

# Power and Newt in Washington CounterPunch

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Written by Ken Silverstein & Alexander Cockburn

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## Anatomy of an Overthrow

### *Did Fidel Really Occupy the White House These Last Two Years?*

**S**tomped into the dirt by the mid-term voters and — more importantly — 112 million non-voters was everything that just two years ago was supposed to be smart politics. Back then the nation's pundits said that Bill Clinton had successfully reinvented the Democratic Party and positioned it away from its old constituencies, now balefully derided as "special interests." These pro-business, center-right "New Democrats" were hailed by the smart money as the way to beat Republicans at their own game.

On Nov. 8 the New Democrats got smashed, with fully one-quarter of their House faction beaten. Tennessee Rep. Jim Cooper, who raised huge sums of money from medical interests for having floated the "Clinton lite" health care reform bill, went down to humiliating defeat in his Senate race against Republican Fred Thompson. Other prominent New Democrats carted away in the tumbrils included Dave McCurdy of Oklahoma, the current head of the Democratic Leadership Council (DLC); Richard Fisher of Texas, a board member of the Progressive Policy Institute, the DLC's corporate-endowed "think tank"; and Jim Sasser of Tennessee.

The New Democrats lost their seats at twice the rate of their more liberal colleagues. And Democrats who survived tight races did so by appealing precisely to the old base constituencies of the party, as was shown by Ted Kennedy in Massachusetts and Paul Sarbanes in Maryland. Even right-of-center Democrats like Dianne Feinstein in California and Charles Robb in Virginia successfully beat off ferocious challenges by

making efforts to activate the old liberal elements of the Democratic coalition. This was particularly striking in the case of a DLC man like Robb, who only a few months ago was pledging to starve widows and orphans in order to battle the deficit.

On election evening, before the official media line about the Democrats having been done in by Clinton's Marxist-Leninist policies had hardened into ferro-concrete, the hosts of NPR's "All Things Considered" mulled the seeming paradox that old-style coalition building had saved Robb, Kennedy and the others. With the air of old-time prospectors discovering the motherlode, the NPR analysts marveled at the fact that by "reaching out" to blacks, labor and women, Robb had activated the voters in sufficient number to defeat Oliver North. The impression given was that this was almost tantamount to illegitimate activity on Robb's part, but one which bore thinking about by NPR ruminants.

But 12 hours later such thoughts had vanished, and the official wisdom — about voter abhorrence of Clinton's "leftism" — was omnipotent.

The bizarre insistence of post-election punditry that Clinton's "left-wing" tenure had offended the electorate had an important and temporarily successful function, namely to cause people to avert their eyes from the obvious: Clinton alienated the Democratic base among union members and minorities to the degree that they didn't bother to vote. Turnout was 38 percent, of which just seven percent was African-American. Blacks stayed away from the polls at twice the rate of whites, a *New York Times* sur-

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#### Special Six-Page Election Roundup

#### The Crushing Defeat of the New Democrats

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#### Oh, the Horror!

**"In academia ... the ascendancy of feminism in such fields as psychology, sociology, English and history may in fact intensify in reaction to the emergence of a conservative majority in the political arena."**

— Thomas Edsall,  
*The Washington Post*,  
Nov. 11, 1994

vey on Nov. 9 showed. "Clinton wine and dined the corporations because he believed that the constituencies which elected him — labor, consumers, minorities, environmentalists — had no choice [but to vote Democratic]," says Ralph Nader. "But they did have a choice, to stay home, and they exercised it. That was Clinton's big miscalculation."

In absolute numbers, the vote in the House was split 50-50 between the two parties. This was no ideological seismic shift. The Republicans got the narrow majorities where it counted. In New York, only one in ten of the voters for Republican George Pataki said they thought the ousted incumbent, Mario Cuomo, was too liberal. But eight of ten of those same voters either felt they had barely held their own economically over the last two years, or had gotten poorer in real terms.

Never has the term Republocrat been so apt. On major issues effecting working class and poor people — fiscal and monetary policy, wages, full employment — the Democrats offer no clear alternative to the Republicans. This reflects the decline of the party's organized constituents, especially labor, and the Democrats' at-

tempt to construct an electoral majority around non-class issues.

The two parties now seek and receive funding from identical sources, powerful corporations and wealthy individuals, and this has further narrowed the always slim gap between Democratic and Republican policy positions. In 1992, eight men, including Dwayne Andreas of Archer Daniels Midland Co., Lodwick Cook of Atlantic Richfield, and Ronald Perelman of Revlon Group, donated more than \$100,000 to both the Clinton and Bush campaigns.

The Republicans have by far the more populist base of financial support. Last

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### The official version, sanctioned by platoons of pundits, is that Clinton has to "recapture the center"

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year, the GOP raised \$29 million in small contributions (under \$200) and \$9 million from "soft money" donations (large contributions to the national parties which can be used for administrative expenses or passed on to state parties). The Democrats took in \$16 million in soft money and \$8.9 million from small contributors.

Republicans are more of an activist party as well, due largely to the enthusiasm of the Christian Right. Nicholas von Hoffman visited Democratic precinct headquarters in Brooklyn on election day and found vacancy and inertia. He wrote: "Republican sentiment is in touch with itself, the internal conversation is a two-way chitchat, while Democratic sentiment is often little more than conjecture by the top about the bottom...Bereft of their once vibrant city organizations, unions, lodges, granges and other groups that fed new ideas upward, Democratic politicians are often dependent for knowledge on lobbyists from the human rights and welfare industries who have no contact with the masses either."

**T**he political cartography of the next two years, and beyond, is not hard to decipher. The official version, sanctioned by platoons of

editorial page writers and television pundits, is that Clinton has to "recapture the center." Thomas Edsall catalogued the entire spectrum of Clintonite extremism in *The Washington Post*. "From the start of his administration, when he allowed the public agenda to be dominated by the issue of gays in the military, through rejection of his \$20 billion stimulus bill ... to administration insistence on gender and racial diversity in appointments, to the proposal of a health care plan that increasingly looked like a new liberal redistribution initiative, Clinton in office steadily lost the strengths of the campaigner and took on the image of a 1970s liberal," he wrote, failing to mention that every one of these sinister post-election lunges to the left had been a campaign promise.

But the funniest comment in this regard came from Will Marshall of the Progressive Policy Institute, who suggested that the president could best succeed in winning back the voters by driving the Republicans into an out-and-out embrace of fascism. "Clinton doesn't have any choice now but to try to govern as a New Democrat," Marshall told the *Post*. "He has to frame proposals on economic and social policy that occupy the center and force [the Republicans] to the political extreme."

It's highly likely that Clinton will indeed opt for this course, thereby even further alienating the Democratic base he despised in this last round. Almost inconceivable, given his weak character and lack of any core political principles, would be the more sensible course of announcing a coherent populist manifesto — a belated answer to Newt Gingrich's Contract with America — and fighting for it by veto and, with congressional allies, filibuster. Given this likely failure we may look to the stiffening of left party opposition to Clinton, and a potential challenge to Clinton from the left in 1996.

But the left has no clear leader to unify its interests the way Jesse Jackson did in 1988. There is no populist tribune available, as yet, from the ranks of labor, environmentalism and other elements of a radical coalition. The greatest enigma, if the truth be told, is the women's movement. Middle class feminist leaders are mostly loyal to Clinton, the strongest card in his weak deck. ■

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# New Maps of Hell:

## *What Difference Will It All Really Make?*

It would be a mistake to be glib about the results of these mid-term elections, and of the shift to control of Congress by the Republicans, which means that the GOP will control the flow of legislative traffic. Some extreme proposals, which the Democratic leadership had in the past bottled up in committee, will now reach the floor for a vote. A balanced budget amendment is now a virtual certainty. Busted through Congress and signed by a president who was only narrowly dissuaded from supporting such a measure during the last session, the amendment could sail through a sufficient number of state legislatures over the next few months and become law.

Furthermore, some Republican elected officials, both old and new, are rabid beyond belief. One incoming freshman to keep an eye on is Rep. John Hostettler of Indiana, so stern an enemy of gun control that in a speech to high school students he advocated the private ownership of nuclear weapons.

To assess the overall damage, **CounterPunch** called activists in Washington and around the country, to ask how the country would be impacted by the GOP's victories.

Dean Baker of the Economic Policy Institute told us of attending a post-election meeting at the American Association of Retired Persons, where the view was

that it might not be worth even offering up opposition to the balanced budget amendment. Baker pointed out that if a balanced budget was to become mandatory in 2002, it would mean slicing \$240 billion from a \$1.3 trillion budget, which would mean very serious cuts in social security, medicare and medicaid. If a balanced budget was to be arrived at by increments, before 2002, deep cuts could start soon.

As Baker remarked, the Republicans will be looking for a serious drop in the capital gains tax, down to at least 20 percent, and perhaps lower, from its present rate of 28 percent. He says the turnover in control of Congress would see the eviction of good staff people from the Joint Economic Committee, and predicted that Republicans would launch an onslaught on the Congressional Budget Office, where Gingrich flunkies may soon be issuing torrents of statistics and data designed to show that the economy booms in lock step with lower taxes on the rich.

A key economic question is whether Clinton — desperate to court the “center” — will reappoint Alan Greenspan as chairman of the Federal Reserve, when Greenspan's present term expires in 1996. In the meantime Greenspan will be pursuing the Fed's normal task of killing off anemic “recovery” by raising interest

rates. If such a policy is combined with a balanced budget amendment, thus foreclosing the possibility of counter-cyclical spending, a recession of historic proportions may be looming.

Like many of those we contacted, Doug Henwood, editor of *Left Business Observer*, viewed Clinton's economic policies as being central to the Democrats' huge election losses. A good share of the population has not benefitted from the recovery, in large measure because previous economic upturns have been spurred along with timely injections of state investment, while under Clinton government spending as a percentage of GDP has fallen to its lowest level since the post-World War II demobilization. In fact, the budget deficit which would inevitably result from the GOP's implementation of a new round of Reaganomics would provide a badly needed short-term charge to the economy. “Most people aren't doing well and they blamed the only people they could, Democratic incumbents,” says Henwood. “Being president of the bond market and of free trade doesn't make you many friends with low-income people.”

Henwood, however, believes things could become significantly worse with the Republicans in control of Congress. He likens the situation to what's taken place in New York City, where the dreadful measures of David Dinkins have been trumped by the even viler policies of Rudolph Giuliani. To balance the budget under the terms laid out by the GOP's preposterous “Contract with America” would require a 30 percent cut in all unprotected areas of the budget — everything except military spending, interest

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payments and — in theory — social security. "It could get vicious pretty fast," Henwood says, foreseeing on the horizon a period of what he drolly termed "upper class wilding."

From the perspective of the environmental movement, the shift to the Republicans has its positive side. Though they would hotly deny it, at least some of the national organizations are breathing sighs of relief. Budget deficits have been forcing both National Audubon and the Wilderness Society to curtail their operations drastically, with the latter on the verge of closing down entirely. But now it seems that the era of James Watt of blessed memory has returned. When Reagan's first secretary of the interior raised his ax against America's natural assets back at the start of the 1980s, membership in all major environmental organizations soared, leading, paradoxically, to many of the problems in which these groups are now mired.

The chair of the House Natural Resources Committee will now go to a Watt-style wild man, Rep. Don Young of Alaska, whose first concern will be to deliver the Tongass National Forest to Louisiana Pacific, and whose subsequent ambitions will be to legislate timber quotas, gut the Endangered Species Act and defund the Fish and Wildlife Service. Lurid scenarios of impending disaster will be painted by the big environmental outfits, simultaneous with mass mailings for contributions to salvage America's national heritage.

But in the view of a grassroots activist like Jeff St. Clair, editor of the Portland-based *Wild Forest Review*, the mid-term shift to the Republicans "won't make

that much difference on the ground." For one thing, says St. Clair, divisions and differences in the Republican congressional delegations will soon surface. John Chafee of Rhode Island, the incoming chairman of the Senate committee with oversight of environment and public works, is of a very different stripe from Young. Frank Murkowski, one of Alaska's senators, is another wild man from the last frontier.

St. Clair, like others we consulted, regards upheavals on the Hill, and an end

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### The most extreme GOP attack on welfare would deny benefits to some 3.5 million children

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to 40 years of majority Democratic committees, as not being an entirely bad thing. For years grassroots activists seeking a direct line to their representatives have found themselves talking to lordly staffers, at least two tiers below a powerful congressman like George Miller, outgoing chair of House Natural Resources. With Democratic staffers now facing the boot, organizers like Mike Bader of the Alliance for the Wild Rockies will be providing the research for members of Congress.

And, as St. Clair notes, from the environmental point of view the 103rd Congress was one of the most disastrous in history, despite there being a Democrat in the White House, a supposedly "environmental" vice president, Al Gore, and

Democratic majorities in both houses. The environmental movement has long been due for a major shake-up and spring-cleaning, and this — with proper leadership — may be the moment. On the other hand, the old discredited leadership could use the excuse of emergency to cling to power.

St. Clair reckons that today's climate "is the best opportunity for change in 30 years," to get beyond the unholy compact between the Democrats and the environmental leadership in Washington, where the best that could be hoped for was a bargain with business brokered by the Democratic fund-raisers. Under such conditions the credibility of the national environmental organizations plummeted. One Oregon poll showed 60 percent of respondents trusting industry scientists more than environmentalists — who have come to be seen as acting as special interests, not working on behalf of the public interest.

Elaine Bernard, of Harvard's Trade Union Program, offered a somewhat similar analysis on labor's prospects: "People underestimate the institutional barriers that the Republicans will face. Is it that bad a thing that there will be shake-ups in the committee systems? Given the disappointments of the Clinton period, the Democrats do need a shake-up in their ideas. The problem is, will they jump further to the right?"

One of Clinton's better appointments was Bill Gould as chair of the National Labor Relations Board (NLRB). Under the two previous Republican administrations the labor movement simply stopped appealing to the Board, so stacked was the pro-business deck. That has changed

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during the past few years, with the NLRB — though lacking enforcement power — now assiduously seeking to get the courts to issue decisions on unfair labor practices. Gould is installed for a fixed term and the Republicans will undoubtedly try to reduce the Board's funding. But they already have most of what they want, aside from a lifting of the ban, legislated under the Wagner Act in 1935, on company unions.

Clinton shoved NAFTA — and presumably GATT — down the throat of the labor movement and did not lobby hard for the AFL-CIO's great hope for the last session, outlawing of permanent striker replacements. Not withstanding its lack of influence with Clinton, organized labor — despite threatening greater independence last fall — is still bound to the Democrats. Greg Deneir, who works at the Washington office of the United Food and Commercial Workers Union, calls the mid-term results "a devastating loss in terms of the overall direction of the country." He says the Democrats have attempted, even with little success, to address issues such as declining real income for working families, slow job growth and the gradual disappearance of benefits. "There's a real and justifiable anger in the country," Deneir says. "The Republicans succeeded in mobilizing that discontent, but they diverted attention towards non-issues and non-reforms, like term limits."

In the area of military policy, things will likely be only marginally worse. Clinton's own defense budget remains at Cold War levels and the Republicans — especially with their promises of lower taxes and a balanced budget — can squeeze only so much out of minuscule social programs.

Clinton's record on militarism abroad is equally grim. Last year U.S. arms sales to the Third World reached a record \$14.8 billion, with 90 percent going to governments labeled anti-democratic by the State Department's own human rights reports. The most unabashed promoters of those sales have been Democrats. Dianne Feinstein has been working hard to win contracts for Indonesia, while Clinton, Richard Gephardt and Christopher Dodd rammed through the sale of F-15s to Saudi Arabia.

"The military budget is already set, the weapons are already bought and the

## Our Man Jesse

### *Hard Times Ahead for AID*

One beneficial result of the mid-term elections is that the new chair of the Senate Foreign Relations Committee, Jesse Helms of North Carolina, detests the Agency for International Development (AID) and intends to rein in its bureaucrats. Helms is especially critical of AID's efforts in Russia and Eastern Europe, which Clinton-appointed agency head J. Brian Atwood calls a model effort at promoting "sustainable development" abroad.

Like all U.S. foreign assistance programs, AID's \$2.5 billion effort in Russia is primarily designed to enrich well-connected American firms and individuals. (A key player here is Thomas Dine, AID's assistant administrator for Europe and the former Soviet republics. Dine was forced to resign his previous post as director of the American Israeli Public Affairs Committee after it was revealed that he had called Orthodox Jews "smelly.") It is estimated that between 50 percent to 90 percent of AID's money has gone into the pockets of U.S. consultants.

According to Sheila Kaplan, formerly of *Legal Times*, Merck & Co. won a \$3.2 million contract to distribute measles vaccines, a job which could have been done for one-quarter the cost by UNICEF. The Citizens Network for Foreign Affairs, a group whose officers, board directors and consultants include Henry Kissinger, Robert Strauss and former secretaries of defense Frank Carlucci and Melvin Laird, received some \$50 million to restructure Russia's food distribution system. Almost half of that money was quickly doled out to member firms of the Network — including Cargill Inc., Monsanto Co, and W.R. Grace — who were picked to advise the Russian farm sector.

Perhaps the biggest scandal is AID's work on behalf of WMX Technologies (formerly Waste Management Inc.), the world's largest waste disposal firm and a company whose "Environmental Crimes & Other Misdeeds" have been compiled in a 285-page report by

Greenpeace. According to the survey, WMX, its subsidiaries, or employees have been sued or indicted for antitrust violations in at least six states, investigated in at least fifteen, and convicted in three. Employees of the company, which between 1980 and 1990 paid out more than \$45 million in penalties and settlements, have also been charged with bribery, price-fixing and fraud.

To help WMX in its ongoing efforts to crack the Russian market, AID awarded a hefty grant to Sanders International Inc., a Washington-based consulting firm which seeks projects in Eastern Europe for U.S. firms. The waste disposal firm is also participating in AID's "Entrepreneurs International" program, which brings Eastern European leaders to the U.S. for 3-4 weeks of training with American companies. Early this year a Hungarian political official who works in the environmental area was hosted by WMX at its Oak Brook, Illinois headquarters.

Of course, WMX has always been direct in striving to win influence with the Clintons. Company founder Wayne Huizenga donated \$146,000 to the president's 1992 campaign and the firm backed the Health Security Express, the organization which coordinated bus caravans to lobby for the Clinton health plan.

WMX has also bought support in the environmental movement, making contributions to, among others, Sierra Club, The Nature Conservancy, Better World Society, Conservation International, World Wildlife Fund, National Audubon Society, and National Wildlife Federation. Company officials serve or have served on the board of directors of the latter three, with big game hunter and WMX CEO, Dean Buntrock, doing the honors at NWF (covering all bases, WMX has also funded PBS's "Nova" and National Public Radio's "All Things Considered").

Go get 'em, Jesse, and while you're at it, abolish the AFL-CIO's Free Trade Union Institute, promoter of many a coup abroad, and the National Endowment for Democracy. ■

