Tells the Facts and Names the Names

CounterPunch

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Paper Trail: The Origins of Whitewater

Follow the Whitewater labyrinth back to its very beginnings and we find a simple truth, missed by all: this single land deal, hatched when Bill Clinton was making his first run for the Arkansas governorship, forged the devil's bargain the Clintons made with big money and the most powerful corporate force in Arkansas – the timber industry.

Of the one thousand and seventy news stories written about the Whitewater scandal in the past four years, some 90 percent have concerned themselves with the cover-up question: if or how the Clinton White House suppressed evidence in the wake of Vince Foster's suicide. Almost all the remaining stories deal with the efforts of Governor Bill and the First Lady of Arkansas to keep their friend James McDougal's Madison Guaranty Savings & Loan afloat.

All these reports overlook the actual origins of Whitewater, which began with a land deal. In 1978, the state attorney general Bill Clinton was in the midst of his first campaign for the governorship when he and Hillary, along with Jim and Susan McDougal, bought 230 acres of riverfront land in the Ozark Mountains of northern Arkansas. Though title to the land was in the Clintons' name, the couple put down no money. McDougal did not yet have his S & L and was a financial fixer and property dealer. He fronted the money for the down payment on the loan.

The land's previous owner-of-record was a partnership, 101 River Development. Its role was strictly that of a conduit. 101 had held the property for only three days and folded its tent within a couple of weeks of the sale. The actual seller of the land was International Paper, Arkansas' largest landowner – a $16 billion a year timber giant with seven million acres of land across the United States, and 800,000 acres in Arkansas.

International Paper's powerful presence in Arkansas dates back to the 1950s with the arrival there of Winthrop Rockefeller. The New York-based timber company had long been backed by the Rockefellers and when Winthrop went south the company made a similar migration and set about building up its empire in the state.

The Whitewater sale came at a time when the timber giant was lending a keen ear to the pronouncements of candidate Clinton. The young attorney general had vowed that as governor he would restrict clearcutting on land held by companies such as International Paper, Georgia-Pacific and Weyerhaeuser.

These paper and timber companies had gone on a logging binge in the mid-1970s, clearcutting thousand-acre chunks of forest at a time. Clinton promised to introduce legislation banning the practice as soon as he entered the governor's office.

International Paper gave the Clintons and McDougals a very good deal, selling the land for $500 an acre. Non-river front property in the area was selling at the time for nearly twice that amount.

The sale went through in August of 1979; Clinton won the governorship in November of that year. Environmentalists eagerly awaited action from the new governor to stop clearcutting and to stem the flow of industrial poisons that suffused the state's water and air. But the promises of the campaign trail soon lost their fire. Indeed Clinton's commitment to them had been pallid from the start. His two predecessors as governor, Dale

Bumpers and David Pryor, had both tangled with the timber companies on the issue of clearcutting with far more vigor than was ever displayed by Governor Clinton.

The newly elected governor formed a task force on clearcutting stocked with conservationists. The task force swiftly took heat from loggers and executives from Weyerhaeuser and Georgia-Pacific. A frightened Clinton kicked off the conservationists, put in industry hacks and advertised his own preference for voluntary compliance with soft regulations.

The Arkansas voters turned out Clinton at the end of his two-year term in 1980. Clinton had offended voters on a number of issues such as highway taxes, Hillary's refusal to adopt the governor's last name, and education policy. He himself blamed his defeat on the fact that the Mariel refugees from Cuba had been held at Fort Chaffee in northwest Arkansas, whence – fairly close to the election – 350 of them escaped.

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Clinton left the governor's mansion and went to work at the Little Rock law firm of Wright, Lindsey and Jennings. Hillary was at the Rose law firm. Both firms represented the timber giants of Arkansas before state regulatory bodies such as the Pollution Control Board and the Department of Ecology. Meanwhile, Clinton was refashioning himself as a New Democrat, sensitive to the concerns of business and zealous to purge himself of all "progressive" taint.

After two years in exile Clinton recaptured the governor's office in 1982, the same year that McDougal bought Madison Guaranty Savings & Loan. Among those contributing to candidate Clinton's campaign treasury were International Paper, Georgia-Pacific, and Tyson Foods. Their investment was swiftly rewarded. Building on his first term surrender to big timber, Clinton redux was now equipped with a philosophical approach to regulation highly congenial to the resource industries and to the poultry factories. The disastrous impact of Tyson's chicken farms on the Arkansas River is fairly well known. Less notorious but even more noxious are the pulp plants of International Paper, Georgia-Pacific, and James River. International Paper's mill at Pine Bluff is one of the most poisonous in the nation, venting nearly 2 million tons of toxic chemicals a year into the air and water.

Clinton was now promoting even more vigorously his view that corporations could best comply with environmental standards on a voluntary basis, rather than by the imposition of exigent (and politically perilous) rules and regulations.

To this end Governor Clinton stacked the pollution control board with members friendly to industry. In 1985 he signed into law a huge tax break for the industrial corporations of his state, including the big timber companies. This easing of the corporate fiscal burden was offset by a regressive sales tax on the citizenry.

It was at this time that Clinton supervised a land deal highly favorable to the timber giants. In later years, taunted with the fact that his state ranked 48th in environmental quality, Clinton would make much of the fact that as governor he had acquired thousands of acres for state-owned forests. Two types of transactions were involved here. In one, Clinton swapped state-owned lands mantled with valuable trees for corporate parcels which had been recently cut over. In the other type, the state simply acquired at inflated prices land which the timber companies had recently logged.

Nourished by these benefices, the timber companies, along with Tyson, began to urge Governor Clinton – now nearing the end of his third term – to consider challenging Democrat Dale Bumpers for the senate seat he had held since the early 1970s. The companies had no love for Bumpers. He had led the charge to reform forest policies on federal lands, culminating in the passage of the National Forest Management Act. Bumpers was also, as already noted, a spirited critic of

In response to timber companies, Clinton stuffed his clearcutting task force with industry hacks.

the clearcutting and pesticide practices of the big timber companies in Arkansas. But already by this time Clinton was contemplating a run for the White House. And so the timber companies, along with other corporate interests, funded the Democratic Leadership Council – Clinton's launching pad to the national scene.

The kindly deeds President Clinton has performed for the timber giants have already been reported in these pages. But for International Paper, in particular, Clinton wrought two spectacular favors. First, he refused to take any action to stem the flow of raw log exports from the Pacific Northwest, where International Paper holds about a half million acres. Second, the generous Habitat Conservation Plans tirelessly promoted by Interior Secretary and fellow DLC member Bruce Babbitt allowed International Paper and Georgia-Pacific to continue to cut trees on land occupied by endangered species, such as the red-cockaded woodpecker.

The harmonious relationship between International Paper and Clinton that began in the late 1970s has many threads. It was also International Paper that sold land to McDougal and Guy Tucker in the Castle Grande deal for which Hillary Clinton spent the renowned sixty hours of billing on behalf of Madison S&L.

When the Castle Grande deal began to fall apart and threaten Madison's financial health, McDougal and Clinton pressured timber executive Dean Paul into taking out an $825,000 loan to rescue Castle Grande. Nearly $100,000 of that "loan" ended up in Whitewater accounts and some of that money may also have found its way into Clinton's campaign chest. And though Hillary's incredible record of success in commodities trading has been widely advertised as an exercise in cattle futures, in fact part of her conversion of $1,000 into $98,000 came in trades on timber futures.

The Clintons never visited the riverfront property known as Whitewater Estates. The only person who appears to have made any money off the real estate deal (aside from the sellers) was Hillary. She "bought" – there's no evidence she put any of her own money down – a model home on a lot that she promptly sold, netting her $30,000.

When the Whitewater scandal finally exploded, attorney general Janet Reno searched for a special prosecutor. She at last came up with Robert Fiske, of Davis, Polk and Wardwell. This was the New York law firm representing not only Clark Clifford and Robert Altman (whose First American bank had been introduced to the criminal enterprise know as BCCI by the Stephens financial empire in Arkansas), but also International Paper.

Tyson, Wal-Mart and Stephens are familiar pillars of the Arkansas power structure. The timber companies are less so. Yet they are probably the most potent of the lot. Combined, International Paper, Weyerhaeuser, Georgia-Pacific, and Potlatch control more than 2.5 million acres of land in Arkansas and operate more than 30 mills. It is scarcely surprising that back in 1978 it crossed the corporate mind of International Paper that a pleasant offering of real estate to the Clintons, via McDougal, would not be such a bad idea. ■

Wall Street Journal in "Demon Bonior" Boo-Boo

Editors Make Omelette, Get Egg on Face

On the morning of Bill Clinton's January 23 message to Congress the *Wall Street Journal's* lead editorial exhibited the tranquil reassurance of someone betting on a sure thing: "At the rhetorical rite known as the State of the Union, the networks playfully match relevant headshots of Members of Congress to parts of the President's message. For tonight, we'll make their job easier: Throughout the Clinton State of the Union, just fill the lower left part of the screen with a headshot of Rep. David Bonior."

Having defined the Michigan Democrat as the "embodiment of contemporary liberalism", the *Journal* unfurled its editorial thesis. The Whitewater scandal is approaching critical mass, and with "centrist Democrats...either silent or leaving office" Clinton is finding that the only faction with organizational strength and energy to rally to his side are "the ideological liberals". The better to focus its readers' attention on the bold Clinton/Bonior love match prediction, the *Journal* even featured line drawings of the President and Bonior, the latter of whom was wearing a suitably demonic smirk. "Whitewater", the editorial triumphantly concluded, "is defining the future."

Of course, the *Journal's* editorial was matchlessly wrong. Clinton's speech was carefully scripted to insult as vigorously as possible everything that congressional liberals such as Bonior hold dear. Clinton said the era of big government was over and all but announced that he was seeking formal GOP membership.

In his monologue the following morning Rush Limbaugh put it this way: "I want to sum up this speech for you very, very succinctly and quickly. Bill Clinton has stolen the conservative ideas of the day...Here it is two years later and he's making a Ronald Reagan speech. He stole the ideas. The Republicans have won the day. Two years ago this president would not have made this speech. One year ago this president would not have made this speech...He would still be pandering to the liberal constituency groups...But he doesn't have to do that because he has no opposition in the Democratic primaries. So he doesn't have to pander to the liberal base. What are they going to do anyway? Vote for Dole?"

Perhaps understandably, Wednesday's editorials in the *Journal* tactfully avoided the topic of Clinton's speech and his strange failure to follow the Bonior script as predicted a day earlier. But as disconsolate Republicans spent Wednesday brooding on the likelihood that in November voters would probably choose a young Republican (Clinton) over an old one (Dole), the *Journal's* lead editorial Thursday tried to rally the troops. The Newt revolution was winning. "Everywhere in the world the great challenge for elected leaders is to help their people climb off the safety nets erected for a dangerous world and prepare now to compete in the economy of the 21st century." But Bill Clinton will never meet that challenge because of course he's a closet Boniorite secretly yearning to swell the entitlements of the poor by being "the big-government advocate everyone deep-down knows he is".

By Friday, the *Journal* was trundling out ancient artillery, accusing Clinton of treachery for failing to sign a bill authorizing a Star Wars missile defense system. The one thing the *Journal's* editorialists are apparently incapable of doing is reading their own paper, where news story after news story has quoted exultant corporate leaders as saying that the Clinton administration is the best friend business ever had. So the next time someone asks you, who's really running the country now? It's not the Federal Reserve or the Bohemian Grove or the Council on Foreign Relations or the Freemasons. It's David Bonior. You read it first in the *Wall Street Journal.* ■

Gingrich and Breaux: Rent Them By The Hour

The campaign finance reform bill that passed Congress recently in no way changes the basic dynamics of American politics. Big corporations still buy up candidates, Democrats and Republicans alike, who are only too eager to be bought. Consider the two following stories, disclosed here for the first time, about House Speaker Newt Gingrich and John Breaux, a Democratic senator from Louisiana and a chief bagman for his party.

On Newt's recent fundraising jaunts for GOP candidates around the country, we have learned that he flew aboard a corporate jet provided to him by the US Tobacco Company, better known as UST. At Gingrich's elbow on many of these journeys, which ranged as far north as Seattle and as far south as Houston, was a lobbyist with The Advocacy Group, a DC-based consulting firm that represents, among others, Brown & Root, Intel and Livingston Health Care Services.

This is not the first time that UST's jet has been of service to Gingrich. Last year it ferried him to the Bohemian Grove's "Midsummer Encampment", where he gamboled in the woods with James Baker, William Buckley Jr., Walter Cronkite, Gerald Ford, Henry Kissinger, Caspar Weinberger and numerous corporate titans. In mid-1995, the UST jet flew 80 Republican House members to New York to attend a fundraiser honoring Gingrich.

Thanks to the infinite wisdom of the House Ethics Committee, UST's provision of the plane is not illegal. The Committee ruled a few years ago that elected officials can fly aboard private planes as long as they reimburse the providers for the cost of a coach fare. The newly approved campaign finance bill did not affect the rule.

UST controls 90 percent of the smokeless tobacco market. Brisk sales of its cherry-flavored Skoal, a brand popular with young people, has made UST the most profitable tobacco company in the US.

Smokeless tobacco products — snuff and chewing tobacco — deliver three times the nicotine punch of cigarettes and are far more likely to cause mouth cancer. The Department of Health and Human Services warned three years ago of "an impending oral-cancer epidemic" as the growing popularity of smokeless tobacco increases.

UST also owns three wineries in Washington State where workers toiled for up to 90 hours per week without receiving overtime. When they tried to form a union in the early-1990s, UST mercilessly harassed the organizers and fired some of them.

According to a Common Cause study, the Smokeless Tobacco Council, UST's trade association, worked to defeat 24 bills between 1988 and 1993. Not a single one passed Congress. The company is particularly keen to hold down excise taxes on smokeless tobacco, which at 3 cents per can are one-eighth the rate per pack of cigarettes. To maintain its DC winning streak, UST gave $88,210 in soft money to the GOP last year (and another $29,250 to the Democrats).

Like Gingrich, Senator Bob Dole of Kansas is on warm terms with UST. He's another frequent flyer on company jets and his PAC, Better America, has received tens of thousands of dollars from the company. A UST senior vice president sits on the board of the Dole Foundation, a charity for the disabled. A few years ago, when some senators proposed raising excise taxes on smokeless tobacco, Dole fought a relentless and ultimately successful crusade against the measure.

When it comes to taking money and favors from Corporate America, the Democrats are no better than the Republicans. Richard Gephardt, the ranking House Democrat, is another of UST's frequent flyers. Like 101 other companies, UST's political action committee contributes generously to both Gephardt and Gingrich.

Both parties eagerly sell access to the highest bidder. For $6,000, the GOP treated contributors to a Superbowl weekend in Phoenix which included lodging, a golf outing and two tickets to the game.

Boggs' Bucks Cover Board

Rivaling the dispensations of rich individuals and Political Action Committees for campaign funding are contributions from lobbyists. During the 1991-92 election cycle, lawyers and lobbyists shelled out $44 million, second only to the $71 million doled out by Finance, Insurance and Real Estate. Defense contractors trailed far behind, with a relatively measly $8 million.

We have the list of contributions made to political candidates between mid-1994 and mid-1995 by the powerhouse lobby shop of Patton, Boggs & Blow, whose effective leader is Tommy Boggs, brother of ABC TV's Cokie Roberts. During that year alone, Patton, Boggs made political contributions — at the federal, state, city and even county board level — of $70,050.25.

Boggs himself stumped up $20,650. Though most of that money went to Democratic candidates, Boggs has eclectic political tastes, donating to everyone from Senator Bob Dole ($1,000) and Rep. John Kasich ($500) on the right to Rep. Jerrold Nadler ($1,000) and Senator Tom Harkin ($1,000) on the liberal bit of the spectrum. He also tossed in $100 to Marion Barry's 1994 DC mayoral campaign, while Mitchell Berger covered the firm's bases by giving $100 to John Ray, Barry's chief competitor.

Patton, Boggs' No. 2 dispenser is Katharine Boyce, who made 43 contributions totaling $12,752. Boyce invested in Senators Patty Murray, Chuck Robb and Dianne Feinstein, as well as Reps. Barney Frank (a mere $50), Dave Obey and Sam Gejdenson (not to mention the Clinton/Gore re-election campaign). ■

Democratic Senator John Breaux of Louisiana, who once said that his vote could not be bought "but it can be rented", heads the Majority Trust — "the premier donor program of the Democratic Senatorial Campaign Committee", according to one of the Trust's solicitations which we got hold of. Membership in the Trust costs $20,000. In special cases, installment payments can be arranged.

According to the solicitation, Trust members of the class of '95 could attend a series of retreats with senators – normally five to eight were on display – in which they had the "opportunity to discuss important issues and ideas on public policy and politics in the company of prominent Democrats".

Events last year included a "Strategic Retreat" in March at the La Costa Resort in Carlsbad, California; August's Nantucket Weekend, where Trusters were put up at The White Elephant Inn and intermingled discussions with "relaxing summer activities, private receptions and dinners"; and a November pheasant shoot in South Dakota hosted by Senate Minority Leader Tom Daschle.

On Newt's recent fundraising jaunts for GOP candidates, he has flown aboard a US Tobacco Company jet.

Already in January of 1996, Senators Howell Heflin of Alabama, Joe Biden of Delaware and Tom Harkin of Iowa gathered in Aspen for a ski trip with Trust members. Other events planned for this year, says the solicitation, are "Mardi Gras in New Orleans with Senator Breaux and the Democratic National Convention in Chicago in August".

Stephanie Cooper, who runs the Majority Trust program, was not enthusiastic about discussing the Breaux letter with us. She described it as a "small committee with loyal members" and said that the number of people was "private information we'd rather not disclose".

According to Cooper, "there's nothing inappropriate about [the program]"; it is "nonsense" to suggest that donors gain unwarranted access. "It's like flying", Cooper told us. "Some sit in first-class and some sit in coach" – as cogent a description of the American democratic process as one could hope to find. ■

Punch Bowl

Crossblather: It's Geraldine!

"And from the left, I'm Michael Kinsley" – week after week, until he took himself off to Seattle to edit an on-line magazine for Bill Gates, the neo-liberal Kinsley would chirp this nonsensical political ID into CNN's cameras. A few weeks before he left, Kinsley gave up: "From the left, from the right, from wherever," he chorused cynically. "I'm Michael Kinsley."

But Kinsley has gone and Crossfire's producers have been casting about for a suitable replacement. Under the simple grid imposed on the nation's seething political passions, in this year Crossfire's "leftist" will have to speak up for the Clinton administration.

The first choice was White House aide George Stephanopoulos, who declined the honor, even though CNN assured him the seat would be kept warm until after the November election. Christopher Hitchens is an occasional guest on the show, but he's no Clinton loyalist and as a regular host would be too raffish in style for the sober CNN-ers.

An embarrassing week's worth of mentally inert John Kennedy showed that he was indeed Camelot redux. The perils of the left-Clinton-loyalist prescription was displayed by the fate of Jeff Cohen, director of FAIR and habitual critic of the constricted either/ors of mainstream journalism. Facing Robert Novak and Linda Chavez he tried to defend the indefensible, namely the White House's conduct in the Travelgate affair. This is not a burden any FAIR director should encumber himself with.

After toying with other temporary "left" hosts such as Juan Williams and Bob Beckel, Walter Mondale's campaign manager and a Beltway PR flack, the CNN high brass has now selected Mondale's 1984 running mate, Geraldine Ferraro. The alternate will probably be former Kennedy speech writer Robert Shrum. Our one previous viewing of Ferraro displayed a dreary exchange on Whitewater which had all the brio of an ill-produced Japanese Noh play. Ferraro and the other guests were reduced to waiting for Senator Richard Shelby of Alabama to arrive and inject some fizz into the proceedings.

Ron Brown: Dynamic Genes

Endless are the scandals and conflicts of interest swirling about the person of Commerce Secretary Ron Brown. One month it's revealed that he owns slum properties in the Washington, DC area. Thereafter it's found that he and his cronies charged millions in personal expenses to the government during the commerce secretary's business trips abroad.

A less noted story involves Brown's son, Michael Brown, a 30-year-old laggard who never passed his bar exam but nonetheless has moved from one high-paying job to the next, at least since his father joined the Clinton administration. A lobbyist at the firm of Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, Brown Jr. last year was named to the board of directors of Dynamic Energy Resources Inc., a natural gas company based in Tulsa. On joining the board, Brown received a 5 percent stake in the company and a $60,000 golf club membership in Tulsa.

The Banality of Hillary

"So let's assume that Hillary personally eighty-sixed seven travel office employees. As Jimmy Tingle pointed out at a benefit for the Center for Constitutional Rights, AT&T fired 44,000 and nobody said a word." This *Nation* editorial is a promising line of defense of a woman who sponsored the firing of seven civil servants for the express reason of installing her own cronies and who, to justify this behavior, set the FBI and the IRS on the unfortunate people, costing one of them $500,000 in legal bills before his name was cleared.

Another parallel the *Nation* editorial writers might like: "Next to the Nazi's extermination of the Jews, Hillary's staff problems scarcely seem worthy of extended commentary." ■

Last October, six months after Brown stepped down from a brief stint as acting CEO, Dynamic Energy filed for bankruptcy. Now, as reported by *Legal Times*, a major stockholder has filed suit against company directors, including Michael Brown. Linda Price accuses them of "systematically looting" the firm of more than $3 million and says that Michael Brown, who received $7,500 per month in salary and up to $800 for expenses, "provided no services of value to the corporation in exchange for said transfers".

An ex-employee has also accused Dynamic Energy of making $15,000 in illegal campaign contributions to W. Stuart Price, the firm's ex-president, who unsuccessfully ran for Congress in 1994. Michael Brown headed company when the contributions were made and "could be hit with civil and possibly even criminal penalties if it is shown that he knowingly authorized contributions made in violation of federal campaign laws", according to *Legal Times*.

Dynamic Energy is stuffed with people with links to Ron Brown. Two Commerce Department employees, Gilbert Colon and Trisha Lum (the latter is the daughter of Dynamic Energy CEO Nora Lum) took posts with the Tulsa company. Helen Yee, the mother of Melinda Yee, another Commerce employee, is also a Dynamic Energy board member.

Nora Lum herself is a close friend of Brown's. She helped raise money for the Democratic National Committee during the commerce secretary's tenure there. She attended Clinton's inaugural dinner at the Washington Convention Center and sat with the Commerce Secretary, the host of the event.

Steve Stockman Bites The Hand That Fed Him

Rep. Steve Stockman of Texas, most recently heard attacking the Kinsey report and saying (with some justification) that it caused the sexual revolution, is one of those wild-eyed GOP freshmen who insists that balancing the budget is a simple matter of hacking away at social programs. Last year Stockman voted to cut student loan programs by $3.9 billion and supported a provision which will allow lenders to start charging interest on student loans from the date of graduation, thereby killing the previously existing six-month grace period.

At the same time Stockman has been coy about the fact that he took out tens of thousands of dollars in student loans to attend the University of Houston-Clear Lake, where he graduated with a degree in accounting in 1991. Though Congressmembers are required to reveal liabilities of more than $10,000, Stockman failed to list his outstanding student loan debt of $15,630 on his 1994 disclosure form.

The Texas congressman may have omitted this information because, as reported by the *Beaumont Enterprise*, he defaulted on his student loan payments in May of 1994. The outstanding $15,630 was then paid off by a state agency which guarantees payment on student loans.

Stockman claims that the whole thing was a silly misunderstanding and that he was not credited for a $2,000 payment. His campaign has failed to produce a check to back up this assertion.

Mobutu's Friends

Last October 15 we reported that former President Jimmy Carter was discreetly laboring to smooth US relations with Mobutu Sese Seko, the Zairian dictator. We've now learned details about recent efforts on Mobutu's behalf by a coalition of Washington lobbyists — ranging from Paul Erickson, head of Erickson Associates, a Virginia-based consulting firm, and a campaign advisor to Pat Buchanan in 1992, to former Democratic Rep. Mervyn Dymally, a past head of the Congressional Black Caucus and chieftain at the Dymally International Group.

The focus of the campaign, begun in mid-1995, was to pressure the Clinton administration to grant a visa to Mobutu for a visit to the US (he has been banned for years). Thus far the Clintonites have refused to accede to the visa request.

Working for Dymally on the Zaire project is Faye Williams, a long-time member of his Congressional staff. Last June, she sent a letter to every member of the Congressional Black Caucus pleading with them to press National Security Advisor Anthony Lake and Assistant Secretary of State for African Affairs George Moose to give Mobutu his visa. She also asked recipients to write "a brief letter to Mobutu agreeing to meet with him".

In her letters, all signed "Yours for World Peace and Justice", Williams said: "as a well established human rights activist, I support the concept of negotiated dispute settlement and engaging parties with whom I have disagreement". But Williams' exalted motives do seem to carry the stain of cruder expectations. Attached to her letter to Rep. William Clay is a handwritten note: "Thanks for all of your help...This is a subcontract, but who knows, if I'm successful here, perhaps my own contract thereafter". Clay did not respond to Williams' plea but at least two members of the Caucus —Walter Tucker of California and Earl Hilliard of Alabama — did write to Moose, using language Williams had recommended.

Carville Does Lines With Andy Griffith

Besieged over charges concerning Whitewater, Hillary Clinton took another hit for allegedly using a ghostwriter, Barbara Feinman, for her new book, *It Takes a Village*. Our view is that the generally abhorrent views in the volume — mostly asserting ways the state can intrude into people's lives in the name of "children's rights" — are certainly the First Lady's. Feinman's role was probably to disentangle the working drafts from other papers on Hillary's desk, such as time sheets for the Rose law firm, notes from Vince Foster and other detritus awaiting the shredder.

Another Clintonite had extensive help with his new book. In the acknowledgments to *We're Right, They're Wrong: A Handbook for Spirited Progressives*, presidential advisor James Carville writes, "First and foremost, I am grateful to Lowell Weiss. If I were the kind of person who put justice before ego, Lowell's name would be on the cover with mine."

From what we understand, the name of Weiss, who works for *The Atlantic*, would be on the cover along with a number of other ghost contributors. Carville's name wouldn't appear at all. We have been told that a staff of around five worked on the book. Some chapters were written by team members and then revised with Carville's suggestions.

The staff often met at Carville and Mary Matalin's Capitol Hill digs. Carville was frequently remote from the task of literary production, only coming to life during TV reruns of "The Andy Griffith Show". He mightily impressed his helpers by chanting dialogue from the big scenes in sync with the soundtrack. ■

Sierra Club: They Stole from the Poor (and the Rich); They Gave to Themselves

This is a cautionary parable for all those philanthropists who dream of making a better world by leaving their money to tax exempt foundations. In 1970 Harvey Mudd Jr., heir to a mining fortune and a resident of Hondo Arroyo, northern New Mexico, became much moved by the grievous situation of rural Hispanics in his locality. For four centuries these Hispanics had been pastoralists, grazing their sheep on communal lands north of Santa Fe.

Under the 1848 treaty of Guadeloupe Hidalgo, the US government was mandated to cede these lands to their historic grazers. Proceeding along the familiar trail of broken promises, the US government did nothing of the sort. The terrain in question became a swindlers' bazaar, shunted from one land speculator to the next.

By the 1940s more than a million acres of these lands had ended up in the hands of the US Forest Service, an agency with a traditional enmity towards Hispanic sheep ranchers, not on the ground that sheep degrade terrain (true across the arid West), but because communal use of the land was contrary to the Forest Service's own land ethic, where exploitable resources were required to yield a return under capitalist business principles. This was early twentieth century "progressivism," with big government and big business rationalizing federal assets at the expense of communal users in the southwest and small sawmill operators in the Pacific Northwest.

In New Mexico the social engineers in the US Forest Service wanted to turn the Hispanic pastoralists into timber workers. To this end they inexorably raised grazing fees to the point where the Hispanic shepherds could not possibly make a living. The grazing permits ended up in the hands of Anglo ranchers, banks and insurance companies.

Having driven the grazers into bankruptcy the US Forest Service made a wretched hash of its timber projects. The mill destined to be operated by local people ended up in the hands of a British transnational, Hanson PLC, which preferred to employ Anglo workers.

In 1967 the Hispanics finally rebelled in a spirited uprising aimed at recovering the lost lands. The rebellion culminated in the armed takeover of the county courthouse at Tierra Amarilla, in the Rio Chama valley. Such was the social crisis that aroused the interest and the sympathy of Harvey Mudd.

The Sierra Club used money intended to benefit poor pastoralists to help buy San Francisco real estate.

Mudd was a significant figure in the local environmental movement. In northern Now Mexico. Handsomely accoutered with a trust fortune, he created Frontera del Norte, a fund within the Sierra Club Foundation dedicated to the acquisition of grazing lands for rural Hispanics in the area. Mudd seeded the fund with $100,000 in Cyprus Mine stock, the family company which had made most of its pile in South America.

Later in the year of 1970 Mudd met with his friend Roy Graham III, resident of Albuquerque and one of the heirs to the Firestone tire fortune. Mudd showed Graham photographs of a 2000-acre parcel, known as High Mountain Ranch, which Mudd said could be bought for a cooperative of the grazers for $200,000. After assurances from Mudd and officials at the Sierra Club Foundation that his money would only be used to buy these grazing lands in northern New Mexico and that the interest on his money would accrue into that fund, Graham agreed to match Mudd's stake and put $100,000 in Firestone stock in Frontera del Norte.

Over the next ten years Mudd received repeated assurances from the Sierra Club Foundation that its officers were assiduously searching for the appropriate property. The High Mountain Ranch deal had fallen through.

We now continue the story from Graham's perspective. The next he heard about the consequences of his donation came in the form of a desperate plea from the Sierra Club in 1980, requesting his permission to transfer temporarily his $100,000 gift to the Sierra Club's general fund. Graham consented in a terse note, but urged the Club to get on with the all-important business of finding the grazing lands to which he had dedicated his money.

Another ten years passed. In December of 1989 Graham read a newspaper story about the increasingly impoverished state of the Hispanics in northern New Mexico. He fired off a letter to the Sierra Club demanding an accounting of his gift. The Sierra Club Foundation's president, Stephen Stevick, responded in due course that (a) no grazing land had been bought, and that (b) the Frontera fund had a balance of $150,000 and that no interest had accrued. The interest on Graham's $100,000 – which by that time should have amounted to almost $1 million – had been placed in the Sierra Club Foundation's general fund.

Graham filed suit against the Sierra Club forthwith, on the grounds that the Club had defrauded him. In the discovery process that followed, Graham became aware of complex financial manipulations by the Club which had ended up with the gifts from himself and other unsuspecting donors being used to buy the land underneath the Sierra Club's national headquarters on Polk St. in downtown San Francisco, thus allowing the Smith & Hawken pastoralists at the Foundation ample security as they grazed the rich slopes of tax-free donations.

The Club had made no effort to buy any land for Hispanic pastoralists. The only other significant use of money in the Frontera del Norte account was a transaction whereby the Club purchased an office building in Santa Fe from Harvey Mudd.

Graham's case was filed in 1990 and ended in May, 1992. The federal district court in San Francisco dismissed Graham's complaint on the technical point that he had no standing to enforce how his gift was spent.

The law states that only the state attorney general in any relevant jurisdiction has the right to challenge the application of a gift to a non-profit. In dismissing the suit Judge Charles Legge was unsparing in his remarks to the Sierra Club's lawyers. He called their litigation tactics "very excessive, terrible... look, you're a charity. A charity. You are litigating against somebody who has given you a substantial sum of money."

The California attorney general had no stomach for taking on the Sierra Club, but in New Mexico the AG's office was held by Tom Udall, a son of Stewart Udall who had been US Secretary of the Interior in the early to mid-1960s. Udall sued on behalf of the state of New Mexico and was joined in this enterprise by Ganados del Valle, representing the Hispanics and led by a community organizer and MacArthur fellow, Maria Varela.

This time the suit seemed to be going against the Sierra Club and in December of 1995 the Club settled for $900,000, having spent $2 million in legal fees, The $900,000 went to Ganados del Valle, but the money arrived a quarter century too late. With the advent of Shirley MacLaine and other Hollywood seekers of Southwest chic, plus the arrival of Intel outside Albuquerque, land values had soared. What would have bought enough acres for sustainable grazing in 1970 could only get small pastures or sagebrush scrublands 25 years later.

But the Sierra Club wasn't finished. Smarting from their defeat, the Club's officers have decided to devote their resources to personal revenge. They are suing the very man whose original gift they had misapplied. They have gone after Graham, for malicious prosecution. In the latest chapter of this grotesque saga, the Club will confront Graham in a San Francisco County superior court on Valentine's Day of this year. Most legal observers think the Club hasn't a prayer.

Moral: give your money directly to the folks you want to benefit. The trouble is, Graham didn't want to give his money directly to the Hispanics. He wanted a tax write-off, so he had to give his $100,000 to a tax-exempt foundation. Losers: the Hispanics and the land in the Rio Chama valley, now butchered into ranchette subdivisions. ■

To Our Readers

As we were preparing to go to press with our January 1 issue of **CounterPunch**, the blizzard that struck Washington (and much of the rest of the east coast) cut us off from our printer. As the days dragged by, we decided to combine the January 15 and February 1 editions into this 8-page double issue on the corruptions of Babylon...and Little Rock.

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