

Ann's Buddy, Business partner

If HB 2192/SB1211 make it through the Legislature during the last days of the session, Richards will have to decide whether to side with Bradley, a longtime campaign contributor and former business partner, or the banking industry, with which she has equally close ties. Richards' ties to Bradley were repeatedly called into question by former Attorney General Jim Mattox during last year's Democratic gubernatorial primary. Over the years, Bradley has donated or loaned hundreds of thousands of dollars for Richards' campaigns for state treasurer and governor. He also contributed free office space, furniture, and use of a plane to Richards during the state treasurer's race.

The *Houston Chronicle* reported that Richards, as state treasurer, wrote Bradley a letter of recommendation on state treasury stationery in February 1986. The letter asked then-Highway Commissioner Bob Lanier to



First Gibraltar Bank in Austin

appoint Bradley to the board of the MoPac South Transportation Corporation, which planned to build highways near Circle C. As one of the founders of the transportation corporation, Bradley had already played a major role in convincing the state to route two highways through Circle C by donating right of way to the highway department. Environmentalists claimed construction on the property would jeopardize Barton Springs because the roads — and much of Bradley's development — crossed the center of the Edwards Aquifer recharge zone, which feeds the springs, and would cause non-point source pollution. Others argued that Bradley's official standing on the board constituted a conflict of interest, since landowners stand to reap huge profits in having highways built adjacent to or on their property.

In her letter of recommendation, Richards praised Bradley for his "knowledge and experience in quality development and land use, a broad view of the needs of communities," and "sensitivity to the environment." Lanier refused to appoint him, due to a recent department policy that barred landowners from serving on any transportation corporation that

planned to build a highway past their property. According to the *Houston Chronicle*, however, the commission did appoint Bradley's Baptist minister, Gerald Mann, as a voting member, and Bradley himself as an advisory member. Richards' campaign staff argued that her recommendation wasn't a favor to a friend, but a decision "based on what she thought would be best for that commission." When questioned about the propriety of her action, Richards dismissed the board as "virtually inconsequential," according to the *Houston Post*.

Austin environmentalists had long been outraged by Bradley's deals with the government, accusing the developer of risking damage to the critical recharge zone out of greed. They were appalled, however, in 1990 when they discovered that Richards, who was running for governor on a "green" platform, held an interest in real estate sectioned out of the environmentally sensitive area. A few months after writing Bradley the recommendation in 1986, Richards invested \$50,000 in a 2.5-percent share of Slaughter 100 Ltd, a partnership formed to purchase land at the intersection of the two proposed highways. A federal judge halted construction last year after he determined the project required a federal environmental impact study. After prolonged uproar in the press, Richards sold her interest in the partnership back to Bradley last August to avoid, she said, the appearance of conflict of interest.

Banking on Political influence

Richards also has been criticized for her ties to the banking industry, which donated generously to her campaigns for state treasurer and governor. During the gubernatorial race, political action committees from a handful of banks contributed more than a \$100,000 to Richards. Texas billionaire Robert M. Bass, who acquired American Savings Bank as part of the S&L bailout, gave her \$55,000. Bradley's litigants also wrote checks for Richards' campaign: First Gibraltar chairman Gerald J. Ford, for \$14,500; and \$10,000 from the law firm of Lidell, Sapp, Zivley, Hill & LaBoon, which represents First Gibraltar in Bradley's bankruptcy case.

Richards' opponents called attention to the fact that United Bank of Texas gave her a \$250,000 home loan at its prime lending rate soon after it became a major repository of state funds during her term as state treasurer. In addition, Treasurer Richards was accused of going to bat for North Carolina National Bank. The *Houston Post* reported that Richards made a "rare" appearance on the Texas House floor to fight amendments adversely affecting the North Carolina-based megabank, which donated \$10,000 to her seven weeks later. Richards' staff responded in both cases that the events, while sequential, were not connected, and that all of Richards' actions as state treasurer were "straightforward and aboveboard."

Some banking representatives say they

wonder whether Richards has already helped Bradley's by signing a major foreclosure bill, House Bill 169, into law on April 1. One Capitol source claimed that members of her staff asked Rep. Jim Tallas, D-Sugar Land, to sponsor a bill that would help Bradley by allowing the borrower to be credited for the "fair market value" of a property — rather than how much was bid for it — if his or her property was foreclosed.

Curiosity was stirred further when Tallas, chair of the House Financial Institutions Committee, introduced another bill, House Bill 2825, that extended the statute to include foreclosures forced by a judge, as in Bradley's situation. Reta Cooke, Tallas' aide, said the governor's staff came to Tallas' office looking for someone to carry foreclosure legislation, but only because it was Richards' legislative liaison Jim Parker's bill before he quit his job as state representative to work in the governor's office. "There was no pressure from the governor's office," Cooke said.

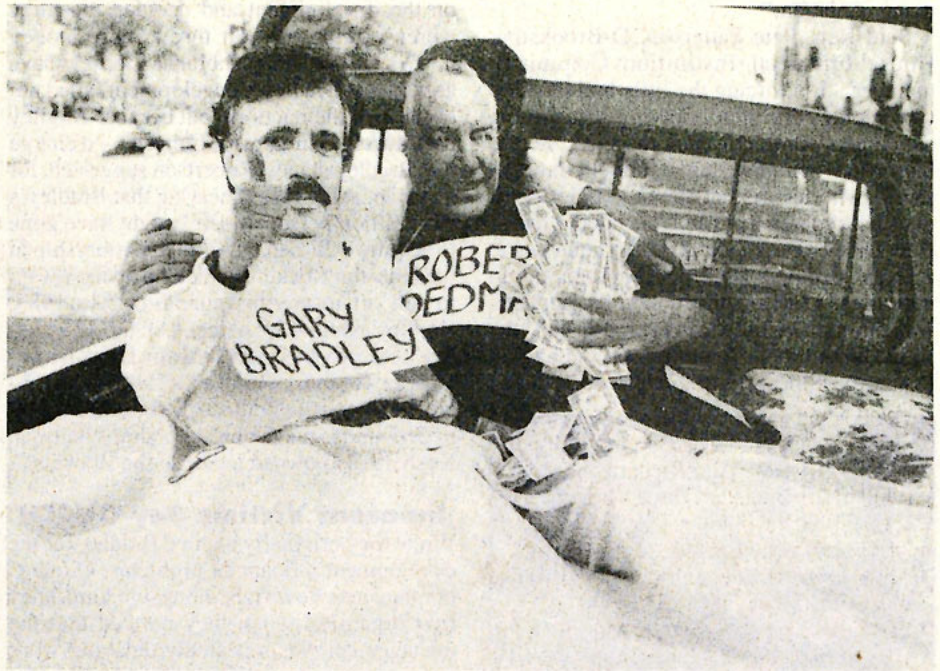
Bradley told the *Observer* he wasn't involved with any of the foreclosure legislation and that it didn't affect him. He admitted he spoke with Gov. Richards once about HB 2192, asking her to refer him to somebody on her staff who could help. But he said, "I never had a detailed discussion with the governor about any of the legislation at all." Bradley hired representatives from four different law firms to draft the bill, and former state senators Kent Caperton and Bob McFarland to lobby for it.

Just Bill It to the U.S. Taxpayer

According to Bradley, his bill directly challenges the "sweetheart deals" made when failed thrifts were reorganized and sold to investors under the Southwest Plan. Under current law, these institutions retained all of the assets of the old thrifts, but none of the obligations of the old contracts. Bradley argued that legislators needed to change the law to hold these banks more accountable. In April, he told the story of Circle C to Senate and House committees to prove his point.

Bradley said he and the 500 homeowners living on Circle C Ranch have been caught in the "ultimate catch-22," in which First Gibraltar stands to profit more by sitting on the property than expending funds to help it prosper. Under First Gibraltar's federal assistance agreement, Bradley said that the bank receives approximately \$850,000 a month from the government just to have Circle C in its portfolio and received \$60 million when the notes were discounted last year. While First Gibraltar attorneys disputed the developer's claims, they have refused to disclose how much the bank has made off of Circle C.

First Gibraltar certainly hasn't lost anything on the ranch. When MacAndrews and Forbest Holdings Inc., an investment group run by Revlon chairman and corporate raider Ron Perelman, agreed to buy First Gibraltar off the government, they put up \$315 million. In



COURTESY AUSTIN EARTH FIRST!

Earth First!ers stage a theatrical protest at Circle C

return, they were given \$7.1 billion in good assets, a \$5.1 billion guarantee over the next 10 years to cover the thrift's bad assets, and tax benefits worth \$900 million. According to *Business Week*, the bank earned \$129 million on assets amounting to \$9.7 billion in 1989. Last year, First Gibraltar, with \$8.86 billion in assets, received \$374.8 million in government aid last year and earned \$95.5 million (a 34.2 percent return on investment), according to *The Wall Street Journal*.

Legal fees are also guaranteed by the government, and Bradley has found that First Gibraltar exploits this source of funding to the fullest. "There is a fleet of attorneys that shows up against me every time I take a deep breath, paid for by the taxpayer," he said, adding that seven were present at the last bankruptcy court hearing. According to the *Houston Chronicle*, 1,000 law firms collected a total of \$615 million in Federal Deposit Insurance Corporation fees from banks last year. "They enter into a war of attrition with you. They know that ultimately, as the law is currently written, with their totally unlimited resources, they have no risk of loss," said Bradley. "You ultimately have to give in and quit."

Banking lobbyists overwhelmingly oppose the bill, charging that it benefits only big developers and multimillion-dollar ventures. "This isn't a bill aimed at John Q. Average Homeowner," said Harris. Some argued that changing state statutes wouldn't remedy the situation because federal law would preempt it. To this, Russell replied, "That may be true, but there's one way to find that out for sure, and that's to let 'em test it in court." Karen Neeley, representing the Independent Bankers Association of Texas, claimed that the legislation would redline Texas, spurring the nation's financiers to refuse to invest in the

state. "It will really chill the acquisition of failed institutions or assets from the RTC," she said. "No one will be willing to take them on because ... it would be like buying a pig in a poke."

According to Harris, the state of Texas — which has taken much of the blame for the S&L scandal — would get another black eye as a result of this legislation. He said that what has happened to Bradley and other developers is a "tragedy, but the bottom line is, who is it that's going to pay the deficiency in the Circle C development? That's \$43 to \$63 million that has to be picked up by someone. We believe the someone in this issue is the RTC and the taxpayers of America."

Big Developers, Big Money

Bradley had no problems finding politicians to take up the bill; many seemed to be familiar with his situation, if not personally, then through an associate. "The people fighting this bill represent the interests that lost the money in the first place," Bradley noted. "The reason it gets labeled as a big development bill is that there are only a few people in Texas caught in the situation that have the resources to fight them."

At the House Financial Institutions committee, Rep. Ken Marchant, R-Coppell, and former Highway Commissioner Bob Lanier (who testified in favor of the bill) traded horror stories about dealing with banks with. House sponsor Russell told the *Observer* that a friend of his asked him to carry the legislation, but he refused to disclose that person's name. Russell stressed that the bill addresses "definitely an inequitable situation, no question about it, regardless of what individual it is, whether it's Bob Lanier or whether it's John Q. Citizen who's got a little five-home development or whatever. ... It could apply

to any situation.”

Said Rep. Pete Patterson, D-Brookston, House Financial Institution Committee member: “It’s forcing the little builders into bankruptcy. We aren’t solving just the big developers’ problems this morning. It cuts both ways.” Jim Paulsen, a Liddell, Sapp attorney who testified against the bill, admitted such problems existed. He cited a recent New Jersey case in federal district court where a bank stopped funding the loan of an individual’s home-construction project half-way through. Paulsen said the house had “the walls, but no roof. The rain was flooding in. It was the silliest thing in the world to stop



JENNIFER WONG

State Rep. Sam Russell

funding that loan.”

Bank representatives questioned Bradley’s characterization of himself as a victim, saying that developers are aware that banks with the most attractive terms are usually the most unstable. “We believe Mr. Bradley was sophisticated enough” to know the risks involved in choosing his lender, said Harris. The 1984 purchase of Gibraltar Savings by J. Livingston Kosberg, at the time chairman of the Department of Human Services, was financed with junk bonds; its primary investor was former Democratic party chair Robert Strauss. According to *Fortune*, Kosberg — at the time Bradley approached the institution — lent primarily to developers of large residential properties and was putting more money into buying real estate rather than just lending money to developers.

In exchange for a \$250 million loan to be dealt out over the next 10 to 15 years as well as \$15 million in personal loans to Bradley and a business partner, Gibraltar Savings officials would receive a third of the profits of Bradley’s real estate development — a plan that Harris charged was destined to fail. Bradley said that when he took out the loan, Gibraltar Savings was the largest institution in the Southwest and considered “very solvent.”

Jamie Robertson, who represents First Gibraltar in the case against Circle C, said the bank funded almost all of Bradley’s requests until it received an updated appraisal

on the development and decided that they weren’t going to “just throw more money down a rathole.” First Gibraltar attorneys have argued that Bradley’s development failed not because of their actions, but because Bradley used Circle C money for himself — a charge that Bradley denies; Robertson suggested, for instance, at the House hearing that Bradley’s \$15 million personal loan “might have gone to acquire a 25-percent limited partnership in the Houston Rockets, which he doesn’t want to sell off to pay his guarantee.” In 1983, Bradley bought 25 percent of the Houston Rockets pro-basketball team from owner Charlie Thomas, who was at the time a principal owner of Gibraltar Savings. According to *3rd Coast* magazine, Gibraltar chairman Kosberg also owned a part of the Rockets.

Innocent Victims Say OUCCH

While they originally blamed Bradley for the development’s financial problems, Circle C homeowners now fight alongside him. They first organized when they noticed that the management was repeatedly delaying work on a swim center, golf course and child care center, and wasn’t properly maintaining the grounds. After collecting information from both sides, Ken Rigsbee said the group found Bradley to be cooperative and trustworthy where First Gibraltar wasn’t. “First Gibraltar said they couldn’t give us anything,” said Rigsbee, who heads the Organization of Unified Circle C Homeowners (OUCCH). “Bradley said, ‘come on in, the files are open, copy whatever you want.’”

Both sides agree that the 500 homeowners at Circle C are the most innocent parties involved, and in many ways stand to lose the most. Members of OUCCH estimate that their homes have depreciated more than 20 percent in the past four months while Bradley’s and First Gibraltar’s lawyers argued whether the property value of the development was \$20 or \$30 million. They face debt from municipal utility district bonds of more than \$24,000 per home. They accuse First Gibraltar of negotiating in bad faith; by their estimations, Circle C is one of 26 properties First Gibraltar is using as “cash cows,” in direct conflict with the mission of FDIC.

Homeowner Susan Hoover, in an April 8 letter to the executive director of the RTC, wrote that “I have been told by an FDIC official that had Mr. Bradley been dealing directly with the FDIC, this problem would have been worked out long ago.” Craig Weinstock, an attorney representing First Gibraltar, told the *Austin American-Statesman* that OUCCH was making statements about First Gibraltar that were “inaccurate, based in part on lack of information, and it appears to be in part based on their efforts to achieve their agenda.”

OUCCH has sent letters to a plethora of federal public servants, including several members of Congress, asking for help, but has not received any to date. Although the group has submitted several proposals re-

cently to the FDIC in an effort to resolve the Circle C dispute, FDIC officials have refused to get involved. Rigsbee said he’s outraged by this “bureaucratic stonewalling.”

Outwitting the Master of Manipulation?

While the Circle C homeowners are beginning to view federal government as yet another blockade on the road to justice, environmentalists see it as maybe their last chance to save the Edwards Aquifer recharge zone from ruin. On May 15, the Save Barton Creek Association filed an objection in bankruptcy court to First Gibraltar providing any further funding to the project, on the grounds that it is prohibited by the federal Safe Drinking Water Act. The RTC guarantees federal financial assistance to First Gibraltar, and Save Barton Creek representatives argue that under federal code, it can’t fund “any project that might contaminate an aquifer that is the sole or principal drinking water source for the area so as to create a significant hazard to public health.” Jackie Goodman, president of the association, sent a letter of notification to the RTC and advised that they might file a civil suit in 60 days against the entity for violating the law.

It is an approach that, if successful, would represent a singular victory for the environmentalists. “I’ve been fighting battles with Bradley for eight years,” said Bert Cromack, former head of the Save Barton Creek Association. “And I’ve lost every one of them. He’s a master of manipulation.” Time and time again, Bradley has been successful in getting his way despite the environmentalists’ opposition. Bradley convinced the Austin City Council to approve and back the largest Municipal Utility District in Travis County, according to the *Austin Chronicle*, by threatening to pump water straight out of the aquifer if they didn’t. Thus, developing the recharge zone area was made economically feasible. He persuaded the city and state to contribute total of \$818,000 to build 6.2-mile veloway that environmentalists argued would pollute the creek bed below.

Bradley has fought proposals limiting the density of development in environmentally sensitive areas, and opposed legislation designed to protect the aquifer. Members of Earth First! and Save Barton Creek say that construction on the Circle C property has gummed up the network of streams to the aquifer and polluted the water, and that further development will only worsen problems. Bradley disagrees. “I’m not convinced that anything we’ve done at Circle C is detrimental. ... We’ve gone to great lengths to look at this from an environmental standpoint.”

Cromack said he thinks Bradley is to blame for Circle C’s demise. “Gary has overextended himself. The people who bought Gary’s dream — it’s their dream and now it’s their reality. If the boom had continued, he’d be OK, but he got caught like all of them [the developers],” said Cromack. Craig Smith, an

attorney for Save Barton Creek, added, "In a sense I do feel some sympathy for them and for Bradley. First Gibraltar is not subject to the same market that Bradley is or any other developer would be. First Gibraltar doesn't stand to lose any money. They only stand to win." Smith emphasized that his association doesn't want to run the existing homeowners off the property; they would instead like Bra-

dley to modify his development plan for sections that haven't yet been built.

A compromise or accord, however, seems unlikely anytime soon. As bankers and developers point fingers at each other in court and at the Capitol, Circle C homeowners — and taxpayers — are left with the feeling that repercussions of the S&L bailout are only just beginning, and that it's going to be a bumpy

ride. And Bradley, who has built a reputation in Austin for being a skilled, ruthless political player, seems to have met more than his match in the RTC. He reflects on all the people who have fought him in the past knowing full well they "weren't going to beat me because I was too powerful. Let's say I have an appreciation for that feeling." □

Goin' Down the Road Feelin' Bad

Round Rock

Gary Bradley isn't the only close associate of Gov. Ann Richards who may benefit from her signature on a piece of legislation this session. A bill carried by Georgetown Democrat Rep. Parker McCollough and Victoria Democrat Sen. Ken Armbrister that has passed the Legislature and been sent to the governor would facilitate refinancing of road districts. The proposed law attempts to prop up failed or failing road districts in Central Texas, known in some circles as the "black holes of Williamson County."

Road districts allow landholders in an area to create a special layer of government to issue bonds, collect taxes, and build roads. If development does not occur, property-tax rates skyrocket. Soon no development in these areas can ever survive long enough to escape the crushing tax burden caused by the road-district debt.

House Bill 1079 would allow road districts to refinance their debt through "assessment districts," which would abolish *ad valorem* (property) taxes levied by the district and divide the existing debt among the property owners. Property owners could then either pay off their debt, or stretch them out over time.

McCollough introduced the bill last session to benefit the Northeast Round Rock Road District (NERRRD). He convinced then-Gov.

Bill Clements to introduce it into special session. The bill passed both houses, but Clements vetoed it because, accord-

ing to NERRRD lawyer Charlie Crossfield, he didn't want to appear to be bailing out real-estate developers. Crossfield says the current bill cannot save NERRRD, and that the bill would primarily support the South West Williamson County Road District (SWWCRD).

This spring NERRRD officially declared Chapter Nine bankruptcy, and began negotiating with its bondholders to restructure its debt. Currently the bonds are worth 13 cents on the dollar. The NERRRD — which issued non-investment grade "junk" bonds to build roads to speculative real-estate developments — in 1990 levied a property tax of \$23 for every \$100 worth of assessed value of land in the district. Only 7 percent of these taxes were paid.

The SWWCRD may follow suit if environmentalists convince the U.S. Fish and Wildlife Service to protect endangered species surrounding a proposed Lakeline mall site. Austin Earth First! initially discovered two endangered species in the Lakeline cave un-

der the site. The Audubon Society later threatened the developers with a lawsuit to force it into compliance with federal law, halting all development until a federal permit could be obtained.

Road-district advocates hoped the mall would anchor the district's tax base, and act as a business magnet, expanding the tax base to pay the junk-bond debt. Among the initial boosters and road-district property owners are prominent figures in the Central Texas Democratic Party, including close associates of Governor Ann Richards.

Property owners in the district include: Jane Hickie, Richards' appointment secretary and presently director of the state-federal relations office in Washington D.C.; Chula Reynolds, Richard's inaugural committee co-chair; Donald Thomas, lawyer to Lyndon B. Johnson and the LBJ Ranch; Ruben Johnson, disgraced and ultimately imprisoned banker and Democratic Party stalwart; former Travis County Democratic Party chair Ken Wendler is listed as representative of the now-bankrupt Walter Vackar, whose ex-wife, Barbara, also served as Travis County Democratic Party Chair.

When asked about her involvement in SWWCRD, Jane Hickie nervously declared "I'm a victim of a road district." Hickie, who has worked for or with Richards in politics since 1977, said, "Road districts are bad public policy. They're bad for the state." Hickie thinks the bill is a good one because it lets people



A road to nowhere in Williamson County

SCOTT HENSON

"foolish enough to get involved in [road districts] in the first place pay for them."

Perhaps Gov. Richards has so harshly attacked creating other "special districts" — like the "coastal conservation districts" touted by State Senator Eddie Lucio — because some of her close friends have had such bad experiences in Williamson County. But at press time the governor's office had not acted on the bill.

Ultimately, the bill probably does serve the public interest; the districts' only other option would be to refinance their junk-bond debt. In Travis County, such an action will likely cost taxpayers \$170 million extra in debt service; the Travis County Commissioners' Court has hinted it may take over the debt entirely so as not to lower the county's bond ratings. Any solution would be better than that one. But road districts and the administrative nightmare they've created point up the profanity of establishing special layers of government to subsidize private development. —S.H.

POLITICAL INTELLIGENCE

✓ **UPDATES.** Here's an update on the El Paso garment workers' struggle described in the *Observer* last fall ("Bread and Politics," *TO*, 10/12/90). The story recounted the fight by mostly Hispanic, female garment workers against employers who don't pay wages owed and violate other labor laws. After the story appeared, representatives of La Mujer Obrera, a garment workers' organization, met with city, county and state officials to discuss improving conditions for the workers. Shortly thereafter, federal officials cracked down on local factories and fined many for labor law violations.

But since then, according to news reports, enforcement efforts have slacked off, and employers have returned to their previous tactics. In May, members of *Mujer Obrera* led walkouts at the apparel factories, picketed the offices of El Paso Mayor Suzie Azar (who was defeated in her re-election race last month after waffling on her commitment to help the workers), and even went on a hunger strike. The International Ladies Garment Workers Union has organized strikes at the factories. Last week, Attorney General Dan Morales announced an investigation into factory working conditions, and the Legislature approved a bill by El Paso Rep. Paul Moreno allowing criminal penalties for employers who fail to pay their workers.

Another hunger striker, Captain David Wiggins, the conscientious objector who was court-martialed by the Army for refusing to serve in the military (*TO*, 12/21/90) has returned to Texas and is trying to get a Texas medical license so he can practice in Austin. Having been found guilty of three charges and fined \$25,000, however, Wiggins may find that the state medical licensing board won't let him practice. A court-martial can be grounds for denial of a medical license. Meanwhile, his wife has lost her job, the couple has been forced to sell their home to pay legal expenses, and Wiggins must repay several government medical school loans as well as his fine. (Last month, another Texan, Sgt. Dave Holas of Fort Hood, was sentenced to six months imprisonment for refusal to participate in the Persian Gulf war because it would violate his religious beliefs.)

Clay Desta National Bank, owned by 1990 Republican gubernatorial nominee Clayton Williams (remember him?), has agreed to return about \$1 million to loan seekers who accused the bank of requiring them to buy life and disability insurance as a condition to obtaining car loans — a violation of state and federal law. ("Clayton Williams: Banking on Insurance," *TO* 10/26/90) The agreement must be approved by the nearly 900 plaintiffs to the suit, who would be able to keep the policies and get a partial refund if they

wished. Scattered reports indicate Williams is considering a second run against Richards, a prospect many Republicans would doubtless find distasteful.

Finally, the lawsuit filed by several news organizations, including the *Observer*, challenging the constitutionality of the Pentagon's restrictions on Persian Gulf coverage, was dismissed by New York federal judge Leonard Sand last month ("Observations," *TO*, 3/8/91). The judge's opinion said the issues raised by the plaintiffs (including "pool" coverage and military censorship of reports) were "too abstract and conjectural" especially since the war had ended by the time the decision was rendered.

✓ **SAN ANTONIO SHUFFLE.** Two volatile elements — Bexar County politics and redistricting — have combined to position several present and former state legislators in hot election races. Republican State Sen. Cyndi Krier's future in the upper house has looked shaky ever since Bob Bullock assumed the Lt. Governorship. Krier supported Bullock's opponent, Rob Mosbacher, in the general election last year, and Bullock later knocked her off the Senate Finance Committee and a worker's compensation subcommittee. Rumors began to circulate that Krier would run for Bexar County judge after Ann Richards appointed the Democratic incumbent, Tom Vickers, to be her criminal justice czar. The Senate redistricting plan, drafted with Bullock's oversight, redraws Krier's Senate district, making it a relatively safely Democratic, Hispanic majority area, giving her even greater incentive to leave the Legislature for the well-paying county job. Rep. Jeff Wentworth is also said to be looking at the Republican nomination for the post. Krier failed in her attempt to include Wentworth's home in her redrawn Senate district — so he could keep her Senate seat in the GOP, and perhaps not run against her for county judge.

On the Democratic side, says the *San Antonio Express-News*, former state Rep. Tommy Adkisson, who lost two close races for state Senate in the 1980s, is already gearing up for the 1992 race. Adkisson, a moderate-progressive in the Legislature, has a strong power base in South San Antonio, and has named former Gov. Dolph Briscoe as his campaign chairman.

The man who beat Adkisson in the 1984 state Senate race, Frank Tejeda, will run for the new Congressional seat that is likely to be centered in southern Bexar County, says *Express-News* political writer Bruce Davidson — prompting some early positioning for a run at his Senate seat. Davidson says veteran Rep. Frank Madla is looking

closely at the race — unless Gib Lewis doesn't run for re-election as Speaker of the House, in which case Madla might seek that post. Rep. Ciro Rodriguez has said he will run for Tejeda's seat if the incumbent goes to Congress. Meanwhile, former state Sen. Joe Bernal, state Reps. Christine Hernandez and Leticia Van de Putte, and political science professor Nef Garcia (who challenged Krier in 1988), are being mentioned as potential contenders for Krier's Senate seat if she runs for county judge.

✓ **MORE SAN ANTONIO** politics — this time on the bench. Sixteen Bexar County lawyers, using an obscure state statute, have chosen one of their own to fill the vacant 37th District Court bench. Ten of the lawyers elected Rick Woods to the seat vacated by John Cornyn when he was elected to the Texas Supreme Court last fall. The attorneys were trying to prod Gov. Ann Richards to hurry up and make a nomination to the bench, which, *Texas Lawyer* reported, was hung up in a dispute between Sen. Tejeda and other S.A. Democrats.

✓ **GOOD HEALTH, EH?** As the story on page 8 indicates, Texas desperately needs a new system of health care delivery to replace the fragmented, increasingly unaffordable mishmash we have now. Two studies recently released by Public Citizen concluded that Texas could save up to \$8.6 billion by adopting a system such as that prevailing in Canada, in which each state administers health care.

✓ **TOXIC TEXAS**, continued. The same day our environmental issue hit the streets two weeks ago, the Environmental Protection Agency released its annual Toxic Chemical Release Inventory, revealing that Texas leads the country in poisonous environmental discharges. The report said state industries discharged 793 million pounds of toxic chemicals in 1989, a decline from previous years.

✓ **DANCING WITH WOLVES?** Kevin Costner, Hollywood's hottest actor, may be playing Robin Hood on the screen, but he's supporting U.S. Sen. Phil Gramm, who robs the poor to give to the rich. Gramm is distributing a fundraising brochure that depicts Gramm with Costner (who gave Gramm \$4,000 last year) and asks readers to support the "Gramm in '96 Committee." It does not say what office the junior Texas Senator will be pursuing that year — re-election, or the Presidency. The Texas House of Representatives voted to force Gramm to choose one or the other by repealing the so-called "LBJ law" that would permit him to run for both in 1996. □

GATT's All, Folks

Trade Agreements Are the Real Teeth in the New World Order

BY JAMES RIDGEWAY

Washington, D.C.

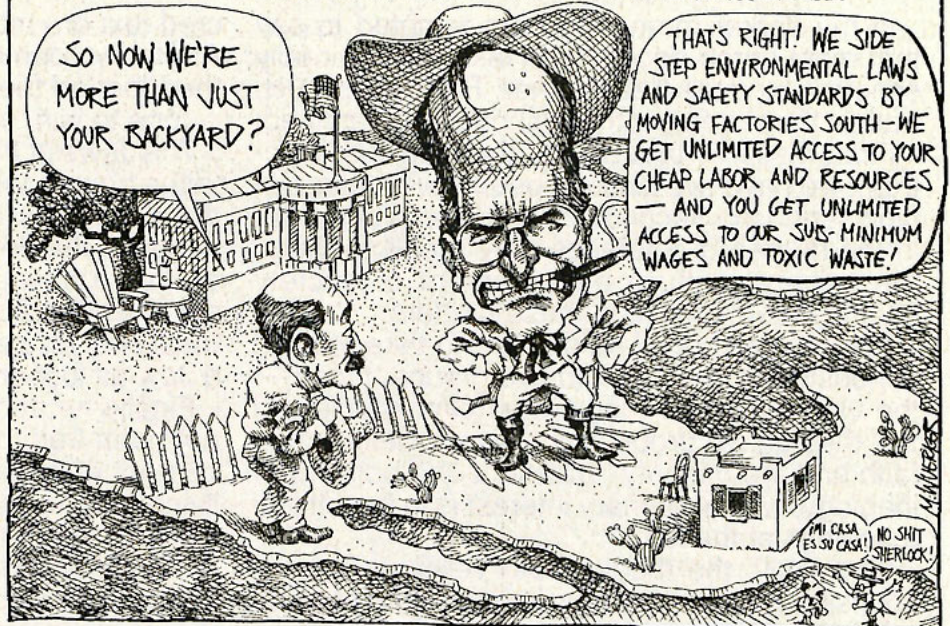
AS INTEREST IN the disaster in Iraq dwindles, it is more than possible that the turmoil in the Middle East may reappear closer to home — in Canada and Mexico, which are suffering, in a different way, from the strain of being asked to toe the line of George Bush's New World Order.

As with the Opium Wars in 18th-century China or the coup in Salvador Allende's Chile, the war in Iraq was an example of Western gunboat diplomacy that set limits on indigenous control of regional resources, in this case letting Saddam Hussein know that he could not unilaterally interfere with the production and distribution of oil. The result is that Saddam remains in power as a sort of hostage in reverse, ensuring that Iraq (since it has not reformed itself) will never pump any oil without permission of the United States. Kuwait and Saudi Arabia are both broke. The economies of the nations of South Asia, long dependent on the gulf sheikhdoms, are hard-pressed, and the world environment has been irreparably harmed.

And just what is the New World Order that is causing all this hardship? In essence, it is a calculated effort to reorganize the world's trading patterns on a North-South axis through the General Agreement on Trade and Tariffs (GATT), an international scheme for regulating trade, and through a series of bilateral free-trade agreements, most immediately in the case of the United States with Canada and Mexico. The issue will come to a head in the next six weeks when Congress decides whether to continue to confer "fast track" authority on President Bush, which forces yes-or-no votes on these international trade agreements.

The bone of contention here is trade between the developed world and the Third World, between the northern and southern hemispheres, in which the United States and other industrial nations attempt to gain inexpensive raw materials and at the same time create new markets for their manufactured goods and services. This trade has little to do with academic notions of the free market, since it is dominated by a small number of large transnational corporations, nation states, and entrepreneurs. While the press talks about shortages, world trade is organized principally around an effort to control not shortages but surplus — in the interests of the developed world. It's not a matter of finding enough

THE NORTH AMERICAN FREE MARKET



MATT WUERKER

food, for example, to feed all the hungry people in the world, but of ensuring profits to the corporations and elites who control the flow of food through the world's markets.

As the major economic satrapy of the United States on the North American continent, Canada is expected to provide a growing share of energy resources for the next century. In recent times we have come to regard the place as a resource bin into which we dip as deeply as need be.

Following the bitter 1988 election and implementation of the free-trade agreement, there was a rash of mergers with attendant loss of jobs. Small Canadian companies either closed up or planned for closing in the face of competition from much larger American companies, as Randy Robinson recounted in the *Multinational Monitor*. Canadian branches of American firms closed to rationalize their operations — it became possible for U.S. companies to increase production a little, sell into Canada, and close down their Canadian operations. For example, when Gerber Canada announced that it was transferring production from its Niagara Falls Canada plant to the company's headquarters at Fremont, Michigan, 150 Canadian jobs went down the drain. The move was attributed to "greater efficiencies" at the U.S. plant.

Meanwhile, the free-trade deal did not guarantee Canadian producers access to United States markets. When American farmers protested the export of Canadian pork

into their market, the United States put an eight-cents-per-kilo tariff on Canadian pork, costing Canadian pork-processing jobs. Ultimately, the Canadian Labor Congress calculated that instituting "free trade" with the United States cost Canada 105,000 jobs. There was little new investment, and Canada's control over its natural resources continued to ebb.

Next came the "harmonization" of Canadian social policy under the terms of the Free Trade Agreement. Canadian business attacked its government's social spending at levels that were higher than those in the United States, claiming the taxes they were paying placed Canadian companies at unfair disadvantage with United States firms. The conservatives successfully cut social spending, regional development, farm supports, and unemployment benefits, reducing them to levels closer to the United States programs. Hundreds of millions of dollars were cut from the Canadian Broadcasting Corporation and the transcontinental railroad system — a symbol of Canadian unification.

After Canada and the United States entered into what President Reagan at the time called "an economic constitution for North America," they both participated in a conference on the threat posed by global warming. Nations were called upon to limit carbon emissions by 20 percent by the year 2000. Energy policy was to be reoriented to favor energy efficiency and conservation. But when

James Ridgeway writes for the Village Voice, where this article first appeared.

Religions of Violence

by Ralph L. Lynn

In my darker moments, I am tempted to say that most of the people who take religion really seriously tend to kill each other. There is so much truth in the statement that it should be examined.

First, it seems that across the religious spectrum, we have two kinds of people who take religion seriously. Second, the world religions differ in the degree of tolerance they practice. Third, the general culture development of society seems determinative in these matters.

The religious of all religions who take religion seriously seem to fall into two groups: those — the vast majority — interested almost solely in the theological propositions which define their faith and the minority, impatient and bored with ideology, whose primary interest is in the ethical teachings of the faith.

Obviously, the theologically religious are responsible for the often-murderous record of some religions. This violent intolerance seems unjustifiable since theology presumes the impossible — that finite man can know the Infinite.

But specializing in theological propositions has wide appeal. It affords the masses of the mindless a false but comforting certainty. It frees people from the necessity of grappling with annoying earthly problems. And it offers a degree of safety from persecution since nobody can tell what a theological formulation means nor can anybody tell how honest any individual may be with his protestations of theological orthodoxy.

The minority, impatient and bored with theological propositions, have chosen a more difficult path. They have learned to live with theological uncertainty and they have no protective mantle of theological orthodoxy. Their daily conduct is there for all to see and measure.

None of this is to imply that the theologically religious do not live clean and decent lives. The problem is that their absorption with theological propositions allows them to give divine sanction to racism, to the denial of political rights to the weak, to the denial of educational opportunities to the poor, and to niggardly social services to the needy.

Religious people outside the Jewish-Christian-Muslim family who do not regard any religion as uniquely authentic and who have no single sa-

cred text are much less likely to kill each other. As Henry Adams said of these billions of people, they "bet on the gods as they do on the horses — one to win, one to place and one to show."

The Jews at the fountainhead of the exclusive faiths have shot each other up much less than the Christians and Muslims. This is probably because the Jews, who may have a legitimate claim to a clear understanding of their Scriptures, say that there is not just one but many Jewish traditions. I once heard a teacher of rabbis define a Jew as just any sincere seeker after God.

Finally — and however regrettably — it has not been from religion itself but from the development of orderly society, a rising standard of living and rising educational standards that the violence between religious groups has ceased in Western society.

"Thou shall not suffer a witch to live" is still in the Bible but it is ignored by even the most rabid of the inerrantists. Trials for heresy have been almost nonexistent among us since the 17th century; we now content ourselves with character assassination.

True, religious war is a reality in the southeastern parts of the Soviet Union and in the Middle East. But it is not just a wisecrack to say that these unfortunates are in the 20th century only by courtesy of the calendar. Their murderous passions will also wane with the development of orderly societies, a rising standard of living and rising education levels for all members of their societies.

The tragedy among us is that the teaching for tolerance has been available from religious sources all of the time. We need not have to await political, economic, and educational advances to free us from barbarism. We do not even need to abandon interest in theological propositions. But perhaps the theologically religious and the ethically religious need to find a common basis for new approaches.

The much celebrated "old time religion" is just not good enough.

Ralph L. Lynn is Professor Emeritus, Baylor University.

the free-trade agreement was ratified later that year, both nations agreed not to impede the development of fossil-fuel resources for export. Subsidies for oil and gas production in either country are given special status and protected from trade laws of either nation; but conservation measures are not provided such protection. This will touch off new megadeals for energy to serve U. S. markets, and guaranteed access to such huge projects will forestall any energy conservation.

Free trade has undermined Canadian national pride; it became an issue during last year's constitutional crisis, which still could cause Quebec, with one quarter of the nation's population, to leave the confederation. In that eventuality, the four Atlantic provinces, cut off from the rest of Canada, might join the

United States outright. All of this undermines democracy in Canada.

NOW THE UNITED STATES wants to repeat the process in Mexico. Since the Mexican economy is 3.6 percent the size of the United States', the overall impact would be small, although a reduction in Mexico's high tariffs might open new markets for United States goods. Labor costs account for two-thirds of the price of American manufactured goods, and cheap Mexican labor could hurt jobs for unskilled United States workers. Mexico could provide 10 million child workers, for starters, with 1.5 million of them destitute and living in the streets. Mexican children start working at age six.

But the attraction of Mexico for United States companies exists with or without any trade pact. The booming *maquiladoras* located right across the border, already export from their free-trade zones to the United States. The new pact could set up competition between undocumented Mexican workers in the United States and their counterparts at home in Mexico. And it would undoubtedly give added impetus to industries that already have begun to move to Mexico to speed up their transfer.

There may be lessons from Reagan's Caribbean Basin Initiative. Like the proposed free-trade agreement between the United States and Mexico, the Caribbean initiative was supposed to increase economic growth for all involved, but according to Development Gap, a nonprofit development group, it actually raised Caribbean and Central American trade deficits with the United States. The initiative ostensibly concentrated on lowering trade barriers, but the expected access to the United States market did not materialize for products where these countries had a comparative advantage — in footwear, tuna, textiles, and leather goods.

At the same time, they were not able to limit access to their markets. As a result, exports from the United States increased by 59 percent, while imports into the United States decreased by 20 percent. Overall, the initiative led to an ever larger amount of food being imported at higher and higher costs, along with reiteration of the traditional insistence on the export of raw commodities.

The Mexican pact can work from the point of view of the United States if there is a sharply expanding market for food and, most importantly, if in the end run the Mexicans denationalize their oil industry and agree to American joint ventures in energy.

Even though drilling in Mexico has declined over the last decade with a resulting decrease in proven reserves, the nation's oil resources stand at 52 billion barrels, twice those of the United States., and close to Iran's 62 billion barrels. Mexico is thought to have immense untapped energy reserves that easily exceed those of some gulf producers. One estimate is 100 billion barrels, equal to those of Iraq.

This does not mean Mexico has to throw its prized oil industry open to foreign ownership, but it does mean that over the long run it will have to agree to an increased American participation in the form of joint ventures, exports, pipeline construction from south to north, and other measures integrating its oil and gas business into the United States. If it does so, then U.S. companies that already dominate in Canada can, through processing and distribution, exert ultimate control over Mexico as well, and hence the North American market. They would stand ready not only to guarantee energy independence for the United States but to offer sales to Japan and Europe — not to mention hold an economic sword over the rest of Latin America.

The Canadian and Mexican free-trade agreements will organize the North American continent into a free-trade zone under American sway. The United States then can use the continental economy as a lever to get what it wants from the on-again, off-again GATT negotiations.

THE GENERAL AGREEMENT on Tariffs and Trade is just one of three international institutions set up by the Western developed nations during World War II to bring the existing colonies into line with the industrial world. The other two were the International Monetary Fund and the World Bank. The job of the IMF was to peg currencies to the dollar or to gold, then dominated by the United States. The World Bank set out to reconstruct war-torn Europe and then turned to the Third World, building an infrastructure to speed their import of manufactured goods and export of raw materials. GATT was supposed to harmonize and liberalize trade — all the time making sure Third World governments did not make goods they could otherwise buy from the developed nations.

Inspired by the rise of OPEC in the 1970s, other Third World nations tried to get control over the boom-or-bust cycles in world commodities by establishing cartels. Then they moved toward introducing industrialization, so as to shift jobs and revenues away from the First World nations. In the Middle East, it even led to promises by the small rich sheikdoms to redistribute oil monies among the poor, populous Arab nations. But these ideas never became much more than that.

Any Third World nation that was

emboldened by liberation or nationalism and wandered off course (not to mention jumping ship, into the Soviet camp) was met with gunboat diplomacy. In the Mideast, Mohammad Mosadeq's momentary success in nationalizing Iranian oil led to his ouster, and a CIA coup installed the Shah. In Latin America, when Allende took control of American copper in Chile, the United States participated in a coup that ousted him; the Sandinista revolution in Nicaragua brought economic isolation and the United States-supported contra insurgency; and the mildest deviation in Grenada led to invasion.

Despite the fact that transnational corporations, many of them headquartered in the United States, control almost all the trade in grains, coffee, tea, oil, cotton, timber, tobacco, bauxite, iron ore, etc., these companies want to further enlarge their business ventures. So they want to include under GATT such services as advertising, stockbrokerages, and banking. They also want to remove remaining restrictions over investments.

What this means is that foreign companies would have free rein in Third World nations. But you don't just have to feel sorry for the Third World to be against GATT. It can undermine domestic United States environmental and consumer laws as well. An early Bush proposal would have allowed the import of foods such as bananas, potatoes, carrots, and grapes containing 10 to 50 times the amount of DDT permitted by the Food and Drug Administration. That proposal was killed, but long-term commitment to such "harmonization" remains.

In the meantime, it will require local, state and national governments to prove their consumer safety standards are based on what GATT framers call "sound science." Restrictions on potentially harmful products deemed not to have been proven dangerous as decisively as opponents say, such as irradiated food or bovine growth-hormone-treated dairy products, could be found to be okay under GATT.

Stronger environmental standards in our country could be interpreted as nontariff trade barriers in violation of GATT. U.S. programs promoting soil conservation, reforestation, and recycling could be undermined, with foreign countries arguing that United States government efforts to achieve these goals constitute an unfair subsidy of U.S. business.

"If we allow the new GATT proposals to be adopted, then the entire world will effectively be transformed into a vast 'free trade zone' within which human, social and environmental imperatives will be ruthlessly and systematically subordinated to the purely selfish, short-term financial interests of a few transnational corporations," writes the *Ecologist*. "The unprecedented biological, ecological and social devastation that has been caused in the pursuit of such 'freedom' over the past 40 years — the period in which the development process really got under way in the Third World — cannot be repeated without much of the planet being rendered unfit for human habitation." □

Cannes on the Gulf Coast

BY STEVEN G. KELLMAN

WORLDFEST: The 24th Annual Houston International Film Festival

FOR THE FIRST 25 of its 184 pages, the hefty program guide to Houston's 1991 WorldFest is given over to the testimonial salutations of powerful dignitaries. Quadrennial Houstonian George Bush expresses his and Barbara's respects to "a world-class event, one that is a cherished part of the rich cultural life of Houston." Gov. Ann Richards, Harris County Judge Jon Lindsay and Houston Mayor Kathy Whitmire weigh in with their best wishes, while, way out in Hollywood, Houston émigré Jack Valenti offers the endorsement of the Motion Picture Association of America. Another former home boy, Commerce Secretary Robert Mosbacher, takes the occasion to note that movies are among the most successful of American exports, accounting for a positive trade balance of over \$4 billion a year. Four of Houston's five Congressmen (doesn't Craig Washington like movies?) extend their encouragement, as do Sens. Lloyd Bentsen and Phil Gramm. Commending a local film festival is even less risky than kissing babies, since it cannot be mistaken for child molesting.

Yet, despite all the pro forma profusions, WorldFest, Houston's annual international film festival, is a renegade operation. While a giant balloon puffing Arizona as a production site and movie market dared to hover over headquarters of this year's festival, official support for film in Houston was mostly hot air. WorldFest ranks as the largest film festival anywhere in terms of number of entries; it screens more than 3,200 submissions in order to end up placing almost 200 finalists on the screen. But its budget is meager, and its attendance is sparse.

The 1991 edition — the first, 13th, or 24th, depending on how you calculate — of WorldFest lasted 10 days, from April 19–28. This is the first year that the Houston International Film Festival has taken on the name WorldFest, the 13th year in which it has been held in Houston, and the 24th in which it has operated anywhere. It is the creation and obsession of J. Hunter Todd, who started it in Atlanta and later brought it with him to the Virgin Islands and then Houston.

Steven Kellman teaches comparative literature at the University of Texas at San Antonio.

A former documentary maker ("I am the only festival director in the United States or the world who is by background an award-winning filmmaker," he shyly told the *Observer*), Todd seems to have been born, in New Orleans, with an exclamation point in his mouth. "A film festival as big and exciting as all of Texas! A discovery festival for young, independent filmmakers! A film festival that is unique in all the world!" whispers Todd in the Introduction to the WorldFest catalog.

TODD IS WONT to speak his mind, and he very much minds the way that state and local film commissions won't provide the support he thinks his festival deserves. In an interview with the *Houston Press* prior to opening night, Todd railed against the "incompetent bureaucrats" of Austin and Houston who prefer schmoozing with studio executives in Hollywood to doing anything effective to encourage cinema back home: "I think they have little imagination, and even less talent. And I think they could do with a little marketing ability, and intelligence.

Whatever their opinion is of the festival, and I have no idea what it is, the fact that we gather several hundred filmmakers here in Houston, at their own expense, is a phenomena (sic). And they do *nothing*." While Texas Film Commissioner Tom Copeland conceded some basis to Todd's complaint, he suggested that the Richards administration will be more sympathetic to and knowledgeable about encouraging film in Texas. Houston Film Commissioner Lisa Graziano, however, was irate, charging that Todd does not understand her job and that he "owes the film commission an apology."

Todd claims to cover all his debts, though his budget is a mere \$500,000, minuscule in comparison to the Toronto festival's \$3 million. But in a post-WorldFest conversation, he remained unrepentant and unrestrained in his comments about "the rank bureaucratic stupidity" that refuses to acknowledge the fact that right here in Houston, a tiny, mostly part-time, mostly volunteer staff has put together something that is "better than any other festival in the world." He also castigates the "so-called" Houston International Festival, an eight-day extravaganza of music, dance, and other performing arts that not only offered Todd no cooperation but scheduled its opening for the final weekend of WorldFest. The Westheimer Fair competed with his opening weekend.

Those are two of the reasons that, Todd told the *Observer*, attendance at this year's WorldFest was down 24 percent. Its box-office income was only \$30,000, while the San Francisco Film Festival, by contrast, took in \$330,000. "Houston is a very funny town," says Todd, who does not share its sense of humor. While ZZ Top performed in Houston for four sold-out nights, none of WorldFest's screenings had to turn away patrons. The lovely weather this year did not encourage stints in darkened theaters, but Todd has learned that, with the exception of film buffs from Montrose, River Oaks, and West University, Houstonians — allergic to subtitles — are not adventurous. "They want to go see *Top Gun* or *Madonna*," Todd said. Last year, he expanded the festival to the suburbs but could not attract a large enough audience even to pay the theater rent. One screening drew but a solitary viewer. WorldFest is in Houston but not of it.

Yet no institution can survive 12 years in a city without absorbing some of its personality. The Houston International Film Festival sprawls across the calendar and across a metropolis that is as fond of urban planning as Vatican City is of family planning. At any one moment, a pass-holder at this year's WorldFest could choose among five different features — three of them shown at Greenway Plaza, a triplex buried within an office mausoleum, one at the Museum of Fine Arts, and one all the way out in Clear Lake. Meanwhile, shorts and documentaries were being shown at the Rice Media Center. Since a sizable number of offerings were world, North American or Texas premieres, spunky viewers entered screenings blind. Hundreds of hours of gazing were not likely to improve the condition.

The visibility of a prestigious prize is a strong incentive for filmmakers to show up at Cannes, Venice, or Berlin. But some festivals, like New York or Telluride, regard competition as vulgar and consider an invitation to participate sufficient honor for a film. Houston offers two competitions — one determined by a professional jury and another by the general public. At each screening, audiences were handed ballots on which they were asked to rate the entry on a scale of one to 10. The tabulated results determined the "People's Choice" awards, which this year did not differ markedly from those bestowed by the juries. The People's Choice grand prize, with a remarkably high rating of 9.52, went to *Impromptu*, a British drama — di-

rected by James Lapine and starring Judy Davis, Hugh Grant, Mandy Patinkin, Bernadette Peters and Julian Sands — about the mingled loves and lives of George Sand, Alfred de Musset, Frederic Chopin and Eugene Delacroix. *Trust*, American writer-director Hal Hartley's quirky comedy about dysfunctional families in working-class suburbia, earned enough of the People's trust to receive a 9.19 and a gold. Silver, for a 9.11, went to *One Cup of Coffee*, novice American director Robin Armstrong's story of interracial friendship on a minor league baseball team. With 8.90, *Venus Peter*, Scottish director Ian Sellar's evocation of a lonely boy's fantasies on the gorgeously bleak Orkney Islands, earned a bronze.

The WorldFest jury honored *Trust* as best feature and best screenplay. Robin Armstrong was voted best director for *One Cup of Coffee*. The winner among documentary features was *My War*, a compilation of footage filmed by German amateurs when the Wehrmacht attacked Russia in 1941. Other feature films receiving jury recognition included *Venus Peter*, *Blood Oath*, an Australian fact-based drama starring Bryan Brown as a military lawyer appointed to prosecute Japanese war criminals, and *Wings of Fame*, Dutch writer-director Otakar Votocek's fantasy about an afterlife in which deceased celebrities, including Einstein, the Lindbergh baby, and Lassie, yearn to be remembered.

Among the 500 or so festivals held throughout the world each year, some are remembered for a special focus. The one in Tampere, Finland concentrates on shorts, though it is held in March, when long Johns are advisable. If that is not funny enough, try the August celebration of cinematic comedy in Vevey, Switzerland. Festivals in Brussels and Trieste specialize in fantasy and science fiction, others in Annency, Bristol, Hiroshima, and Zagreb in animation. New York's Margaret Mead Festival offers ethnographic films, San Francisco hosts a festival of gay and lesbian cinema, and Washington offers African and African-American films, while San Antonio's CineFestival emphasizes Latino matter.

The Houston festival, by contrast, attempts to do everything. With a gala opening night and closing banquet, which this year honored Rod Steiger and Ginger Rogers with lifetime achievement awards, it offers some of the glitz of Cannes. It also serves as a marketplace at which producers, distributors, and exhibitors converge. WorldFest offers Hollywood releases soon to be available on the mainstream theatrical circuit. But it also screens foreign works not likely to be seen anywhere else in the United States but a few other festivals. This year's festival was particularly rich in features from the Netherlands and Scandinavia, but it also offered works from the Soviet Union, Greece, Korea, Czechoslovakia, Canada, France, India, China, Portugal, Venezuela, Algeria and even Iran — a film, called *The Immigrant* that was produced by something called the Art Bureau

of the Organization for the Propagation of Islamic Thought; Todd claims he was able to get it because of contacts he made when he directed the American section of the Shah's Tehran festival.

WORLDFEST'S LARGE MENU of shorts, experimentals, and documentaries could be a festival in itself. They included blatantly commercial pitches like *Detroit...It's an American Classic*, a production of the Metropolitan Detroit Convention and Visitors Bureau that celebrates pink Cadillacs and Piston point guards without ever acknowledging the city's problems with violence, unemployment and white flight; exquisitely realized short stories like *Sharkskin*, about a meek tailor's encounter with a Mafia don in 1946; and slices of remarkable life, like *Stealing Altitude*, a glimpse into the clandestine sport of parachute jumping off skyscrapers.

At midnight screenings, WorldFest offered *They Call Me Macho Woman*, *Bride of Re-Animator*, and other new flicks designed to catch a cult. The festival featured enough frivolous entertainment to compete with roller derby, and it was strong as well on personal dramas. But it also included some powerful expressions of social concern, among them *Requiem for Dominic*, Austrian director Robert Domhelm's quasi-documentary about a Romanian expatriate who returns to Timisoara in the midst of carnage and treachery; *Common Threads: Stories from the Quilt*, directed by Rob Epstein and Jeffrey Friedman; *Raspad*, Russian director Mikhail Belikov's exploration of the effects of the Chernobyl disaster on the surrounding population; and *Journey of Hope*, a Swiss version of *El Norte* that tells the harrowing story of Turkish emigrants.

Todd changed the name of the "Houston International Film Festival" to "WorldFest" because of a new cooperative agreement with more than 100 other festivals. As a jurist at Bilbao, Mannheim, and other competitions, Todd was embarrassed by the mediocrity of the American fare. "These people are getting garbage," he explained. "They had no access to American filmmakers as we do." Instead of relying on the United States government to provide entries, foreign festivals are now offered the winners of Houston's WorldFest, and WorldFest has easier access to finer films from abroad. Filmmakers benefit from increased exposure and greater potential for prizes more lucrative than Houston can offer.

After winning 117 awards for the 300 films he himself made, Todd claims he is now content to be an impresario rather than an auteur. Though not precisely self-effacing, Todd wants to nurture other talents and takes particular pride in the screenwriting competition he instituted at WorldFest. More than 100 entries were received this year. "I'm very pleased that I'm leaving a legacy of fine young filmmakers whose careers I have launched." Steven Spielberg was signed to his first studio contract while an early effort, *Amblin*, was being shown at Todd's Atlanta festival. David Lynch and Randall Kleiser (*White Fang*) also received early breaks at Todd festivals.

Spielberg, Lynch and Kleiser no longer need festivals for exposure, and audiences do not need a festival to see their studio productions. What those of us who love cinema need WorldFest for it stimulates the heart and the mind with the foreign, the new, and the unconventional. Like an indomitable turtle, Todd continues to wax: "WorldFest is going to be the culmination of everything!" □

Another Country

BY BRYCE MILLIGAN

SAPAGONIA

By Ana Castillo

Bilingual Review Press,
1990, 312 Pages, \$13 paper

ALMOST ALL LITERARY movements begin in poetry, for the simple reason that it is the art form closest to the oral tradition and the one most easily adapted to political ends. U.S. Hispanic literature, or rather the specifically Chicano writing which has appeared since the inception of the cultural, political, and literary *movimiento* in the late '60s, is no exception to this rule; only recently have we begun to see more than two or three works of fiction

Bryce Milligan is a poet and literary critic in San Antonio.

by Chicano/Chicana authors appearing per year.

For a number of reasons, the contemporary reading public, of whatever ethnic derivation, tends to regard fiction writers as somehow more "real" than poets. Thus it is not surprising that these writers stand out among their more numerous poetic peers. There are at least a couple of hundred recognized Hispanic poets in the United States, but it is the fiction writers whose names stand out: Tomas Rivera, Rolando Hinojosa, Rudolfo Anaya, Aristeo Brito, Max Martinez, Sandra Cisneros, Lionel Garcia, Alma Villanueva, Abelardo Delgado, Alberto Rios, Denise Chavez, Nicholasa Mohr and others. We are, thank God, finally past the point when Chester Seltzer's *nom de plume* even enters the discussion.

What virtually all of these novelists have in common is that their work is highly re-

gional; each has staked a claim on a specific piece of ground and chronicled the Chicano experience in that place. This, too, is a phenomenon observable in the early phases of other ethnic literary movements. And it is this that makes Ana Castillo's lengthy novel, *Sapagonia*, groundbreaking.

The first question that arises is where and what is Sapagonia? The prologue names Sapagonia as "a distinct place in the Americas where all mestizos reside, regardless of nationality, individual racial composition, or legal residential status" — which will lead many readers to assume that the author has in mind an updated version of Aztlan.

It is and it isn't. Yes, fictional exiled Sapagons tend to exhibit the spiritual, political, and historical connectedness of those among us who once sought unity in the vision of Aztlan; on the other hand, by a process of elimination readers can eventually identify Sapagonia the country as a tiny dictatorship at the northern edge of the Quechua language range.

Castillo's story revolves around Maximo Madrigal, a prodigal genius (musician, sculptor, designer, actor) who flees Sapagonia when his best friend's brother, a student newspaper editor, is murdered by government agents. Arriving in Paris, Maximo wanders south until he locates his Spanish father (absent since before his birth) in a Madrid jail. Maximo hustles a scant living as a flamenco guitar player — a brilliant one in any city but Madrid. When a check arrives from his

grandfather in Sapagonia, Maximo takes his father's advice and heads for New York, armed with a new suit and the address of one of his father's former lovers.

From New York to Chicago to Los Angeles, Max follows a truly picaresque and anti-heroic path to fame and self-knowledge, sampling a variety of American minority and mainstream cultures along the way. From L.A., Maximo is deported back to Sapagonia, from which he once again flees, this time to Chicago. Here he is picked up by a museum director's daughter who promises him a rapid rise to fame as a sculptor. She delivers — 13 months later Max has his first major show and a marriage to destroy.

Through all of these adventures parades a bevy of lovers, including the book's female protagonist, Pastora Velasquez Ake. Pastora is an artist as well, a singer with roots in protest and a magic about her that enchants audiences and can devastate every male for blocks. Maximo and Pastora fall under each other's spells, though each is "a prima donna, a matador," and we realize that one or the other must die. And they know it. When Max complains that Pastora is "about to crucify" him again, she replies, "Why not? You always bring your own cross and nails." For Max, Pastora is "poison." He can only take her in small doses, he says, if he is to survive her.

Castillo was, along with Cheri Moraga, the first Chicana writer to openly address female sexuality, especially lesbian relationships.

Many readers familiar with Castillo's work expected the novel in hand to focus on those themes, but Castillo will be no one's apologist. There is sex in abundance throughout *Sapagonia*, though there are few if any scenes which would qualify as "graphic," and virtually all of the sex even mentioned is purely heterosexual. At the same time, the only truly stable relationship described in the book is between Pastora and her roommate, Perla — which at least one character says is platonic. Whatever it is, it is infectious. Housewives visiting the pair for an afternoon return to the drudgery of their individual patriarchies with a desire to chuck all the macho business at home and find a kind woman to move in with.

For all its gallivanting around the globe and picaresque vignettes, *Sapagonia* is a well-textured work — not rich in detail, but sufficient to feel solid. Castillo's strength as a fiction writer lies in her ability to make a character's interior life visible to the reader. Her description of Pastora, who wears "her beauty like an heirloom pendant," is especially strong. On the other hand, the author's occasional displacement of the natural sequencing of events succeeds in mirroring the chaos of her characters' lives in the textual confusion but does little else.

None of which is to say that *Sapagonia* lacks either strength or importance. It is only the author's second work of fiction and shows a great deal of intellectual and artistic promise — and it will undoubtedly be ranked as one of the first major Chicana novels. □

In High Cotton

BY MARK MCKINNON

COTTONWOOD

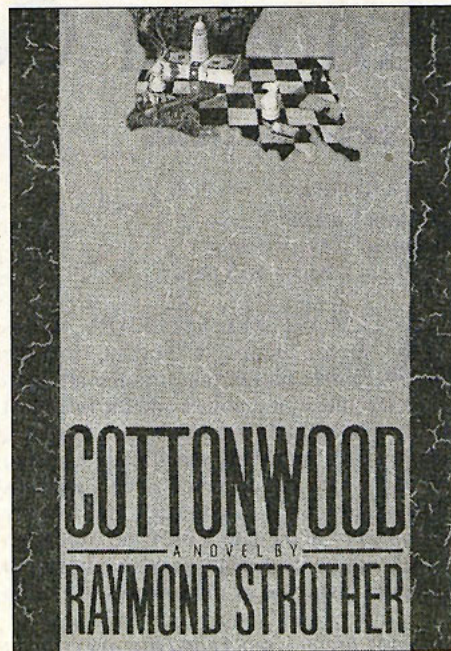
By Raymond Strother

1991, Dutton, Division of Penguin Books USA, \$18.95

IF THE SETTING WEREN'T Louisiana, Raymond Strother's first novel, *Cottonwood*, would be totally unbelievable. But it is set in Louisiana, so the notion that a young political consultant without a moral compass might get a destitute drunk elected to the U.S. Senate doesn't seem so improbable. Far more curious political events happen every day in the Bayou State.

Cottonwood is an engaging and humorous roller coaster of a read through the lively and libidinous landscape of Louisiana politics. Christian Ahab Simmons, a young dreamer stuck in the gulag of a weekly newspaper, had been fired by the Associated Press and rejected by the local newspaper because, as his editor says, "You don't want to work for this

paper. You want to own this paper. You're always looking over the next hill."



Simmons' passage out of this morass appears in the form of a corrupt state senator, Big Jim DeBleaux. Initially, Simmons believes DeBleaux wishes him harm because he wrote a story revealing that DeBleaux had lobbied for changes in the wholesale cost of liquor by anchoring a riverboat loaded with prostitutes across from the capitol building. Instead, the story made DeBleaux recognize the power of the press, and as a result he seeks out Simmons, hoping talent and "power" will help elect him to Congress.

At this point, young Simmons' compass loses its bearing. Realizing that one campaign ad by DeBleaux in his paper would fix his Ford and washing machine, Simmons "In split seconds changed from crusading reporter to advertising salesman and began calculating 15-percents."

At the heart of Strother's book is the erosion of Simmons' values, both in his personal relationships and his professional life. To his credit, Strother doesn't romanticize Simmons' conversion from young idealist to political pimp. Simmons doesn't play the hard-to-get high moralist when seduced by the vixen of material well-being. As Simmons

Mark McKinnon is a political consultant based in Austin.

makes his decision to work for DeBleaux, "He felt he was losing something important but there was no pain. He reasoned that one's personal conduct did not have to be influenced by corruption or ignorance."

DeBleaux loses his race for Congress, but Simmons has been initiated and cannot return to the world of the mortal and mundane. When a Louisiana U.S. Senator gets caught swimming in a river with more than fish, Simmons hatches the plot that will make him a nationally recognized political consultant. The plan is to run Hugh Conklin, an itinerant drunk most often found in a stupor on the steps of the Capitol where, when he is able, he sells political trinkets. The idea is not for Conklin to win, but to have him finish fourth in a field of 10 candidates so that Big Jim DeBleaux can place bets at high odds with bookies and score big.

Strother assembles an all-star cast of mis-

fits to populate the campaign organization. These include: Happy, the paraplegic newspaper vendor; a hooker; two young boys who steal hubcaps; and Sonny Clinton, the almost-prize fighter. Simmons' plan is to get Conklin sober, let him experience an "awakening" in an evangelical church and then use the church and its network as the field organization for the campaign. Conklin becomes the evangelical candidate, and Simmons organizes a sophisticated get-out-the-vote operation through the church's many branches. Along the way to election day, Simmons tries to keep a saddle on the campaign committee (which, like most political committees, creates more trouble than it resolves), his candidate and a romantic quadrangle that includes his wife, a prostitute gone half good and a preacher's wife.

Strother travels through familiar territory and writes from experience. Over the years,

he has established himself as one of the leading Democratic media consultants in the country, working for the presidential campaigns of Gary Hart and Al Gore as well as Sens. Lloyd Bentsen, Dennis DeConcini (Arizona), John Stennis (Mississippi) and Russell Long (Louisiana). He has also run the gubernatorial campaigns of Louisiana's Buddy Roemer, Arkansas' Bill Clinton and Kentucky's Martha Layne Collins.

But Strother cut his teeth as a reporter, campaign worker and consultant in the Byzantine world of Louisiana politics. Someone once said, "If you think you know anything about politics, go to Louisiana and get your Ph.D." Strother has spent a lifetime in Louisiana and has drawn from the experience of countless campaigns to write a very enjoyable and hugely entertaining novel. Strother's literary effort is as rich with character and full of flavor as Louisiana itself. □

Aesthetic Battles, Polemical Statements

Art and Politics Intertwine in San Antonio's Mexican Art Exhibition

BY BARBARA BELEJACK

RAQUEL TIBOL IS Mexico's leading art critic. The *Observer's* Barbara Belejack recently met with her in New York in anticipation of the exhibition, *Mexico: Splendors of Thirty Centuries*, that is showing at the San Antonio Museum of Art through August 4. What follows is an edited, abridged version of that interview.

Are we experiencing a "boom" in Latin American art similar to the literary phenomenon of the '60s and '70s?

I don't think the literary boom and the current wave of interest in Latin American art are comparable because there are different factors at work. The literary market isn't speculative; the art market is inherently speculative. Enough time hasn't passed for us to know whether Botero [Colombian artist Fernando Botero, known for his outsized human figures] is worth what he's currently worth.

With respect to Mexican art, what we're currently seeing is a neo-Mexicanism that has attracted attention and patrons in the United States. It's a mixture of post-modernism a la mexicana, a mix of styles that can be read with sarcasm, with irony, black humor, ordinary humor. One artist who is identified with this trend is Nahum Zenil, whose work is a

mixture of neo-Mexicanism, [elements of folk arts, the great muralists and especially in the case of Zenil, Frida Kahlo], gay art, phallic symbolism. Another is Julio Galan, whose work is a mix of the same elements, but less obviously so. They are the two artists, in the generation between 30 and 40, whose work has had the greatest success in New York.

So how do you explain the current "wave of interest" in the United States?

The situation is different for the simple reason that the Mexican-American community has a certain presence there. For example, the wonderful exhibit, "La imagen de Mexico," was brought to Dallas because a tiny group in the Mexican community in Dallas pushed for it. Of course, the interest in Mexican art in the United States isn't a recent phenomenon. The Museum of Modern Art held an important exhibit back in 1940.

Then there seemed to be a time when all this mutual admiration stopped.

This is very important... because these cyclical periods don't just happen because of divine providence. There are economic, social and political factors at work. Now there's talk of a Latin American common market or a free trade agreement with the United States and Mexico. Going back a few years, you can explain the decline in interest in Mexican art with the rise of McCarthyism. They covered up [Rivera's] murals in Detroit. The National Library in Washington didn't want the pub-

lic to see its collection from the Taller de grafica de arte popular. Until the McCarthy era they were proud to have this work in their collection.

Of course, eventually attitudes began to change, but as you well know, there was still a lack of confidence in the United States with respect to Latin American artists and intellectuals. They were considered a little too "red." I would say that lasted until just a few years ago. Now they're in style again and we're going through another idyllic phase with respect to opening borders and exchanging certain products. Art has always been a good adornment, for certain kinds of economic projects.

The influence has also gone the other way around, with respect to U.S. artists influenced by Mexican movements. There's a connection even with Jackson Pollock, no?

Pollock first approached Siqueiros in '32, '33, when Siqueiros was forming his group in Los Angeles. Siqueiros worked on three murals in Los Angeles. One is still intact, because it was built in a private home, for a movie director. One was destroyed immediately, and there's another, very interesting mural in the Plaza Arts Center, called "America Tropical." What's unusual is that it was done in 1932, when there was no guerrilla movement in Latin America. Sandino was dead. And there was Siqueiros, painting the imperial eagle from constructions that look pre-Hispanic, pyramids like Chichen

Barbara Belejack is the Observer's Mexico City correspondent.

Itza, he painted in guerillas. They didn't destroy that one, but they did cover it up for decades. Now it's being restored.

Turning to younger Mexican artists, what do you find among the current generation?

This is something we talk about a lot in the arts. I think in the past Mexican artists wrote a lot, discussed issues. They had a very solid, intellectual background and were very combative. Today they don't speak up and what they're most interested in is seeing their prices go up.

Are you saying that the artist has to deal with political themes?

No, not at all. When I talk about polemics, I'm not just referring to political ideology, but to aesthetic arguments. We all know Rivera and Siqueiros were Marxist-Leninists, that Orozco was an anarchist, leftist. But Tamayo, for example, has never been an artist whose compositions have relied on political themes.

No, what I'm talking about are aesthetic battles. In the '60s, there was the battle around abstract art, around [Mexican artist Jose Luis] Cuevas, who used to produce very combative writing. Now Cuevas writes these little picturesque things for the public.

There's also the example of Francisco Toledo, who is so quiet he refuses interviews.

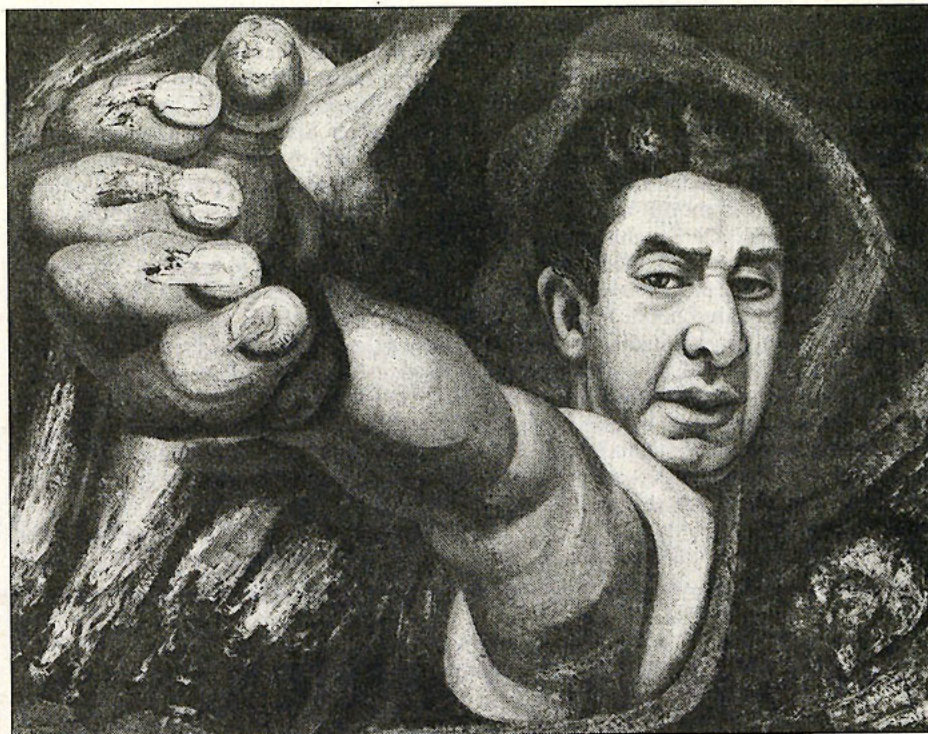
But Toledo is a separate case. He's reserved, but look at what he *does*. He donates collections. He has the Toledo Editorial which publishes books on art, poetry. He lives this ideal of using art to serve a community. He's very committed to sharing his cultural wealth. Toledo is simply an extraordinary human being. In contrast, Cuevas makes a lot of noise about a museum but he doesn't take out his pocketbook.

Are you afraid that this preoccupation with monetary success on the part of younger artists will have a long-term negative effect?

No, because increased appreciation isn't just a matter of price. It never hurt an artist to sell for a good price, if they're really artists like Tamayo, whose art has never depended on monetary success. On the other hand, an artist can become stuck in a familiar style, which is what has happened with Botero. He's been following the same little formula over and over again. Tamayo, in contrast, is always changing. You can put two works together, side by side, from different decades and it looks as if they're from two different planets.

Going back to younger artists, what do you see that interests you?

There are two currents: the neo-Mexicanists and the *transvanguardistas*, whose work revolves around a sense of tragedy, melancholy, desperation. An example is Mauricio Sandoval. Another excellent artist is Alberto Castro Lenero, whose work is



COURTESY SAN ANTONIO MUSEUM OF ART

Self-Portrait, 1945 by David Alfaro Siqueiros

somewhat of a departure from abstract art. There are four Castro Lenero brothers who are artists: Alberto, Jose, Miguel, Francisco. Miguel is also excellent. Another fine artist who also works in ceramics is Sergio Hernandez, who lives in Oaxaca.

Toledo is an artist who has created a whole thematic repertory. At times he repeats himself, but he's very creative; he works in ceramics, draws; does prints, paints. He's always renewing himself and at 50, is spiritually very young.

There are many fine women artists. One I especially like is Georgina Quintana, who deals with women as a theme, sort of an apocalyptic kind of way. Someone who deals with the city, with massive urban themes is Susana Campos. Patricia Torres is a graphic artist whose prints have won international acclaim. Helen Escobedo, who lives half the year in Hamburg, and half in Mexico City, recently received a Guggenheim fellowship. She does a new kind of art, something on the idea of "happenings," an environmental art.

What's characteristic of the present era is that there is such a great number of artists, not only in Mexico City, but in Oaxaca, Guadalajara, Mazatlan, Mexicali, Veracruz, etc. It's a whole national phenomenon. In contrast to the '70s, however, you can't talk about schools or movements. There are no groups, but individuals. There are also many fine galleries in Monterrey and the best art market in Mexico is now in Monterrey.

The influence of the Monterrey rich?

Well, I think the rich people in Monterrey take a certain pride in discovering artists, in

competing among themselves to see who has the best collection of new artists. They are the ones who have made Zenil so successful, not to mention Julio Galan. He's not from Monterrey, but that's where his success comes from.

Now they're building a museum of contemporary art. It's private enterprise, not public funding. In that sense, Monterrey has imitated the United States. In Mexico City, public promotion and funding is still predominant. There's the Centro de Arte Contemporaneo, Televisa's museum, but they don't take risks. Until recently, the public sector here used to take risks, but now they're more timid.

Will people who see the Met exhibit get a sense of all this current activity in Mexico? There's been a lot of criticism about the fact that the Met exhibit, Thirty Centuries of Splendor, ends with Tamayo.

Well, there are also other exhibits in private galleries, in other museums. What I want to know — because it's not yet been resolved — is what happens when you mix prehispanic art with contemporary art. The prehispanic art of Mexico is so powerful, so intense. First of all it has this sense of mystery around it. For all the anthropological studies, etc. we still haven't been able to decipher it. There's going to be a great Olmeca head at the entrance to the Metropolitan Museum, then Mayan, Teotihuacan, Mexica, Aztec, etc. art. It's all so powerful. Let's see how well Tamayo holds up, along with Siqueiros, Orozco and Rivera.

Scholars

Continued from page 7

critical of the narrow political focus of these foundations' philanthropy.

The Olin Foundation, which boasts as its president IEA-founder William Simon, donated \$85,000 to the NAS in 1988 according to its 990-F tax return, and the next year upped its donation to \$125,000 according to the 1989 Olin Foundation annual report. In 1989, Olin gave \$123,402 to the IEA, including \$89,782 "to support the Campus Journalism Program." The Madison Center that year received \$30,000.

In his bestselling book *A Time for Truth*, Simon lays out his Ayn Randian philosophy concerning philanthropy: "Business must cease the mindless subsidizing of colleges and universities whose departments of economics, government, politics and history are hostile to capitalism." Simon fears that "capitalism is no longer the dominant orthodoxy" in universities today, and believes that pro-capitalist philanthropy can save the universities. "Business money must flow generously to those colleges and universities which do offer their students an opportunity to become well educated not only in collectivist theory but in conservative and Libertarian principles as well," he wrote.

The Bradley Foundation began as the local philanthropic arm of the Allen-Bradley Company; the national foundation was formed, according to Gottfried, in 1985 when Rockwell International Corporation acquired the parent organization. Bradley in 1988 conferred \$475,000 in seed money on the Madison Center, then headed by neo-conservative darling Bill Bennett. Bennett today

is an Olin-funded fellow at the Hudson Institute, whose head, Leslie Lenkowsky, is vice chairman and executive committee chairman of the Madison Center, as well as a former officer at the U.S. Information Agency. The Bradley Foundation funds "scholarly activities" nationwide at about \$23 million annually, Gottfried writes.

The Sarah Scaife Foundation lists as its president Richard Mellon Scaife, heir to the Mellon fortune and funder of the New Right. According to a landmark July/August 1981 *Columbia Journalism Review* article, Scaife teamed up with Joseph Coors to provide seed money for the Heritage Foundation in 1974. The president of the Heritage Foundation since 1977, Edwin Feulner, sits on the board of trustees at the Scaife Foundation.

Scaife owns several media outlets, including newspapers in the northeast, and during the late '60s and '70s operated Forum World Features, a London-based news agency. The *CJR* article said "Scaife shut down Forum in 1975 shortly before *Time Out*, a British weekly, published a purported 1968 CIA memorandum, addressed to then-director Richard Helms, which described Forum as a CIA-sponsored operation providing 'a significant means to counter Communist propaganda.' The Forum-CIA tie, which lasted into the seventies, has been confirmed by various British and American publications." Scaife's foundation funds right-wing organizations from Accuracy in Media to Freedom House to the Committee on the Present Danger.

Apparently the Scaife Foundation feels it's getting its money's worth from the National Association of Scholars—in 1988 Scaife gave NAS \$50,000 according to its tax return. In 1989 according to the Scaife annual report,

the NAS received \$300,000. In 1989, IEA received \$60,000 from Scaife.

R. Randolph Richardson, the president of the Smith-Richardson Foundation, sits on the board of directors of the Madison Center. While no figures were available at presstime concerning Smith-Richardson's funding for MCEA, Gottfried cites the foundation as a major funder of the pre-merger IEA. Smith-Richardson's board of governors includes former Supreme Court nominee Robert Bork, Jeanne Kirkpatrick and neoconservative author James Q. Wilson, all "neoconservative 'reliables,'" writes Gottfried. Bork doesn't receive Smith-Richardson funding, but does take an annual fellowship of \$162,000 from Olin.

That a national conservative crusade on college campuses should be heavily backed by right-wing foundations is not surprising; it merely illustrates the character of the enterprise. Progressives in Texas, as well as nationally, can't afford to dismiss these highly political attacks on the "politicization" of education.

—S.H.

Note: Much of the information contained in these editorials was updated from articles co-written with Austin writer Tom Philpott Jr. The "Corporate Curriculum" section of the first editorial is based on the article, "On the Political Economy of Institutional Racism," which appeared in Polemicist, May 1990. The second editorial grew out of research for the article "NAS: The New Right and UT," Polemicist, September 1990. Thanks to Tom for the vital help and insights that contributed to this work.

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Insurance Continued from page 13

ment appears essential. Even including an MOE policy seems a troubling idea, however, because it would set a bad precedent by establishing a two-class system of coverage.

Taylor disputes the prediction that businesses will downgrade their current coverage. "It's not designed to cause people to drop their coverage," he told the *Observer*. "It's designed to appeal to companies who have already dropped their coverage. I don't think people are going to drop their benefits if they can afford it. If I were a businessman, I wouldn't run the risk of making my employees unhappy by dropping coverage if I could afford it. But if I had to choose between losing my current coverage and replacing it with something less, I'd choose something less, because something is better than nothing." Told that many of the groups he says his proposal will benefit are opposing HB 532, Taylor replied: "They're saying, 'we know you're hungry, but even though we can't give

you a banquet, we're not even going to let you have the blue plate special.'" The public-interest groups, though, claim that Taylor's real intention is to allow insurance companies to throw everyone only table scraps.

Asked why, if he's not afraid businesses will downgrade their current policies, he doesn't support a maintenance-of-effort restriction, Taylor replied, "That's a hunt for a ghost. I wouldn't want to force [employees] to go without insurance for a year in order to qualify for [the bare-bones package]." (States that impose a MOE policy require that a business have gone without offering insurance for one to three years to qualify for the stripped-down coverage.)

The trouble with this argument, however, is that Taylor is trying to have it both ways: He says businesses won't drop comprehensive coverage just to get cheaper policies because that would irritate employees; but he says they will drop the coverage if an MOE requirement is put in, even though that requirement won't cost them a penny more. If business interests aren't just trying to sabotage existing policies, Stewart asked, "then why are those businesses the very ones who refuse an amendment to prohibit companies from downgrading current coverage?"

The Real Steal

Public-interest advocates speculate that the business lobby is trying to place the burden of insurance reform on consumers in order to head off real reforms that will address the true causes of skyrocketing insurance rates: the greed of employers, physicians and the insurance industry itself. "HB 532 does not address the hard issues that we must tackle to slow the dramatic increase in health care costs," said Schneider, of the Southwest Office of Consumers Union. "Instead of scrutinizing the role of the insurance industry, health-care costs and cost-shifting from the uninsured to the insured, HB 532 takes on the least powerful and most vulnerable group involved in this issue: the consumer. Cutting benefits is the easiest thing for everyone politically, but it will not solve the problem."

What will? Stewart notes that small businesses suffer high insurance rates because the small number of employees makes it harder to spread the risk; reforms that would make it easier to pool those groups would cut costs, but would also reduce insurance company income. Many insurance-reform advocates call for a law requiring businesses to provide insurance for their employees, which the busi-

ness lobby naturally opposes. Others propose starting a state insurance fund, which would cut into private insurance companies' market. Other reforms would address the high cost of medical care, which itself is caused by expensive but profitable high-technology treatments and physician price-gouging. Stewart cites an American Medical Association study that determined that doctors' pre-tax income rose 73 percent after expenses (including malpractice premiums) during the last decade, to an average of \$155,800 — this during a period when high-income professionals' taxes were being drastically lowered.

A third major factor, cost-shifting, refers to the shell game by which paying patients are overcharged for things like aspirin to compensate hospitals for the charity care they give to those who can't afford insurance. (Texas doctors and hospitals provided \$1.8 billion in uncompensated care in 1988.) The terrific irony here is that under Taylor's bill, the uninsured population will almost surely increase dramatically, which will cause hospitals to charge paying patients still more to make up the difference. This will, in turn, cause insurance companies to raise insurance rates yet higher, which will cause more small businesses to drop coverage. And the vicious cycle revolves again.

No Piecemeal Solutions

The complexity of the insurance crisis demands a systematic study of the problem, and an equally sophisticated, integrated attack on all fronts. That's why human-services and consumer advocates are pushing for a comprehensive study of the problem, to identify causes and solutions. Such a proposal is now working its way through the Legislature. It may be just this careful, considered assessment that the insurance lobby is trying to head off — before everyone realizes how much they are contributing to the problem.

The public-interest groups have an ally. "The governor has called for an interim study of health-care access and delivery which is going to look at the questions in detail," said Deece Eckstein, Richards' director of regulatory policy. "I think she'd prefer that we hold off on HB 532. She would prefer to address questions like that in the context of that study."

The bill was pending in a Senate subcommittee as the *Observer* went to press. Proponents are trumpeting Taylor's bill as pro-small business, a powerful credential that could make the legislation difficult for lawmakers to vote against — especially with the entire Senate running for re-election next year.

Even if HB 532 is stopped, whether at the Capitol or the Governor's Mansion, it will be just the first skirmish in what threatens to be a long, bitter battle over the vital issues of insurance and health care. It is rumored that Gov. Richards will call the Legislature into special session next spring to address health-care access. The fight over Taylor's bill could foretell who will eventually prevail in the struggle: insuranceconsumers, or the insurance lobby. □

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