AMERICANS HELD HOSTAGE
THE EDITORS

the weekly
Standard

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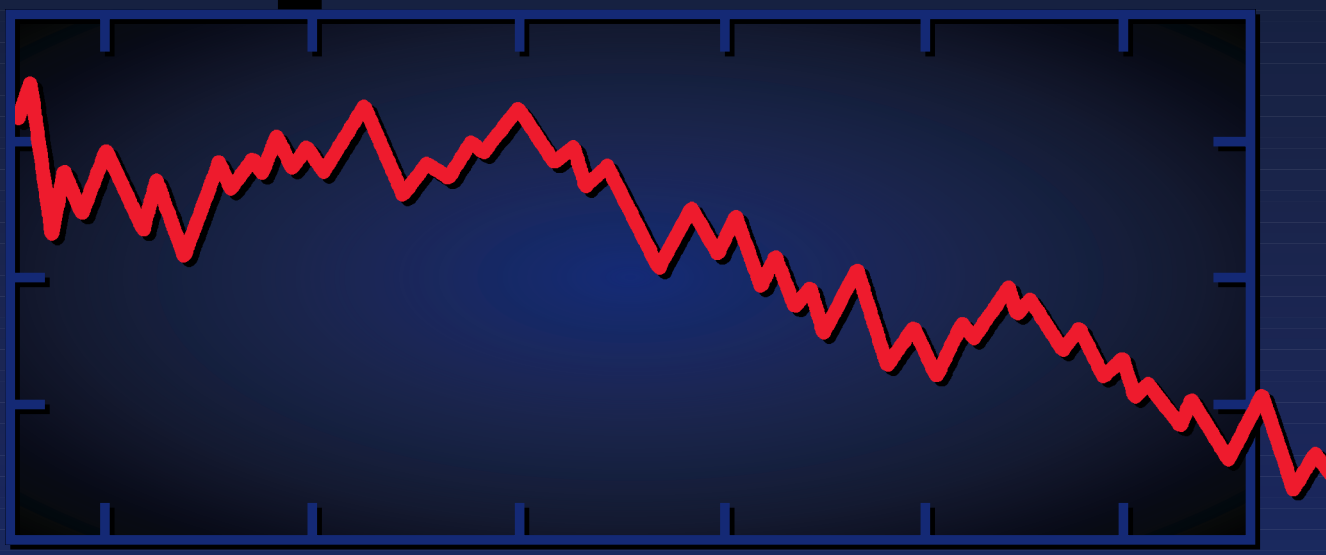
Recession or Depression?



John H. Makin on the Worst-Case Scenario

The Streisand Democrats
BY MIKE MURPHY

The Bush Quotas
BY FRED BARNES

THIS IS A COMBINED ISSUE. THE NEXT ISSUE OF THE WEEKLY STANDARD WILL APPEAR IN TWO WEEKS.

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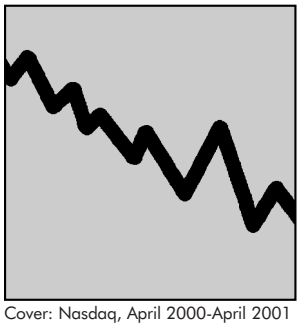

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the weekly Standard

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Six More Years for Jesse Helms?

Conservative icon Jesse Helms of North Carolina, the senator who drives liberals nuts, is inching his way toward running for reelection in 2002. Helms, 79, was once thought certain to retire. In fact, he told some friends several years ago that was his intention. Now, after recovering from knee surgery and pneumonia, he's inclined to run again. He says he'll decide over the summer.

Helms cites a number of reasons for seeking another term. His wife Dot "likes being here," he says. A Democrat "might have a good chance" of capturing the seat Helms has held since 1972. But "the huge problem" if he retires is "the 50-50 thing" in the Senate. If his seat went Democratic, it might "tip the balance." Helms says he doesn't "want to leave the Senate in the lurch," and by the Senate, he means Senate Republicans. "That's very much in my mind. I don't want the Senate to fall into the hands of ultraliberals." The two Helms mentions are Paul Wellstone and Teddy Kennedy.

Helms has still another reason for seeking reelection—the patriotic one. "I think too much of this country to play it from a political standpoint," he says. "I don't want anything bad to happen to this country because of anything I did or did not do. I don't want to sound pious now." Absent such considerations, Helms says he'd be happy to return to North Carolina full-time. "If it didn't make any difference what I did," the senator says, he'd retire to his vacation home at Lake Gaston in his home state "and look at water."

Two important players in Helms's decision are his wife and Tom Ellis, his friend, political adviser, and fellow conservative. Helms says he won't run again if his wife opposes it. Ellis has already made his advice known. It's run, Jesse, run.

Helms, by the way, hasn't mellowed in recent years. He says the Chinese, by making a stink over the downed surveillance plane, are trying to dissuade President Bush from selling high-tech military equipment to Taiwan. Come hell or high water, the senator says, Bush should give Taiwan all the military assistance it needs. On Cuba, he says the Bush administration "is going to stand with me" against normalization. On Israel, he wants the administration to support prime minister Ariel Sharon strongly. Helms likes Sharon, but admits, "I'm a Netanyahu man." ♦

Rather Makes It Official

Last week the *Washington Post* revealed (on the front page, no less) that Dan Rather, newsman, had attended a Democratic party fund-raiser in Austin, Texas, as the star attraction. "Please join us for an Evening with Dan Rather," read the invitation, which was mailed to 1,000 Democrats in the Austin area. Tickets to a private reception beforehand went for $1,000; more limited exposure to the great man could be purchased for smaller denominations.

Said a Democratic functionary: "It was a very successful event."

Said a CBS spokesman: "Our standards don't allow correspondents to appear at political fund-raisers."

Said Dan himself: "I take full responsibility for it."

Now, one of the unusual features of American culture these days is that the moment a public figure announces he's "taken responsibility" for some mistake, he no longer has to take responsibility for it—a trick introduced by Janet Reno after the incineration in Waco and perfected by President Clinton. Taking responsibility is the surest way to avoid having to face the consequences of one's mistakes.

Of course, it's hard to know what the appropriate consequence of Rather's particular mistake would be. Indefatigable media watchdog Brent Bozell of the Media Research Center piggybacked the *Post* story with a press release "demanding" that Rather apologize at once, on the air. Otherwise, Bozell said, drawing a particularly unpleasant word picture, "Rather's lips will forever drip with hypocrisy."

But surely it hasn't escaped the notice of anyone who's watched him over the course of his multi-decade career that Dan Rather prefers Democrats to Republicans. His on-air performances have established an impressively sustained pattern of bias—see the excellent and reliable website *www.ratherbiased.com* for example after example. Rather's "mistake" in Austin was merely that he made it official: His political sympathies are now an indisputable matter of record. Even the poor flacks at CBS will at last be able to abandon their increasingly embarrassing defenses of his journalistic objectivity. By raising money for the Democrats, in other words, Dan didn't make a mistake. He performed a public service. Tom, Peter—it's your turn. ♦

Pyongyang Endorses John Bolton

Distinguished foreign policy and election law expert John Bolton, an occasional contributor to these pages, has been nominated by George W. Bush to be undersecretary of state for arms control and international security. A veteran of both the Reagan and Bush I administrations, Bolton is superbly qualified for the position. Some of his writings have provoked the Joe Conason Democrats. But our favorite response to his testimony before the Senate Foreign Relations Committee last week was this rant from the North Koreans' official news agency:

In his testimony, [Bolton] made arrogant remarks that he would adopt a more realistic and tough policy toward the nuclear weapon and ballistic missile issue of North Korea, thus slandering the political system of [North Korea] and putting pressure upon it.

His remarks prove again that the Bush administration is persistently seeking its criminal aim to escalate the tensions on the Korean peninsula and harass Asia-Pacific peace and stability, pursuant to a more hostile policy toward [North Korea].

The appointment of Bolton clearly indicates that the Bush administration's plan to revive the Cold War is taking concrete shape.

Coming as this does from the paranoid Communists of Pyongyang, for whom the Cold War has never ended, we can't think of a higher recommendation. ♦

Giving McCain His Due

The Scrapbook has felt compelled to criticize John McCain's ill-advised campaign reform schemes in recent weeks, but our fair and balanced character requires us to offer praise when it is due. So we are pleased to highlight McCain's speech on the floor of the Senate last week, during the budget debate, on behalf of the one cause that received perhaps the least attention—the first responsibility of the national government, defense.

Rising on behalf of an amendment to increase defense spending a modest $100 billion over the next ten years (an amendment that failed, incidentally), McCain said:

The imperative for increasing military readiness and reforming our military is . . . strong. . . . The cure for our defense decline will neither be quick nor cheap. The proper solution should not only shore up the services' immediate needs, but should also address the modernization and personnel problems caused by years of chronic underfunding. Only the U.S. has the global responsibilities that come with being the lone superpower. Our foes can employ asymmetric forces against our weaknesses and achieve a disproportionate level of success.

The fight for an adequate and responsible level of defense spending is an issue on which conservatives can wish McCain a disproportionate level of success. ♦

Casual

A Trim Too Far

Pride goes before a fall, as everyone knows, and some of us know keenly. Spring this year has acquired a sting that forces my thoughts back to last December.

I was sure I'd pulled off something of a home-management coup: For the third year in a row, I'd remembered to schedule the window washers just before Christmas, so the kids would come home to at least the illusion of a sparkling house.

Not only that, but I'd remembered to ask the team from Sonshine Cleaners, while they were at it with their tall ladders, to clean the gutter that runs along the roof at the back of the house—and to cut the magnolia tree back a foot or two, up at the roofline, where unless it's pruned from time to time it beats against the house. The cuttings—and here's the stroke of genius—I would use to decorate for Christmas.

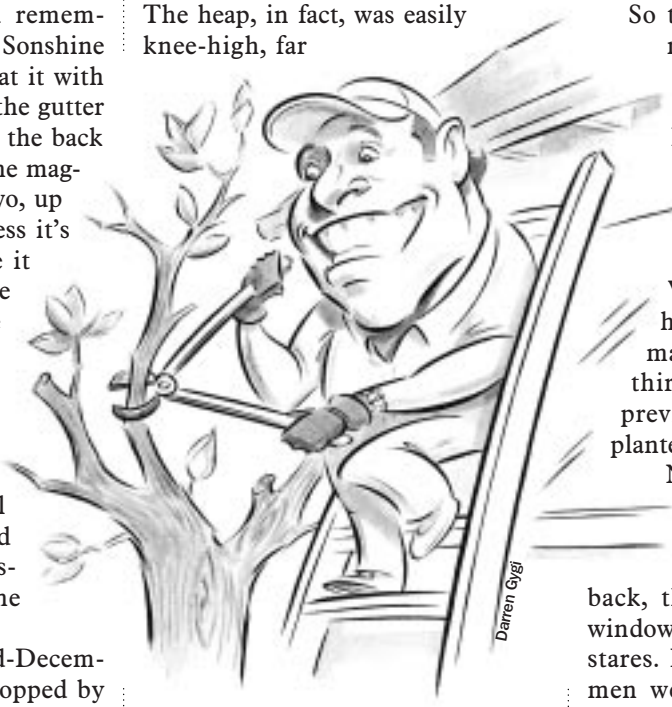
In a further, if comparatively trivial, manifestation of managerial prowess, I'd coordinated this operation with my sister, who lives across the street.

So one morning in mid-December, as I left for work, I stopped by my sister's house to have a word with the team from Sonshine (not an immigrant misspelling, by the way, as I first assumed, but a religious affirmation). They would move over to my house when they finished up at hers.

I greeted the men and did the best I could, in skimpy high-school Spanish, to remind them about cleaning the gutter and cutting back the tree. I told them I'd left the clippers out; and they should leave the cuttings on the ground. Then I sashayed off to work—I admit it—feeling rather smug. The kids were getting home that night.

They came, bringing a Christmas tree and youthful appetites and ushering in a whirl of guests and outings that kept me busy during my ensuing week off, so that I never took the time to step outside and examine my tree.

I did notice that there were an awful lot of clippings in our small backyard, even whole branches. The heap, in fact, was easily knee-high, far more than I remembered from previous years, and far more than I could use. But I enjoyed supplying magnolia cuttings to friends and neighbors. The huge shiny leaves grow in clusters that make for sumptuous ready-made centerpieces and adornments for mantels and doors, and I was happy to share my bounty.



Only after the hubbub of Christmas had subsided did I go out and inspect. My tree had been hacked to pieces.

Not uniformly so. The men had concentrated their well-intentioned efforts on the lower branches and near the house. Precisely the parts of the tree that gave me constant pleasure all year—shading the patio and providing a dense, dark, Henri Rousseau jungle outside my bathroom window; projecting patterned shadows at night onto the linen closet door—have been devastated. The window looks out now onto scrawny stumps. Long branches that once reached almost to the verandah—so that in June, when the Magnolia Grandiflora justifies its name and the air is drenched with perfume from giant creamy blossoms that from a distance look like popcorn, I used to be able to lean over the balustrade and pick a flower for the table—those branches are gone.

So this spring, I am quietly in mourning. On my walks to and from the Metro, I scrutinize the front gardens I pass, stirring with life, and wonder how much new growth my tree will see this year. Some, surely. But I don't fool myself. What was cut down in an hour last December took many years to grow. About thirty years ago, I'm told, the previous owners of my house planted that tree from a seed.

Needless to say, my pretensions to managerial competence also lie in ruins. Too late, I realize, looking back, that my instructions to the window washers had met with blank stares. I'd failed to notice that the men were unfamiliar, a new crew who'd never been to my house before. My Spanish wasn't the only reason for their incomprehension.

Now, I am full of fine resolves about never again blithely delegating a task whose proper execution matters in the least. But I'm far too chastened to imagine my resolves are worth much. I doubt I'll ever again so much as toy with the idea that I could be, Martha Stewart-like, on top of things.

Claudia Winkler

Correspondence

Chain Reaction

In an otherwise laudable article concerning the viability of the nuclear electric power industry ("More Nukes, Please," April 2), William Tucker overstated the potential energy available from existing nuclear power plants by referring to Einstein's famous relationship between matter and energy.

The equation $E=mc^2$ refers to the conversion of matter to energy. Such a conversion does not take place in a U.S.-designed nuclear power plant. The energy of the nuclear fission of enriched uranium is transferred to the moderator (usually water) by the collision of thermal neutrons released in that fission with a water molecule. This increases the temperature of the water itself; this energy is then transferred through a secondary heat exchanger (boiler), which generates the steam to turn the turbine.

Princeton University's fusion reactor is the only reactor that has managed to actually realize net energy gains in the proportions hypothesized by Einstein. Not to say that the recycling of spent reactor fuel modules and the permission from the government to proceed with research and design of "breeder" reactors, which produce fuel for other fission plants, would not approach the appearance of unlimited energy.

David W. Taylor
Thorofare, NJ

As a Californian, I thoroughly enjoyed William Tucker's article on nuclear electrical power. As a former U.S. Army air defense technician, with knowledge and experience around nuclear weapons, I can state with some authority that I would rather live near a nuclear reactor, or a missile site, than a mall.

Charles E. Norris
Torrance, CA

The fundamental premise of William Tucker's article is a distortion of reality. Nuclear power is neither cheap, nor safe. Not a single reactor would exist today without the protection of the Price-Anderson Act, which gives immunity to nuclear power plant designers, manufacturers, and operators from liability for any nuclear accident. It also severely limits compensation anyone can claim from the government in the case of such an accident. No insurance company in the world is willing to insure against the expected catastrophic losses in a nuclear accident.

After providing the most clear and honest coverage of the California energy problem of any media outlet I've seen, it's disheartening to see The Weekly Standard slip into publishing such blatant propaganda. If you really want a healthy, free, and competitive economy, you should be advocating for the repeal of Price-Anderson and an end to the many other subsidies of the nuclear power industry, as well as the oil industry.

The energy business is hardly a level playing field. The nuclear power industry could not exist without the blanket immunity from liability that is afforded to no other business in the country. We would be far better off if the government stopped selecting and subsidizing winners in the energy business and instead let the marketplace create a truly competitive energy economy.

Artificially cheap energy is not a birthright afforded by the Constitution, but an addiction of our society, fostered by incumbent politicians. Despite the fondest fantasies in Washington and our state capitals, there is no such thing as a free lunch. The increasingly contorted efforts that government makes to maintain cheap energy as the underpinning of our economy will eventually end in catastrophe.

Fred Unger
Berkeley, MA

William Tucker's screed for the dying nuke power industry was astonishing on a number of levels. Most important was its complete failure to mention the four words that doom reactor technology: wind, solar, efficiency, and conservation.

Tucker used some dubiously optimistic cost numbers to compare nuke-generated electricity with various fossil fuels. But he ignored modern wind machines that now generate mass quantities of electricity at 2.5 cents/kilowatt-hour, and going down. This number does not require adjustments for the storage of nuclear waste, potential health effects, or the loss of capacity in incidents like the February 3 fire at San Onofre Unit Three, which knocked out a quarter of California's reactor capacity in an instant.

The industry desperately denies wind power's status as a major factor in our future. But it is the world's fastest-growing and cheapest new energy source. With current technology, our western states can generate over 100 percent of the electricity they need with wind turbines sited on farmland between the Mississippi and the Rockies. They are saving embattled farms with lease payments while sacrificing less than 5 percent of cropland. Machines off our shores can, and soon will, add immensely to our available capacity, far outstripping nukes in both cost and ease of installment.

Harvey Wasserman
Greenpeace USA
Bexley, OH

William Tucker responds: Mr. Taylor is correct in noting that the stored energy in radioactive material is not completely converted to electricity—just as the stored energy in carbon bonds is not completely converted when burning coal, oil, or natural gas. But the qualitative difference remains. The common comparison is that a handful of uranium contains more potential energy than a 100-car freight train of coal.

Mr. Unger is describing the old Price Anderson Bill, which was revised in 1988. Under the new bill, the nuclear industry insures itself without liability coverage from the government or taxpayers. Every nuclear plant must buy $200 million worth of private insurance each year. If there is an accident anywhere in the industry, each facility can also be assessed $10 million a year for up to nine years. With over 100 working reactors, the total coverage is $9.7 billion. The claims for Three Mile Island, the only accident in nuclear history, totaled $70 million.

In response to Mr. Wasserman, California has made a heroic effort to develop wind power and now has over 100 facilities supplying 1,400 megawatts—3 percent of the state's power needs. But even under the most optimistic scenarios, the contribution will be no more than marginal.

Many of the best sites have already been developed. There have been problems with killing migrating birds. Also there are scenic considerations. Do we want the whole Mojave Desert covered with 400-foot towers plus the high-tension transmission lines necessary to carry power to population centers? The Sierra Club and the Audubon Society have both ended up opposing windmill farms at specific locations.

A Necessary Evil

David Tell hits many of the right notes in his criticism of McCain-Feingold ("Shut Up, They Explained," March 26). That legislation imposes unconscionable restrictions on free speech that merely begin with its curbs on money-raising activities. It also fails to acknowledge that political parties have real, valuable functions in our system beyond federal electioneering, and its provisions would seriously harm the parties' ability to play that beneficial role.

Democrats supported the campaign finance "reform" effort in the first instance only because they thought it would benefit their party at the expense of the GOP. Their evident confusion now about where the advantage lies under a hard money regime is condign punishment for that bad faith. It's insufficient punishment, however, since it appears the bill may well pass in some form.

McCain-Feingold's deprecations of our cherished First Amendment rights remain reason enough for Republicans to oppose it. American presidents take an oath to uphold the Constitution. President Bush should do precisely that by vetoing the bill if it reaches his desk.

Richard C. Berry
Centerville, OH

Revisionists At Work

Lee Bockhorn's article on the whitewashing of Alger Hiss is dead on, except for one point ("Don't Know Much About Hiss," April 2). The campaign to whitewash Hiss is not limited to a few websites, left-wing magazines, or even the NYU Library. I recently purchased the *Random House Crostics Volume IV* puzzle book by Michael Ashley. Puzzle number three, clue T: "Truman bureaucrat falsely accused by Whittaker Chambers" (two words). The answer listed: Alger Hiss.

Dennis Thone
Blair, NE

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the weekly Standard

A National Humiliation

The profound national humiliation that President Bush has brought upon the United States may be forgotten temporarily when the American aircrew, held captive in China as this magazine goes to press, return home. But when we finish celebrating, it will be time to assess the damage done, and the dangers invited, by the administration's behavior.

To begin such an assessment, we need to review what has happened.

On April 1, a Chinese fighter intercepted an American surveillance aircraft flying a routine mission over international waters in the South China Sea. There was a collision. The exact circumstances are as yet unknown. Did the American plane "bank" into the Chinese jet? Or did the Chinese jet bump into the American plane's nose cone? It doesn't matter. What caused the accident were the unusually aggressive and extremely dangerous maneuvers of the Chinese pilot, who was flying so close to the American aircraft as to increase substantially the chances for a collision. There are common sense rules of the road for how the game is played. The Chinese pilot was recklessly violating those rules, like the guy who tailgates two inches off your bumper going 75 miles an hour. In circumstances such as these, it doesn't matter who bumps whom. Blame for the accident falls on the one who deliberately created such a dangerous situation.

AP/Wide World Photos

The damaged U.S. Navy EP-3

Much attention has been paid to the particular Chinese pilot, who it seems had a history of just such reckless flying. But this misses the larger point. The decision to fly Chinese fighters dangerously close to American surveillance planes was made by the Chinese government in Beijing, not by any maverick Chinese aviator. In recent months, Chinese fighters had grown increasingly bold in their interception tactics, all part of a broader effort by the Chinese government to flex its muscles in the South China Sea. The Chinese want the United States to get out of the South China Sea. Why? Because it would be a key sea lane in the event of a conflict with Taiwan. Step one in this campaign is forcing American surveillance planes to stay out of the area. So the Chinese government consciously increased the risk to U.S. planes, and to its own pilots, in order to improve its strategic position. The accident, in short, was the direct consequence of a deliberate Chinese policy.

The accident also occurred despite repeated warnings by the United States that the new Chinese policy was dangerous. In December and January, after a number of close calls, top Pentagon officials formally protested the new Chinese tactics. The United States, they made clear, did not intend to renounce its right to fly in international airspace, but Chinese policy was vastly increasing the risk to everyone. The Chinese government ignored the protests. Then last week the inevitable happened and a Chinese pilot lost his life. It is a miracle, and a tribute to one American pilot's skill, that 24 Americans did not go down with him.

Instead, they made an emergency landing in China, whereupon they were taken hostage by the Chinese government. It is hardly surprising that the Chinese government boarded the plane and searched it for information about American intelligence-gathering capabilities, despite American insistence that the plane remained, even in China, the sovereign territory of the United States according to international law. What was a good deal more surprising was the Chinese government's announcement of the conditions for the crew's release: The American government would have to make a formal apology.

There has been no end of speculation by America's revered China experts as to why the Chinese would make such a baffling demand. The Chinese government is getting ready for President Jiang Zemin's "retirement" in 2002, and during such moments of succession, would-be Chinese leaders need to woo the powerful and virulently anti-American Chinese military and intelligence services. In addition, there has been a surge of nationalist fervor in China, especially since the accidental bombing of the Chinese embassy in Belgrade two years ago. True, the Chinese

government has helped stir up these nationalist passions in an attempt to compensate for the bankruptcy of Communist ideology. But now the government, we are told, is the victim of its own device. No Chinese leader can afford to look "soft" in a confrontation with the United States. Then there is the matter of Chinese culture, which places an unusually high premium on honor and "face." To admit Chinese error, or even to accept mutual responsibility for this kind of accident, would cause the Chinese leadership to lose face and suffer humiliation before its own people.

One or all of these explanations for Chinese behavior may be valid. But even if every one of them contributed to the Chinese decision to hold the American crew hostage until the United States apologized, it is abundantly clear—from the known facts and the public record—that the Chinese government's demand had two additional purposes.

First, it was a continuation of the policy that caused the accident in the first place. The Chinese government has for some time been asserting that the South China Sea and the skies above it are Chinese territory. Last week President Jiang declared, "The United States must stop these types of flights in the airspace of China's coastal areas. Only this will avoid a repeat of this type of incident." An American apology would acknowledge not merely that the American pilot was to blame for the accident. More important, it would acknowledge that the American government was to blame because it had "violated international law" by carrying out surveillance flights "in the airspace of China's coastal waters."

The broader purpose of the Chinese demand was to inflict upon the United States a public international humiliation. This, of course, is the flipside of China's face-conscious culture. In such a culture, to lose face is not only embarrassing. It is dangerous. It is a sign of weakness that invites repeated exploitation by those who have witnessed it. To be deprived of face by someone is in some sense to be vanquished and reduced to subservience. He who makes another lose face is essentially declaring himself superior and the other inferior, not worthy of respect. By demanding a public apology from the United States, therefore, the Chinese government was not only saving its own face, it was consciously and deliberately forcing the United States to lose face, and thereby to admit its weakness.

One gets a sense that for a brief moment President Bush instinctively understood all this. On Monday, April 2, a visibly angry Bush demanded the "prompt and safe" return of the crew and the plane. Only 24 hours after the accident, Bush said, "I am troubled by the lack of a timely Chinese response to our request" for access to the crew, and he demanded that the Chinese return the plane "without further damaging or tampering." China's delay was "inconsistent with standard diplomatic practice and with the expressed desire of both our countries for better relations."

On Tuesday, Bush seemed to be holding firm. Senior officials told reporters he was increasingly angry at the Chinese failure to respond. One adviser, after talking to Bush, told the *Washington Post*, "We've been patient and we've been very reasonable, but at some point, patience wears thin." Meeting the Chinese demand for an apology was out of the question: "There's nothing to apologize for," said one official. Another also rejected any statement of "regret." That was "not even in question." And Bush officials explained why even a statement of regret would be a mistake. The Chinese, they said, were measuring Bush and looking for "signs of weakness." Even expressing "regret" would make Bush look like he was afraid and caving to Chinese pressure.

There were signs even on Tuesday, however, that the administration's resolve was weakening, and the Chinese no doubt saw them. The *Post* article was aptly titled "U.S. Seeks to Avoid Test of Wills," which must have struck the Chinese as both amusing and revealing, since what they had set up was very much a test of wills, a test moreover in which there would be a winner and a loser. And, indeed, while some officials were talking tough, others were also suggesting that the Chinese needed to be mollified somehow. "All the decisions are being driven by what is most likely to be effective with the Chinese government," one official said. "One of the things you want to do is give them time to come to the right decision and not lock them into a position opposed to you."

The next day the Bush administration started to cave. It was Secretary of State Colin Powell who delivered the statement that the whole world understood as a partial capitulation to the Chinese demands for an apology. Powell expressed his "regret" that the Chinese pilot had gone down. He used the word "regret" twice. And by calling the collision a "tragic accident," Powell removed the issue of blame. He then called for a dialogue in which "both sides" could "present explanations." That evening Powell sent a letter to the Chinese outlining a mechanism for discussing the incident, including the creation of a bi-national commission to study what had happened and ways to prevent such events in the future.

Powell's statement and letter were intended to address both of China's main objectives in this whole affair. The statement of "regret" was meant to address China's demand for a broad American apology and acceptance of responsibility for the entire incident. In Europe, the headlines read: "U.S. Regrets Plane Incident," leaving readers with the impression that the United States was indeed accepting blame. And the Chinese made clear that they took Powell's statements to be at least a partial apology. "The regret expressed by the U.S. side," a Chinese spokesman declared, was "a step in the right direction." Thus one purpose of the Chinese demand, the public

humiliation of the United States, was partially accomplished.

Powell's suggestion of a bi-national commission was also a step in the right direction for the Chinese, because it would allow them to press home their second objective: an agreement by the United States to pull back or at least take greater care in its surveillance activities in the South China Sea. After all, a bi-national commission cannot limit itself to the technical details of which pilot turned in the wrong direction. The Chinese side is not simply going to express hope that everyone's pilots be more careful in the future. They are going to insist on discussing the root cause of the accident. And for them, the root cause is that the United States is doing surveillance in the South China Sea. Three months ago, the United States told the Chinese to stuff it and stop harassing American planes engaged in legitimate surveillance in international airspace. Now, if Powell's plan is agreed to, the Chinese will have a forum in which to discuss with the Americans exactly who can fly where.

In the safe and friendly confines of the United States, most observers figured Powell's statements of regret were harmless—what could be wrong with expressing "regret" over the death of a pilot? But in the real world, and in Beijing's world, Powell's statements represented a partial capitulation, with real-world consequences.

Having brought the United States to one knee, the Chinese government kept up the pressure. Now it was time for the United States to go all the way, to "adopt a cooperative attitude, admit its mistakes and make a formal apology." As Lenin used to say, when your spear hits iron withdraw it, when it hits flesh press forward.

In the face of continued Chinese pressure, President Bush showed signs of cracking. Speaking to the American Society of Newspaper Editors on Thursday, Bush amplified Powell's statements of regret. He not only regretted that the Chinese pilot had gone down, saying "our prayers go out to the pilot, his family." Bush also regretted that "one of their airplanes has been lost." He declared himself an "advocate of China's entering the WTO." And then the groveling began in earnest. "China is a strategic partner," Bush declared to the stunned audience, "I mean, a strategic competitor. . . . But that doesn't mean we can't find areas in which we can partner. And the economy is a place where we can partner."

Perhaps most significant was Bush's answer when asked if he might consider apologizing to China. Instead of simply saying "no," President Bush said, "I have no further comments on the subject." Bush's refusal to rule out an apology surely encouraged the Chinese to believe that someday the formal apology they have been demanding may be delivered. At this writing, the Chinese are sticking to their demand for a full and formal apology from the United States.

Now, it is possible that the American government will be able to negotiate the release of the crew with something short of a full and formal apology. Whatever the public and private terms of the deal, we will obviously be happy for the crew and their families. But no one should ignore the enormous price that will have been paid to secure their freedom. The United States is on the path to humiliation, and for a great power—not to mention the world's "sole superpower"—humiliation is not a matter to be taken lightly. It is not just a petty issue of "face."

The United States is on the path to humiliation, and for a great power—not to mention the world's "sole superpower"—humiliation is not a matter to be taken lightly. It is not just a petty issue of "face."

As the Chinese understand better than American leaders, President Bush has revealed weakness. And he has revealed fear: fear of the political, strategic, and economic consequences of meeting a Chinese challenge. Having exposed this weakness and fear, the Chinese will try to exploit it again and again, most likely in a future confrontation over Taiwan. The American capitulation will also embolden others around the world who have watched this crisis carefully to see the new administration's mettle tested.

This defeat and humiliation, as another president once said, must not stand. Whether or not the American hostages are released, President Bush and members of Congress must begin immediately taking steps to repair the damage already done. It is essential that the Chinese be made to pay a price for their actions. Angry words and congressional resolutions of disapproval are now worse than useless. Unless backed by deeds, they will only confirm Beijing's perception of American weakness.

The United States must respond in ways that directly affect China's interests. Congress can do its part easily: by rejecting China's most-favored-nation trade status when it comes up for renewal later this spring. The Chinese believe, with good reason, that the American business community has a hammerlock on American policy toward China, and that Congress will never dare cut off American business's access to the Chinese market. Congress has a chance to prove that when matters of fundamental national security are at stake, the United States can break this addiction.

The Bush administration can do its part by augmenting America's strategic relationship with Taiwan and, above all, by selling Taiwan the weapons it needs to maintain the cross-straits military balance. At its core, after all,

this entire crisis has really been about Taiwan—certainly from the Chinese perspective. The Chinese now need to know that their efforts to force the United States away from the defense of Taiwan cannot succeed. An internal Pentagon review has made it clear that the balance is swiftly tilting against Taiwan and that among the many things Taiwan needs is the Aegis battle-management system. Later this month, the Bush administration will have to decide whether or not the Taiwanese can purchase Aegis. Now, more than ever, the answer must be yes. Not only is the sale of Aegis the only appropriate response to Chinese behavior. But to decline to sell Aegis now, after all that has happened, would only reconfirm the Chinese impression that the United States is weak and afraid of confrontation.

Needless to say, we do not seek war with China. That is what advocates of appeasement always say about those who argue for standing up to an international bully. But it is the appeasers who wind up leading us into war. We have been calling for the active containment of China for the past six years precisely because we think it is the only way to keep the peace. Whatever risks may accompany a policy of confrontation and containment, the risks of weakness are infinitely greater. China hands both inside and outside the administration will argue that this crisis needs to be put behind us so that the U.S.-China relationship can return to normal. It is past time for everyone to wake up to the fact that the Chinese behavior we have seen this past week *is* normal. We have glimpsed the future. The only question now is whether we have the wisdom and the strength to meet it.

—Robert Kagan and William Kristol

None Dare Call It Tyranny

Three years ago this month, America's political, foreign policy, and business establishment was rolling its eyes in anticipation of yet another ritualized congressional debate over renewal of China's most-favored-nation trade status. Once again in that debate, small-minded, irresponsible types were expected to harp on minor imperfections in the Sino-U.S. relationship, like the fact that China's trade economy sustains a political regime of hair-curling, systematic barbarity. Elite opinion would no doubt prevail against these quibblers, as usual, in order that the great god Engagement might continue to smile on Wall Street. But elite opinionators were nervous just the same, for they knew that the pending debate itself—all that exaggerated hair-pulling about the footnotes in some do-gooder organization's human rights report—would offend Beijing, Engagement's holy city.

So, uncomfortable about the prospect of such sacrilege, and determined that it not recur in future years, the Clinton administration redoubled its efforts to abolish the MFN debate by securing China's accession to the World Trade Organization. To that end, President Clinton himself planned a trans-Pacific pilgrimage in June. And so, in April 1998, the Commerce Department was already in Beijing, leading a high-level delegation of American corporate executives through a series of pre-summit meetings with trade policy officials in the Chinese government. One of the Americans on this trip was a fellow named Armand M. Pacher, senior vice president of the Prudential insurance company. A reporter from the Newark *Star-Ledger* caught up with him during an after-hours break.

"The change is breathtaking," Pacher marveled as he looked out his hotel window at the Beijing skyline. "The progress is just outstanding." It's a "terribly exciting" time, a brand-new China, in fact, a completely "different world" from the grey-toned Maoist past. For instance: There are suddenly so many "wonderful restaurants" in the capital, "as nice as you can find anywhere."

So many wonderful restaurants, and yet, at that exact same moment, 750 miles south-southeast of Armand M. Pacher's contented belly, a 30-year-old rural laborer named Zhou Jianxiong hadn't had a bit to eat in several days. And that was the least of it. In January 1998, Zhou and his wife, Jiang Lianhui, had left their 9-year-old son with his grandmother. Jiang had then moved to Guangdong province and Zhou had moved to the city of Changsha in Hunan—both of them in search of work. But by April, state birth-control-policy enforcement officers in the couple's native Hunan township of Chunhua had somehow convinced

themselves that Jiang was pregnant without permission. So they tracked Zhou down, brought him back, and ordered him to produce his wife for a gynecological examination.

Zhou did not know where Jiang was exactly, he told the birth-control police, but his wife couldn't be pregnant in any case: She'd undergone a tubal ligation the previous November. Rejecting this explanation, the officials summarily detained the young man, denied him food, and brutally tortured him for ten straight days. Four days into the ordeal, Zhou's mother and son arrived at the birth-control office to plead on his behalf. They, too, were detained without food. Zhou's mother was forced to stand still for nearly a week, listening to her son's screams from an upstairs room.

On May 12, the family was released from custody on condition that Zhou Jianxiong and Jiang Lianhui immediately complete paperwork requesting authority to have a second child. Returning the next day, Zhou reported that he remained unable to contact his wife, and therefore couldn't obtain the signature necessary to process the sterile woman's pregnancy application. He was again detained. He was again denied food. He was stripped naked, roped around the ankles, and hung upside down. He was whipped with lashes and beaten with wooden clubs. He was burned with cigarettes and branded with a soldering iron. And after 48 hours of this, in the service of China's national one-child policy, Zhou's interrogators tied electrical wire around his penis and testicles and then tore them from his body. Whereupon, sweet mercy, on May 15, 1998, the poor man finally died.

That same day, here in Washington, Robert A. Kapp, president of the U.S.-China Business Council, published a nifty little essay in his house organ, the *China Business Review*. Kapp lobbies Congress on behalf of American commercial interests in China. He draws a handsome salary, that is to say, for representing a Potemkin-village understanding of Beijing as indisputable verity, while deriding any doubter's concern for the real-life villagers as so much adolescent self-indulgence. It is necessary and proper, Robert A. Kapp wrote on the day Zhou Jianxiong was mutilated and murdered, for right-thinking Americans to "celebrate . . . the extraordinary depth of change and progress that China has achieved." And it is "long past due" for the "hyperventilation and virulent domestic political accusation" the rest of us persist in directing against China to stop. Such criticism is an "anachronistic irritant" to cooperation between our two great peoples.

A few months later, Congress re-upped Beijing's preferential treatment under the U.S. tariff schedule—as if to prove Kapp correct. And in the process, Congress altered the traditional designation from "most favored nation" exporter to the presumably less anachronistic "normal trade relations" partner. As if there were anything "normal" about an America, founded to vindicate the universal truths of human liberty, that nowadays eagerly makes speculative business investments in, and buys its textiles and tennis shoes from, a 3.7-million-square-mile dictatorship.

As this is written, bipartisan Washington grows increasingly desperate to repair such an abnormal normality—to "move on," in President Bush's words, past this regrettable misunderstanding about China's having downed an unarmed American plane, interrogated its crew like prisoners of war, and held them hostage. We explain in the editorial above why this incident will indelibly alter the geostrategic calculus of Sino-U.S. relations, no matter what its resolution, and how disastrous it will be for the American government to pretend otherwise. But we would like to point out, as well, that the status quo our leaders propose to return to comes quite close to practical and moral disaster in its own right.

It would more than prove this argument, we think, even had the crisis over our surveillance plane never occurred, that the Chinese government has lately adopted the habit of arresting without warning—and committing to its gulag—visiting U.S. residents and citizens. And that our government has inexplicably decided that the best it can say or do on behalf of these people, *our* people, is . . . virtually nothing. Were any other country on Earth involved, deafening alarm bells would be going off in the White House and Congress. But no: The State Department's consular information program continues blandly to advise American travelers that "China is a safe country"—that they should merely observe "normal safety precautions." You know: "Check that fire exits are unlocked and free from obstructions in hotels, restaurants, theaters, and shopping centers." And "remain alert for signs of altitude sickness" in the mountains.

One might think China's internal security service worth mentioning. One might think China's internal security service worth mentioning merely with respect to China's own citizens. And one might think—we do think—that the plight of China's citizens alone should be sufficient to establish the just and proper goal of American policy toward the People's Republic. "Friendship" and "cooperation" are not that goal.

Complaining that the Hainan Island airplane controversy was bad for business, a lobbyist representing such American retailers as Avon and Tupperware told the *Wall Street Journal* on April 4 that "China isn't our enemy." But the Chinese government is surely the enemy of the billion-plus people it commands. The murder of Zhou Jianxiong was not an anomaly. He fell victim to a regime as violent and primitive in its contempt for freedom as any that now exists, a despotism in which summary detention, torture, even death—for arbitrarily identified "crimes"—are normative, occurring thousands of times each year. The United States is *supposed* to cast itself the enemy of such a tyranny. We dishonor ourselves every day that we fail to do so.

—David Tell, for the Editors

The Bush Quotas

Now look who's counting by race and gender.

BY FRED BARNES

THOMAS M. DEFRANK, the Washington bureau chief of the New York *Daily News*, would seem to be perfectly qualified to be the chief spokesman for the Defense Department. He is a Texan who's known President Bush for years. He has 22 years of military experience, including two as an Army second lieutenant working in the Pentagon office of public affairs. He's also served in the Army public affairs shop. DeFrank knows defense secretary Donald Rumsfeld well. In 1975, he spent two weeks of active duty on Rumsfeld's staff during Rumsfeld's earlier stint as defense secretary. And that was at Rumsfeld's specific request. He knows the military culture that dominates the Pentagon. And he frequently writes about military affairs.

Yet DeFrank, strongly favored by some at the Pentagon for the spokesman's job, was passed over. Instead, the White House announced last week that Victoria Clarke, a Washington public relations executive with no experience in military affairs, was the nominee for the post. Clarke was selected to comply with the White House's insistence on women or minorities in high positions. Among her champions was Karen Hughes, President Bush's communications director and the person in charge of picking spokesmen, or spokeswomen, for cabinet agencies.

There's more to it than a successful power play by Hughes. Clarke is part of a phalanx of women who have gained top positions in the Bush administration. Clay Johnson, the White House personnel director and a longtime friend of Bush, says no quotas or even rough goals come into play in choosing appointees. "Even if you were inclined to set a goal, I don't know what the goal would be," Johnson says. Still, there's been talk inside and outside the administration about having no more than half the 484 political positions in the cabinet and agencies go to white males and at least 30 percent to women. As luck would have it, about 30 percent of the president's picks so far have been women and about 50 percent white males.

Karen Hughes

There have been some private complaints by white males. One sent a letter to the White House saying he never expected a Republican Bush administration to treat white males so shabbily. Another was unhappy when he lost a job at the White House to a holdover from the Clinton administration. Still, Johnson insists no woman or minority has been chosen over a more qualified white male. Even in the case of ties, the job doesn't automatically go to women or minorities. "All we're paying attention to is the quality of the people," Johnson says.

Well, not quite. The White House *is* seeking diversity, according to Johnson. If all the appointees have similar profiles, "there's less energy, there's less vitality, there's less critical thinking," he says. "A variety of thinking, a variety of viewpoints, a variety of backgrounds is a good idea." A number of factors in choosing Bush officials are used to assure sufficient diversity, including educational background, home state, gender, ethnicity—virtually the same criteria as the infamous EGG guidelines (ethnicity, gender, geography) of the Clinton administration. The White House, Johnson says, has made sure that the administration isn't overloaded with Texans. "This is the United States of America. This isn't the United States of Texas. We are sensitive to that." Nine percent of Bush's nominees so far are from Texas.

As governor of Texas, Bush also sought diversity. At one point, Bush asked why there weren't any top officials in his administration from Texarkana in the northeast corner of the state, Johnson says. Johnson, Bush's roommate at Yale, was personnel director for the governor's office in Austin. There, Johnson told a conference at the Brookings Institution recently, 52 percent to 53 percent of Bush's appointees were not white males and 35 percent were women. "We got a good grade for diversity," Johnson says.

The political impact of Bush's pattern of appointments is probably positive. At least Bush's aides think so. In the 2000 election, Al Gore defeated Bush among women by 11 percentage points (Bush won men by 11 percentage points). And Bush would like to

Illustration by Earl Keleny

Fred Barnes is executive editor of THE WEEKLY STANDARD.

improve his support among female voters, notably those in the suburbs. One way is to install women in highly visible positions. And one place where women are especially prominent is public affairs jobs, speaking on behalf of cabinet secretaries. At two of the most prestigious departments, women run the public affairs shops—Mindy Tucker at Justice, Michelle Davis at Treasury.

At the White House, 8 of the 18 participants in the daily senior staff meeting are women, undoubtedly a record. Karen Hughes, one of Bush's most trusted advisers, oversees the speechwriting staff. Condoleezza Rice is the first woman to serve as national security adviser. Mary Matalin is Vice President Cheney's top political aide. Despite the ascendancy of women, the Bush administration has gotten zero credit from feminist groups. "Are you kidding?" Matalin says, arguing that these groups cheer only if pro-choice liberal women gain senior positions.

But there is a political downside. Bush, like most Republicans, says he rejects quotas and preferences. But he has adopted the fallback position—diversity—of those who do support setting aside jobs or promotions or other benefits for women and minorities. Colleges such as the University of Michigan give preference in admission to minorities, citing the need for diversity in the student body. They claim they don't use quotas, but the results are similar. This—quotas by another name—may be true in the Bush administration as well, making Bush look like a hypocrite.

Many of Bush's female nominees are both experienced and talented. Victoria Clarke was press secretary to Senator John McCain, worked with Matalin in the 1992 reelection campaign of the first President Bush, ran PR for the National Cable Television Association, and more recently has headed the Washington office of Hill and Knowlton, the respected public relations firm. No doubt she's qualified to be spokeswoman for many federal agencies. The problem is the Defense Department may not be one of them. ♦

The Streisand Democrats

People who need soft money are the unluckiest people in the world. BY MIKE MURPHY

SOMEWHERE ON CAPITOL HILL a group of long-faced Democrats are having an unhappy meeting about the cost of giving up huge soft money donations to the Democratic party. But there is a bright spot: A voice from the back of the room pipes up, "Well, at least this means I can finally ignore those damn fruitcake memos I keep getting from Barbra Streisand." Heads nod all round.

The Streisand letter

Barbra is at it again. Last week the Capitol Hill newspaper *Roll Call* published a "memo" Ms. Streisand recently sent to every Democrat in Congress. It is an astonishing mix of New Age boosterism and Old Left knownothingism, blended into a flaky litany of insults directed at George W. Bush. Entitled "Nice Guys Finish Last"—this is, after all, advice from Hollywood—Ms. Streisand's opus brings to light the dreariest side of Democratic soft money: the gruesome requirement to suffer rich fools, no matter how chowder-headed their opinions.

Barbra Streisand is a champion fund-raiser for the Democratic party. Since 1993, she has personally contributed more than $200,000 to Democratic candidates, and her relentless tin cup banging and concert giving have helped the Democrats raise more than $51 million from Hollywood.

Democrats return the golden favor by indulging her ego and keeping a straight face while Barbra blurts out her opinions. The same week as the

Mike Murphy is a GOP media consultant.

Streisand Grand Strategy was leaked—no doubt by a chortling Hill aide—the *Washington Post* reports that Streisand "held a top-secret strategy session with House Minority Leader Dick Gephardt, actor Warren Beatty, producer Norman Lear and billionaire entertainment mogul Haim Saban at her Southern California estate," meeting later with Democratic National Committee boss and moneyman Terry McAuliffe.

Another Reykjavik to be sure. One can imagine the scene: the most powerful Democrat in Congress nodding agreeably throughout the lecture while stealing secret glances at his watch and wondering if it will be steak or chicken on the long flight back to D.C. Perhaps Barbra's psychic nutritionist had a few good ideas to share about reforming Medicare.

If the meeting was anything like Streisand's memo, then Gephardt surely earned his bagful of money. Barbra's Big Idea? Congressional Democrats need to stop being such squares and scaredy cats and start telling the REAL STORY about the election: a vast—you got it—right-wing corporate conspiracy hatched by the bought-and-paid-for Supreme Court to steal the election and ruthlessly "roll back more than thirty years of social progress." In Barbra's view, it was all a "*Supreme Coup*" (the emphasis is hers, to be certain the dim bulbs in Congress get it).

The obvious path to unlimited success, according to Streisand? Remind people about Bill Clinton. Stop pussyfooting around the pardon thing. "Clinton's pardons have no impact on the health and welfare of the American People."

Streisand even exhumes a moldy old liberal crowd-pleaser about Ronald Reagan. Nobody ever supported Reagan *on the issues*; no, never that. Instead the dunce-filled American public only supported him because they admired his strength and sense of purpose. And oh-my-God, it's happening again, warns Streisand: "Unfortunately the public is being fooled by Bush. They are not sufficiently informed to protect their own self interests." It's quite a bummer. "Look at his ratings—how could such a destructive man be so popular with the American people?" While refraining from a call for an all-knowing leadership apparat of the proletariat, Barbra does remind Democrats that "the public responds to strength." She concludes with, "Just being nice doesn't work."

Barbra Streisand

The right to spout off crank opinions from every barstool, cab window, and Hollywood mansion is as American as apple pie. What is amazing is the get-out-of-jail-free pass Hollywood blowhards get from the media. No lefty pop culture titan is ever held accountable for inaccurate, insulting, or just plain nitwitted commentary. Instead, mouthy celebrities are indulged like precocious but gifted children. "Isn't that cute? Barbra thinks the President of the United States 'stole the presidency' through 'intimidation' and 'fraud' because sinister corporate interests bought the election! And the Supreme Court is corrupt!"

Woe unto thoughtful and legitimate liberal Hollywood activists like Rob Reiner and the Creative Coalition's William Baldwin. Celebrities who call names and make up facts are treated just like those who study the issues and propose serious ideas. To a lazy media, there is no difference.

Conservatives should get from Streisand's memo what I am sure most Democratic politicians did—a good horselaugh. Our side is lucky. We don't have to listen to this gibberish, pretend to respect it, and wonder how much more such yammering we will have to sit through while we wait for the big checkbook to open. ♦

Illustration by Drew Friedman

No, That's Not Our Bush

Too much sit, too little com.

BY JOHN PODHORETZ

Comedy Central

"That's My Bush": the latest affront to political satire

AMERICAN HUMORISTS have never been especially adept at political satire, probably because their mass-media audience tends to be spectacularly ill-informed about politics. For satire to work, it must be precise, an immaculate and very specific recreation of reality that in initially subtle but increasingly outlandish ways begins to diverge from the real. When an audience knows little or nothing about the reality that is being reduced to absurdity before their eyes, how can they find the mockery amusing, or even vaguely interesting?

The powers-that-be in show business have always instinctively known that Americans care so little about politics that they will have no interest in seeing it parodied. "Satire," the playwright George S. Kaufman famously said, "is what closes Saturday night"—meaning that it loses money. That's why late night comics have so eagerly latched on to the notion that politicians are either stupid or driven by sexual hunger. Stupid jokes and dirty jokes are the root of all comedy, and therefore its very lowest form—and attaching them to politicians is a way of elevating such low stuff by making it seem topical.

Yet politicians and political leaders of all stripes are dangerous—and therefore worthy of being cut down to size—not because they are lacking in conviction, smarts, or morals, but because they have the power and authority to impose their beliefs on the rest of us. The best political skits in the 26-year history of *Saturday Night Live* have been expressions of this truth, whether you agree with their political bent or not—as when an ostentatiously doddering Ronald Reagan was portrayed in a 1987 show as the ruthless brains behind the plan to sell arms to Iran to support the contras in Nicaragua as his staff struggled helplessly to keep up with him. Or when a sighing, contemptuous, and condescending Al Gore insisted on making two closing statements in one of the show's spoofs of the Gore-Bush debates last year.

But these moments have been few and far between; *Saturday Night Live* is far happier teasing Bill Clinton for eating cheeseburgers and acting like a good ol' boy or having George W. Bush say the Florida mess was making him "wet the bed." *SNL* would never be, and has never been, so crude when making fun of things their audience really does know something about—its parodies of TV shows, for example, which are models of sophistication.

The latest example of the crime against comedy that is committed by bad satire is the much-discussed new series on Comedy Central entitled *That's My Bush!*—which attempts to deconstruct simultaneously the new presidency and the TV sitcom form and fails disastrously at both.

On paper, the show sounds clever. The Bush White House comes complete with a wisecracking maid, an idiotic but bosomy secretary, and a nutty next-door neighbor who just walks through the door whenever he feels like it. George W. is hosting a state dinner to bring together pro-choice and pro-life leaders, but he has also promised Laura that the two of them would have a quiet dinner together—and so, in the manner of sitcoms immemorial, he ends up running between two different rooms, changing clothes on the way. The pro-choice leader is a butch lesbian. The pro-life leader is a 30-year-old fetus that managed to survive an abortion and is very, very grumpy.

In execution, though, *That's My Bush!* is agonizingly unfunny and weirdly dated. The acting and writing are purposely awful but are greeted with gales of laughter and applause by the (actually nonexistent) studio audience, in the manner of the worst sitcoms of the 1970s. There hasn't been a show of that sort on the air in two decades—in part because they were brought to shame by parodies on *SNL*. Most contemporary sitcoms may be mediocre, but they're far more polished. The ad campaign for *That's My*

Contributing editor John Podhoretz is a columnist for the New York Post.

Bush! features George W. and Laura cavorting with umbrellas in a fountain like the cast of *Friends* and the president doing standup, like the opening of *Seinfeld*. That's a far cleverer approach than the actual show, which seems to have emerged from a time capsule.

The political satire is equally lame. Once creators Trey Parker and Matt Stone got the idea for an angry pro-life fetus played by a puppet, they seemed to think that was enough—but it's merely one joke padded out to unconscionable length. And while it sounds shocking and daring, it's anything but—because to satirize the abortion debate would require more than just a rudimentary knowledge that there is such a debate.

Still, conservative audiences should take note: This is not *The West Wing*. Parker and Stone are not liberals taking potshots at a right-wing president. They are anarchic libertarians, more akin to Howard Stern than to *West Wing* producer Aaron Sorkin. On their genuinely outrageous cartoon show *South Park*, Parker and Stone take gleeful aim at P.C. politics, with schoolkids receiving indoctrination from the Sexual Harassment Panda and seeing their classrooms dismantled because of disability and discrimination lawsuits.

But Parker and Stone seem to know nothing about politics and nothing about Washington, which points to another cause of America's satire gap. In almost every other country in the world, the nation's capital is the home base of every elite profession—politics, media, business, entertainment, and clergy. Its residents are intimate with all of them as a result. In the United States, Washington hosts the political world, New York the business and media worlds, Los Angeles the entertainment world—and they are very distant from one another. The degree of ignorance about the workings of politics in Hollywood (and New York) is staggering.

Satire must be knowing, and you can't be knowing if you're ignorant. Which is, in the end, the defining characteristic of *That's My Bush!* ♦

City to Edison: Drop Dead

New York says no to privatizing failing public schools. **BY WILLIAM TUCKER**

New York City

"AMERICAN EDUCATION is about where health care was ten years ago," says Dr. James Duderstadt, president emeritus of the University of Michigan. "The federal government failed at reform, but private industry went ahead and did the job. The same thing may happen with the schools."

Unfortunately, New York City won't be along for the ride.

In a long-anticipated anticlimax, parents at five of the worst New York schools voted 4 to 1 last week to reject a proposal to have Edison Schools manage their failing institutions. In fact the vote wasn't even that close. According to ground rules set up by the state, Edison had to get approval by a majority of all parents in the schools—failure to vote counting as "no." Ordinarily only 5 percent of these parents bother to vote in school elections. In that light, with only 47 percent of parents participating in the highly publicized contest, the result was something of a landslide.

"The whole episode is a sad commentary on American public education," said mayor Rudolph Giuliani, who initiated the effort. "To see people opposing the opportunity for a better education is really sad." The mayor vowed to pursue privatization by perhaps letting Edison manage several schools anyway, but it is getting late in his term and anything he does now will undoubtedly be overturned by his Democratic successor next January.

School chancellor Harold Levy—who argued publicly that the real solution to the schools is to elect more Democrats—gave the Edison campaign only perfunctory support. Even this lukewarm effort earned him the vitriol of community activists, who repeatedly insulted him at meetings. After the vote, Levy vowed "dramatic, not incremental improvement" at the five schools and promised to make them "places that parents are clamoring to get their kids into." Now why didn't he think of that before?

In truth, the New York City project was a huge risk for Edison, a Nasdaq-traded company that has lost $200 million since 1995 in an effort to pioneer privately run public schools. Founded by Chris Whittle, whose "Channel One" once brought news and advertisements into middle and high school classrooms, and directed by Benno Schmidt, the former president of Yale, Edison runs 113 schools in 45 cities around the country. Flush with success in receptive states such as Michigan, Texas, and Colorado, Edison had been shooting for a high-profile success in a media capital. The company's stock climbed from $20 to $37 after the New York initiative was announced last May but eventually sank back to $20 when the outcome of the vote became clear.

Like many a previous reformer, Edison ran into the immovable object of New York's education bureaucracy, plus its residents' well-known disdain for private enterprise. Hazel Dukes, president of the New York NAACP, said Chancellor Levy should be "put in a dungeon" for making his half-hearted proposal. Irving S. Hamer, Manhattan representative on the Board of Education, compared the

William Tucker is a writer living in Brooklyn.

Edison idea to "experiments in giving syphilis to black people at Tuskegee Institute in the 1930s." Edison was also charged with plotting to round up illegal aliens and turn them over to the INS.

The five schools—P.S. 161 and 66 in Harlem and the Bronx, and Middle Schools 246, 320, and 111 in Brooklyn—are among the city's worst. On average, 83 percent of their 5,000 pupils read below grade level and almost 90 percent are deficient in math. Two of the schools are scheduled to close next year because of their impossibly dismal performance.

Edison promised to tackle the situation with its traditional dose of discipline and technology—longer hours, school uniforms, rigorous remedial programs, and free computers both in the schools and at home. The computers alone would have cost Edison $3 million. While the city now spends $10,000 per pupil to create the present mess, Edison would have run the schools for only $6,600 per pupil. Under these conditions, of course, an Edison success would have been a colossal embarrassment to the education establishment.

Steeped in distrust, however, many parents found all this generosity to be profoundly suspicious. "They're trying to bribe us with computers. Our children are not for sale," said one parent at P.S. 161 in Harlem, where opposition was particularly vocal. "Anything Mayor Giuliani is for, I'm against," contributed another.

For a while the issue seemed up for grabs. Former congressman Floyd Flake, whose Allen African Methodist Episcopal Church in Queens runs a 500-pupil charter elementary school, was enlisted as one of Edison's representatives. In a bold move, the company even invited Al Sharpton into the debate. Sharpton sends his own children to private school and promised to keep an open mind. After two weeks of attending meetings, however, he came down on the side of the bureaucracy. "People who want a private school experience should pay for it," he intoned.

The United Federation of Teachers, the reigning teachers' union in the city, reacted with predictable fury. Teachers handed out anti-Edison material in class and picketed polling places. Students and their parents were enlisted in support. "We're fearful of change," admitted Laurel Butler, the United Federation of Teachers' representative at P.S. 161.

But the wild card turned out to be ACORN, a 1960s-style activist group that the press somehow dubbed Edison's designated adversary. A national organization that claims 100,000 family members belonging to 500 chapters in 40 cities across the country, ACORN (the Association for Community Organizations of Reform Now) organizes people around rent strikes, unionization, the minimum wage, and other social and economic issues. In New York it has also cofounded the Working Families party, which gathered 102,000 votes for Hillary Clinton last November. Like most such '60s-type organizations, it is staffed by educated, middle-class people living lives of austere dedication.

Companies trying to crack the public school monopoly always hit their biggest speed bumps in the large union-dominated cities.

ACORN is heavily involved in the schools itself, having founded three alternative institutions, ACORN High School for Social Justice in Bushwick, ACORN Community High School, in Crown Heights, and Bread & Roses Integrated Arts High School in Washington Heights. Although ACORN does not actually manage the schools, it sits on a board of directors and keeps a full-time, paid organizer on the premises. "We visualize these schools as a way of introducing social justice," says Nathan Smith, a 28-year-old former United Farm Workers representative who earns $18,000 a year as ACORN's lead organizer. "Organizing is a way of gaining power." The students are often recruited to work on political campaigns.

Against Edison, ACORN quickly jumped into the fray, packing public hearings and filing a lawsuit to prevent the election on the grounds that ACORN itself had not been given the same access to parents as Edison. (It hardly mattered, since renegade teachers soon slipped ACORN a complete roster of parents' addresses and phone numbers.) "What happens with these five schools will reverberate all over the country," pronounced Bertha Lewis, a 49-year-old former off-Broadway actress who is ACORN's New York executive director. "This is race and class to the max."

Oddly, although Edison was making a generous public-relations gesture by volunteering to take on five of the worst schools in black and Hispanic neighborhoods, this good will was somehow interpreted as "racism." "How did they happen to pick five schools that are entirely black and Hispanic?" challenged Smith. "There are schools that perform just as badly in Bensonhurst and Bay Ridge. [In fact there are not, but why argue?] I'll bet if Edison tried to take over a school in Park Slope [an upscale Brooklyn neighborhood], those people would run them right out of town."

In fact, Edison is doing very well in suburbs and smaller cities across America—even as 70 percent of its students are still black and Hispanic. Right across the river in Jersey City, 500 elementary school pupils attend Edison's Schomburg Charter School, brought in by reform mayor Bret Schundler. "I went to Catholic schools and it's not much different," says Rabbani Heron, mother of a kindergarten student. Edison will take over more than a dozen new public schools next September in Las Vegas, Pennsylvania, and upstate New York while continuing to run several private academies in Washington,

D.C. "Edison is a competent, capable organization," says Michael Williamson, deputy superintendent of education in Michigan, where Edison runs 27 of the state's 183 charter schools. "What they're doing in the classroom isn't revolutionary, but what they're doing with the management system that supports the classroom may be."

Edison and other companies trying to crack the public school monopoly always hit their biggest speed bumps when they enter large union-dominated cities on the East and West Coasts. At the Edison Charter Academy in San Francisco, the number of students scoring in the upper half on national math and reading tests more than doubled within two years of the school's opening. Yet when a union-backed slate won control of the San Francisco School Board last November, it immediately moved to terminate Edison's contract. "The statistics literally speak for themselves," says Whittle. "None of the 44 other cities where we manage schools has ever seen anything like our results in San Francisco."

Edison took the New York defeat in stride. "Our people worked incredibly hard," says Gaynor McCown, senior vice president at Edison. "Yes, we're disappointed, but with so many other good things happening around the country, we can't be too discouraged."

Indeed, it is the politically charged precincts of New York that will be left behind. "I went to a public school in Gainesville, Florida, that had Chris Whittle's Channel One," says Smith, sitting in ACORN's spartan Brooklyn headquarters just above a welfare office. "It was the worst educational experience I ever had. We had to sit for 20 minutes a day listening to commercials for M&M's and McDonald's. Luckily, my father was a college professor. I should have been homeschooled. I got my entire education from him."

Unfortunately, for the vast majority of the children in those five New York City schools, there will be no college professors at home to pick up the slack. ♦

Election Results Are In—Again

Don't worry, there are still things to argue about.

BY WILLIAM G. MAYER

"THE ELECTION IS OVER. Let the historical recriminations begin." The U.S. Supreme Court didn't say precisely that when it rendered its decision in *Bush* v. *Gore*—but it might as well have. Within days of Gore's concession, two different teams of media and academic researchers were already poring over the Florida ballots, trying to carry out a complete recount of every disputed vote cast in that state.

With the results from one of those recounts having just been made public, and with the other scheduled for release next month, it's worth taking stock. What have we learned so far? And what are we likely to learn in the future?

The one undisputed conclusion that is emerging from the media recounts is that our current vote-counting systems are seriously deficient. Over the last 30 years, civic reformers in this country have spent a lot of time worrying about how to get more Americans to the polls—and remarkably little effort making sure that once there, their votes are counted accurately. If the recounts help remedy these deficiencies, they will be worth the time and money put into them.

But it's no great secret that many of the people most interested in these recounts are motivated not by high moral concerns about improving the technology of election administration or even by simple curiosity. What many are plainly hoping for is a more partisan outcome: a clear, firm declaration that Gore "really" won Florida—a declaration that would both undermine the work of the current administration and give Democrats a potent rallying cry for the 2004 elections.

The hopes of the Gore supporters are illusory. Nothing in the *Miami Herald-USA Today* results last week—and nothing we are likely to learn from the recount still being conducted by a consortium of eight other news organizations—will provide a conclusive answer to that much-debated question of who *really* deserved to win Florida. Indeed, given the nature of the question, it is impossible to provide a definitive, objective answer to it. The *Herald*, for instance, elaborated four different scenarios for recounting undervotes, each with a different chad standard. Bush won three of them; Gore won one.

For those in both the Gore and Bush camps who expect these recounts to finally settle the issue, the assumption seems to be that what we face in the Sunshine State is a counting problem, like that old carnival game where people have to guess how many jelly beans there are in a glass jar. Though none of the contestants knows the number, it's a fairly simple matter to find out: You just count up the jelly beans. Given the basic rules of arithmetic, there is a clear, final, correct answer that everyone can agree on.

The problem in Florida, though, is more like a game where a jar is filled with all sorts of different kinds of candies, and participants are asked to guess how many "fruit candies" are in the jar. In this case, the contest judges would still need to do some counting—but they would first have to settle a considerably more difficult ques-

William G. Mayer is an associate professor of political science at Northeastern University and the author of several books on presidential elections.

tion: What exactly constitutes a "fruit candy"? What about a chocolate bar that has small bits of raspberry mixed into it? What about grape-flavored bubble gum? And would it make any difference if the raspberries or the grape flavoring were artificial?

At least three highly contentious questions hover over the Florida recounts.

1. *How far should we go in determining the "intent of the voter"?* This was, of course, the single most disputed issue during the official recount, and there is no way that academics or media representatives—or anyone else—can provide a final, "objective" answer to it. Undoubtedly there are some cases where every unbiased observer will agree that the voter's preference is clear and that the vote was not counted because of computer or human error. But as we learned last November, a lot of "uncounted" votes are ambiguous cases, where reasonable people can disagree about what, if anything, the voter was trying to say.

From a statistical perspective, the problem facing the Florida counters is a familiar one, involving two different types of possible error. (Statisticians not being the wittiest people in the world, the two types are literally called Type I and Type II error.) One is the error of not counting a vote where the voter really did mean to express a preference for one candidate. The other is the error of wrongly attributing a vote to a candidate when the voter did not actually mean to do so. And as any statistician will confirm, there is always a tradeoff between the two: Any attempt to decrease the number of wrongly uncounted votes will inevitably increase the number of wrongly counted votes. Nor can mathematics help us identify some magic point where the tradeoff is perfectly balanced: Where to draw the line is less a matter of math than of values (in particular, which kind of error we most want to avoid).

2. *What should we do about votes that were not cast in a technically correct manner?* In an attempt to limit vote fraud and restrict the discretion of partisan election officials, every state has a lengthy section in its statute books that defines in extraordinary detail just what constitutes a validly cast vote. And inevitably, some voters fail to dot every i and cross every t.

What should be done in such cases? There are two quite defensible answers to this question. One asserts that the law is the law and must be followed, or those in power will always be free to act in an arbitrary manner. The other position says that the law is not infallible and that when it conflicts with elementary principles of justice and fairness, officials should be able to bend or ignore the law. The conflict between these two standards runs through many of the greatest works in Western literature and philosophy.

Because both of these are legitimate arguments, it's difficult to say what to do in any specific case—and all too easy for a candidate or political party to shift back and forth from one principle to the other, depending on what works to their immediate advantage. Most notoriously in the 2000 elections, the Gore campaign vehemently insisted that in the four heavily Democratic counties where hand recounts were being conducted, every effort be made to count every ballot cast by a well-intentioned voter, technicalities be damned. And then, when it came to counting the absentee ballots cast by overseas military personnel, the Gore forces upheld exactly the opposite position: that the law had to be observed in all its magnificent rigidity.

More to the immediate point, there is nothing new or "objective" that the recounters can contribute to this debate. They can tell us what they'd have done, of course, but there's no reason to regard their opinion as more correct than anything the Bush and Gore camps (or the courts) said back in November and December.

3. *What do we do about vote fraud?* Besides all the counting problems, both the Bush and Gore camps also complained that the integrity of the Florida balloting was compromised by various kinds of "irregularities" or fraud. On the Democratic side, there are widely publicized charges that local authorities attempted to discourage or intimidate black voters from going to the polls and deleted many valid names from the voter registration rolls. On the Republican side, there are (less widely publicized) charges that hundreds of convicted felons were allowed to vote, in clear violation of Florida law. It's also clear that Dade County has a long history of vote fraud, though most of it seems to occur in local elections.

What needs to be stressed here is that many forms of vote fraud are extraordinarily difficult to verify or document, and will almost certainly not be picked up in a recount, no matter how thorough and careful that recount is. Votes cast by convicted felons look the same, in a recount, as votes cast by law-abiding citizens. And no recount could possibly tally up the number of votes that might have been cast if local authorities had been more solicitous of black voters.

To further complicate matters, while both sides can make out a plausible case that "something" untoward happened in the 2000 election, both will be hard pressed to come up with a precise number of votes they lost as a result. The Bush campaign has a slight advantage in this regard. Thanks to a remarkable effort by the *Miami Herald*, we actually do have a pretty accurate count of the number of convicted felons who voted in Florida: 1,241 in 22 counties, which the *Herald* extrapolates (itself a risk-laden venture) to about 2,500 votes in the state as a whole. What isn't clear, however, is how many of these patriotic felons voted for Gore.

The Democrats are on even shakier ground. Even if we could figure out the truth in every incident complained of, and even if we could somehow determine the intentions of local authorities (and whether these matter), we still wouldn't have anything more than a wild guess as to how many votes this sort of thing cost the Gore-Lieberman ticket.

So if partisan invective is your thing, you're gonna love these new recounts. Far from settling the matter, they're only going to set off a whole new series of arguments. ♦

Recession or Depression?

The worst-case scenario . . . and how we might avoid it.

By John H. Makin

Economists are very shy about mentioning the word *depression.* If they do mention it, they "hasten to add" that it is "contained," as in Japan, or that it "can't happen here," as in the United States. I have used these words myself. But history offers no such consolation. There have been two instances in the past century in which a stock market collapse followed an investment-led boom—in the United States after 1929 and in Japan after 1990. Both times, depression resulted.

Yes, Japan is in a depression, complete with rapidly falling prices, zero interest rates that are not low enough to stimulate spending, public works expenditures on counterproductive projects, and paralyzed policymakers at the Finance Ministry and the central bank. The nightmare of a vicious circle of falling prices, employment, and output has settled over Japan like an invisible cloud of poison gas.

Why, precisely, do we think that can't happen here? Consider what makes a depression. It starts with a period of euphoria about the outlook for the economy and the future earnings of new companies. The euphoria finally becomes unsustainable, and the stock prices of the new companies collapse. Large wealth losses replace large expected wealth gains. Consumption growth slows, then turns negative, and stock prices of more companies fall because weaker demand erases those companies' pricing power and, with it, their prospective profits. Demand falls further, and deflation sets in.

In a depression, the central bank discovers (to its horror) that stock prices, not interest rates, are in the saddle. The decline in stocks becomes the major transmission mechanism running from financial markets to the real economy. That is because, after a bubble, earnings fall faster than any central bank can, or will, cut interest rates, and when earnings or, more ominously, expected earnings fall faster than interest rates, then stock prices plummet.

Sound familiar? Earnings expectations for Nasdaq companies have already fallen by more than 75 percent in many cases. By May, most observers expect the Federal Reserve will have cut interest rates by 2 percentage points, from 6.5 to 4.5 percent, or by about 30 percent. That would be a large move by historical standards, but not enough to stabilize equity prices. So the Fed is left looking powerless, cutting interest rates aggressively, but failing to stabilize equity prices.

To be sure, the American economy still looks robust. Wall Street, as the politicians like to say, is not Main

John H. Makin is a resident scholar at the American Enterprise Institute. A longer version of this article appears as the April 2001 AEI "Economic Outlook."

Street. But that political cliché is not very reassuring in light of economic history. The linkage between financial markets and the real economy is a basic and enduring theme of macroeconomics. The bursting of an equity market bubble can readily lead to a prolonged collapse of the real economy. A powerful negative shock to the financial sector, like the collapse of a stock market bubble, sets in motion a deceptively straightforward set of events that seems, somehow, to leave policymakers caught like deer in the headlights. Leading up to the bubble, a virtual prosperity mania sets in, with households contemplating undreamed-of wealth, firms bidding for and stockpiling precious skilled labor, and governments marveling at—and promptly spending—tax revenues that far exceed their most optimistic expectations. The end comes, as it has during the past year in the United States, when extraordinary events like expected, unfailing growth of 25 to 30 percent per annum have come to be seen as ordinary. That perception makes investors view as unremarkable the purchase of equities at prices 200 times current earnings, or at more than 10 times the normal price-earnings multiple. Such pricing cannot be sustained.

The most recent and spectacular example of the insanity that accompanies equity market bubbles is the experience of Yahoo!, a company whose primary source of revenues is online advertising. Not only have Yahoo!'s profits failed to grow, they have collapsed—virtually to zero in 2001 with a hoped-for rebound to $60 million in 2002—down sharply from earnings of nearly $300 million in 2000. Since Yahoo!'s share price surged because of an expected perpetual acceleration of earnings growth, the reality of a sharp deceleration in earnings growth has brought the stock from a high of about $240 per share early in 2000 to $17 on March 9, the first anniversary of the 5000-level peak of the Nasdaq. The Nasdaq itself, with its collection of dot-com and technology stocks, fell by 60 percent, from 5000 to 2000, from its March 2000 peak to March 2001, and has declined another 15 percent in the past month. The Yahoo! swoon alone wiped out nearly $80 billion worth of wealth, while the more general Nasdaq collapse has erased over $2.5 trillion in wealth. Taken together, U.S. equity market losses over the past year have totaled over $4.5 trillion. That wealth loss amounts to about 60 percent of a year's household disposable income and over 12 percent of total U.S. household wealth from all sources.

An insidious feature of a post-bubble period is the—at first—deceptively benign behavior of the real economy. Such benign behavior creates serious problems for policymakers.

The onset of the U.S. growth slowdown over the past six months fits this classic post-bubble pattern. Since excess capacity resulting from accelerated, bubble-driven capital formation quickly becomes a problem after the bubble bursts, capital-spending growth slows. Indeed, U.S. capital spending growth went from a 21 percent annual rate in the first quarter of 2000 to a negative 0.6 percent annual rate in the fourth quarter. The initial reaction of markets is to embrace the idea that this slowdown can be remedied quickly with lower interest rates. Indeed, many commentators, especially those eager to sustain flows into stock market investments, suggest that the slowdown in capital spending is a healthy sign of the economy's ability to regulate itself. The central bank consoles itself with similar notions of the therapeutic benefit of a slowdown in capital spending. Although consumption slows, it does not collapse in an environment identified as a beneficial correction. Indeed, U.S. consumption spending, which grew at an extraordinary 7.6 percent annual rate in the first quarter of 2000, slowed only to a still-respectable 2.8 percent annual rate in the fourth quarter.

But the extraordinary investment surge that characterizes an investment-led boom carries the seeds of its own destruction. Normally, investment growth accounts for about one-sixth of the total growth of the economy. From 1959 through the end of 2000, investment growth accounted for 0.6 percentage points of an average 3.5 percent annual growth rate. However, during the twelve quarters ending in the first quarter of 2000—the peak of the investment boom—investment spending accounted for 1.5 percentage points of the 4.6 percent overall growth rate, or nearly a third of all growth. At the end of an investment boom, a sharp slowdown in investment spending produces an unusually sharp drop in growth. The 5 percent annual growth rate at the beginning of 2000 became a 1 percent annual growth rate by the fourth quarter of 2000, with an unusually large portion of that slowdown attributable to a slowdown in investment growth.

The focus of a post-bubble growth slowdown on investment spending creates a dangerous complacency among both investors and policymakers. Since consumption is two-thirds of total spending, it is easy to pin hopes on the notion that lower interest rates will support consumption and overall spending growth. Then, too, there is the usual denial that accompanies the shock of a rapid sell-off. In January of this year, retail sales surged by 1.3 percent, enough for an annual growth rate above 15 percent. But in February, retail sales dropped by 0.2 percent. Ominously, the consumption boom in January was financed by a $16.1 billion jump in con-

sumer credit. American households, which collectively at the end of last year had lost more than $4 trillion on their equity holdings, spent the month of January splurging on automobiles, furniture, appliances, and clothing and paying by credit. The resulting "firming" of the economy together with the growth of wages and employment contributed to an environment that kept the Federal Reserve from lower interest rates rapidly enough.

Given the huge losses Americans have suffered in the stock market, the outlook for consumption growth is bleak. A sharp drop in consumption is in fact likely. The linkage from wealth to savings and consumption suggests that households will spend less and save more of their incomes in an attempt partially to compensate for the severe damage to their balance sheets. During the 1990s, when capital gains came to augment and then to replace saving out of income as the way in which American households accumulated wealth, the sum of saving out of income plus expected capital gains averaged about 15 percent of after-tax household income. With after-tax disposable income now equal to about $7 trillion, the 15 percent rule means we should expect to see $1.05 trillion in savings, composed partially of capital gains and partially of savings out of income. If there are no capital gains this year, Americans could maintain their recent rate of wealth accumulation only with severely lowered consumption—a full trillion dollars less to achieve savings equal to 15 percent of disposable income. That, however, seems highly implausible, and indeed a look at past data suggests that in recessions, saving out of income plus capital gains falls to 5 percent of disposable income, or about a third of the normal rate. But with zero capital gains, even a 5 percent increase in savings would mean lowering consumption by $350 billion. That $350 billion is 3.5 percent of GDP. In other words, the drop in consumption during 2001 could subtract 3.5 percentage points from the nation's economic growth.

So the sharp drop in investment spending may well subtract 1.5 percentage points from GDP growth, and a slowdown in consumption spending another 3.5 percentage points, while falling exports from a global slowdown could subtract half of a percentage point. That's 5.5 percentage points lopped from our growth right there. Even with a modest contribution of a half percentage point of growth from government spending, well above the average 0.2 percentage points contributed since 1991, a drag on this year's growth of more than 5 percentage points is entirely plausible. Subtracted from the underlying average growth rate of 3.5 to 4 percent, this means negative growth in the region of 1 to 1.5 percent is highly plausible. That's a very nasty recession.

The assertion that the United States could experience a year of negative growth is certainly a long way from saying that the United States will enter a depression. We are not moving—and need not move—inexorably in that direction. But we are probably moving toward an unusually intense recession; the growth slowdown could easily be longer and deeper than many have been willing to admit. It is the dangers inherent in making the transition from unusually good times to unusually bad times that need to be recognized. Spending will remain depressed for some time as the realization sinks in that the acquisition of wealth requires some saving out of income and not simply the acquisition of "hot" stocks whose value seems to rise inexorably.

We are probably moving toward an unusually intense recession; the dangers inherent in making the transition from unusually good times to unusually bad times need to be recognized.

Policymakers therefore need to rouse themselves from a state of complacency about the need for stimulative measures. In 1962, a Democratic president, John F. Kennedy, proposed tax rate cuts equal to more than 2 percent of GDP to stimulate economic growth. He did this at a time when the ratio of publicly held debt to GDP was 44 percent and the deficit was higher than 1 percent of GDP. The U.S. economy was entering an expansion, but Kennedy wanted tax reform and sustained economic stimulus from a better-designed tax system. Today, as the U.S. economy enters what looks to be a serious recession, a Republican president is proposing tax rate cuts and a modest fiscal stimulus equal to barely 1 percent of GDP while the ratio of publicly held debt to GDP is 33 percent and falling and the *surplus* is approaching 3 percent of GDP.

Today's protests about tax cuts being too large because the debt paydown is threatened are the result of a dangerous, mistaken idea that somehow debt paydown caused the prosperity of the 1990s. In truth, the prosperity of the 1990s caused the debt paydown. Tax rate

reductions are an even better investment in 2001 than they were in 1962. It is worth noting that although the Kennedy tax cuts were not enacted until February 26, 1964, three months after the assassination of the president, they helped to sustain three years of noninflationary growth averaging 6.6 percent from 1964 through 1966.

In 2001 the negative pressures on the U.S. economy, not to mention the global economy, are serious enough to justify far more aggressive tax rate reductions. Indeed, the most prudent course would be to aim for moderate budget *deficits* and an attendant moderate rise in the ratio of debt to GDP. Some movement in that direction will presumably occur if the sharp slowdown in the U.S. economy over the coming months turns fiscal policy debate from the current dangerous quarrel about whether tax cuts are too large into a healthy contest between Republicans and Democrats to determine who can cut taxes by the larger amount.

Monetary policy is also disconcertingly complacent in view of the dangers facing the U.S. economy. Although reductions in interest rates cannot eliminate the recession, they can cushion it. Holding the Federal Funds rate at a still-restrictive 5 percent (even after a reduction of 0.5 percent on March 20) will unnecessarily prolong economic weakness. A stimulative 3 to 3.5 percent is needed. Fed chairman Alan Greenspan's advocacy of a destabilizing fiscal measure that raises tax rates in a recession—the debt trigger mechanism—only reinforces the misplaced leaning toward restrictive fiscal policy at a time when stimulative measures are needed. Both monetary and fiscal policy will have to be sharply reoriented toward stimulation of the economy in coming months. A failure to do so would only reinforce the uncanny tendency toward depression after equity market bubbles have burst. ♦

The Stolen Car Process

Try getting your Ford Taurus back from the Palestinian Authority, and you will learn why Oslo failed.

By Daniel Doron

Jerusalem

The best customer service in Israel is offered by Palestinian car thieves. I know. When our Ford Taurus was stolen recently, the thieves very politely offered to sell it back to us.

As upsetting as it was, the episode would hardly merit attention except as a cautionary tale about the seductions of trying to cut a rational deal with criminals. It also speaks volumes about how the Palestinian Authority is governed and how this affects its relations with Israel.

The saga began one night not long ago, when thieves picked two fairly sophisticated locks on our house and came in without a rustle while we were still awake. They took car keys, credit cards, cell phones, and other valuables. We later learned that operatives from Arafat's personal security guard, Force 17, were seen driving our car and had been involved in the theft. They'd reportedly been trained in sterile break-in techniques, sniper shooting, and other such skills by the CIA. The idea was to make Arafat's forces better able to fight terrorism, but the Palestinians are putting their know-how to other purposes.

The thieves apparently had no trouble neutralizing the car's coded locking mechanism, two alarm systems, and satellite-tracking device (all required by insurers in Israel). They also managed to evade the many roadblocks with which Israel has tried to encircle Palestinian towns in order to stop car bombs from reaching Israeli cities. These roadblocks, which photograph so well and make such potent television symbols of Israeli oppression, have more holes than Swiss cheese.

So some 70,000 stolen cars are transferred annually from Israel to the Palestinian Authority, along with a great deal of industrial and farm equipment, whole dental clinics (several in one night in Jerusalem recently, plus a complete wood-working factory), hospital labs, herds of cattle, beehives, anything thieves can lay hands on with the complicity of the Palestinian Authority. Some of this loot they use themselves, but much of it they sell to Israeli fences. The only Israelis who can enter Hamas strongholds in Gaza and come out alive are the fences.

The operations are very professional. Stolen cars are mostly disassembled within minutes and sold as spare parts. Our highly taxed cars (the tax at least doubles the dealer's price) sell for $25,000 to $50,000, but fetch only between $2,000 and $4,000 when sold in parts. The car thieves earn a mere $150 per heist, so they steal several cars a night, sometimes simply carting them away with tow-trucks marked as municipal traffic clearance vehicles.

Ford sells few Tauruses in Israel, so there was little demand for our car's parts. It was also too modest a car in the Ramallah market, glutted with cheap stolen Volvos, Mercedes, BMWs, and Lexuses. So the thieves concluded their best bet was to sell the Taurus back to us.

We got a call from a very soft-spoken, courteous gentleman, an Israeli Arab, who told us in graceful Hebrew that he'd been shopping around Ramallah for a cheap car. He found our Taurus too pricey. So he decided to make a couple of bucks by helping the thieves sell it back to us. He claimed they wanted $ 4,000, a fifth of its value on the normal used-car market.

After several bargaining sessions, all in good humor, we settled on $1,500. It seemed reasonable to swallow our pride and pay up, since otherwise, even after collecting insurance, we would be $10,000 out of pocket if we replaced the car. But we had to arrange a safe venue and mode of transaction. First we asked the thieves to return valuable records left in the car, as proof that they actually had it. They demanded payment, but then agreed to leave the papers with a vegetable vendor just inside the boundary of the Palestinian Authority as a gesture of goodwill. A Palestinian friend retrieved them.

I was then invited to Ramallah, capital of the Palestinian Authority, to bring the ransom and collect the car. I was promised a delicious meal afterwards in one of Ramallah's best restaurants. My interlocutor was a bit offended when I declined, explaining that I could not rely on his word that he would not rob me and then speed away with our car; or worse, that I would not be hacked to pieces, as has occa-

Daniel Doron is director of the Israel Center for Social and Economic Progress.

sionally befallen Israelis who've innocently wandered into Palestinian towns.

The thieves retaliated. Why should they take my word that I wouldn't turn them in to the police if they came to East Jerusalem? Still, we concluded amicably that I would find an Israeli Arab who would do the honors, in no man's land.

So I called Dr. Ahmed Tibi, a personal adviser and close confidant of Arafat. He is a member of Israel's parliament, representing a radical Arab nationalist party that advocates the transformation of Israel into a state without affiliation to its Jewish past or present; that is, its eventual conversion into another Arab state. Dr. Tibi has kindly assisted several Israeli movers and shakers to retrieve their expensive stolen cars through his good offices with Chairman Arafat, who lays down the law in the Authority even among thieves. But Tibi has been forced to stop performing this service, he explained, lest he spend all his time retrieving stolen cars. He graciously referred me to his parliamentary assistant, who also knew the ropes, he assured me.

The assistant confirmed that he could arrange things, especially after I informed him that my car had been seen in the hands of his close friend Abu Awad, the commander of Ramallah's Force 17.

Friends reported seeing our car fitted with a siren, flashing lights, and the official red plates of the Palestinian Authority. I felt almost proud.

But right after my call to parliamentarian Tibi, our gentle middleman disappeared. It turned out someone higher up had requisitioned the car. Arab friends reported seeing it emblazoned with the Palestinian Authority's official red plates. It sported blinking lights and a siren, as befit its elevated status. I almost felt proud.

But then Israel encircled Ramallah, to prevent Abu Awad and his Force 17 guys from delivering a car bomb. I gave up and bought a new car. I also prayed that our Taurus would never be brought into Israel, as car bombs generally are, under the immunity of its Israeli license plates, its spacious baggage compartment stuffed full of explosives, nails, and cooking gas containers, the better to tear apart and incinerate as many passers-by as possible.

Oslo has conditioned Israelis to be "reasonable," that is, to make dangerous concessions even when the other side is not reasonable. In pursuit of an elusive peace, Israeli leaders, egged on by State Department peacemakers, kept ignoring Arafat's continued support for violence. And they turned a blind eye to Arafat's complicity in a huge transfer of wealth from Israel to the Authority through robbery and theft.

Income from crime has become a significant part of the earnings of the Palestinian Authority's inhabitants, impoverished by Arafat's undeclared war on Israel. Crime enriches the middle level bosses of the Authority's agencies and security services (the top guys get to steal millions in U.S. and European Union aid), and supplements the small salaries that the Palestinian Authority, by far the largest employer, pays its 140,000 employees, who include 70,000 soldiers and "security personnel" (masquerading as policemen), many thousands of bureaucrats, and Arafat's army of sycophants and hangers-on. The Palestinians who have become criminals are more dependent than ever on the Authority and afraid of its nine security services. Uncertainty about their livelihood binds them in absolute loyalty to the source of all authority and funding, the boss of bosses, Yasser Arafat. By incessant indoctrination and hatemongering, Arafat redirects all their frustration against Israel.

Since the current Intifada started last September, Palestinian wages have fallen to around $100 a month, and unemployment has risen to about 50 percent, especially among youths (which explains why so many are available for demonstrations). So stealing cars has become a desirable occupation. It is practically risk free. When caught, car thieves are slapped with a small fine and given probation by Israel's liberal judges, hardly a deterrent considering the rewards.

Our story, then, is all about how criminal activity, when it becomes the norm, erodes the standards that make life in society possible (indeed, crime and misrule now terrorize most Palestinian Arabs, who live under a regime of protection rackets). It looked eminently reasonable to pay a small sum to the thieves and get our car back rather than spend a large sum on a replacement—just as it looked eminently reasonable to give Arafat some territory and let him establish a state, however oppressive and corrupt, so that peace at last could reign. But in both cases, it turned out to be foolhardy to think that criminals suddenly will keep their word, respect agreements, and refrain from violence.

It is true, as Oslo's advocates pleaded, that enemies are who you make peace with, and reasons of state sometimes compel you to let a thief off the hook. But it is also true that whatever deal one strikes with criminals or terrorists must be rigorously tested by gradual and careful implementation, in full awareness of the risks. Otherwise you end up paying the ransom but not getting your car back—or, in the case of Israel under Oslo, giving up vital strategic assets only to establish a terrorist state next-door and usher in a new era of bloodshed. ♦

William Blake, Burning Bright

His fearful symmetry, at the Met

By Laurance Wieder

William Blake spent much of his time in Paradise. Or so, at least, his wife Catherine reported. His protean genius is on display in "William Blake," a major exhibition at the Metropolitan Museum of Art in New York until June 24. The show (a scaled-back version of the Blake retrospective put together by London's Tate Gallery last winter) collects the works that most people have known only by report or in reproduction. The actual things can be described only as an eyeful—and a mindful, and a soulful.

All reproductions courtesy the Metropolitan Museum of Art

A bronze head of Blake, cast from a life mask made when he was in his sixties, ushers visitors in and out of the Met exhibit. Just to the right, in the section "One of the Gothic Artists," hangs a large engraving from about 1820, entitled *The Laocoön as Jehovah with Satan and Adam*. It serves as an emblem of Blake's strange intent. He filled the entire background of this Homeric cartoon of the Trojan prophet and his sons devoured by a serpent with rubrics, and dicta, and glosses. "Where any view of Money exists," he proclaims across the top, "Art cannot be carried on, but War." The large caption across the bottom of the engraving reads "YH [in Hebrew characters] & his two Sons Satan & Adam as they were copied from the Cherubim of Solomon's Temple by three Rhodians & applied to Natural Fact or History of Ilium."

Blake regarded William Shakespeare and John Milton as his peers in English poetry. As an artist, he claimed fellowship with Michelangelo and Albrecht Dürer. His prophetic familiars were Isaiah and Ezekiel. For Blake, the true and authentic is Hebraic, or Celtic, or Gothic, while classicism, the making of art and poetry after Greek and Roman models, enslaves the imagination.

The Metropolitan Museum's chronicle of Blake's lifelong mental fight against the mind-forged manacles includes engravings he made as a commercial artist illustrating the works of other writers (his main source of income); sketches, drawings, and paintings in pencil, ink, watercolor, and tempera; illuminated books of his writings integrated with images and designs of his own devise; and large-scale prints without text that combine the engraver's with the painter's art. There's also Blake's copy of *Paradise Lost*, and his annotated edition of Sir Joshua Reynolds's *Discourses*. Blake has written on the title page: "This Man was Hired to Depress Art." A bespectacled Sir Joshua gazes blandly back at the reader from the facing page.

Blake justified his resentment of Reynolds and Thomas Gainsborough—indeed, of all the academic and social oil painters of his generation—on both artistic and commercial grounds. Artis-

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Laurance Wieder is a poet and publisher in Patchogue, New York.

tically, oil painting could be reworked and overlaid, concealing all but the final effect. Blake advocated truth in line and truth in material: tempera, watercolor, and ink, unlike oil paint, accurately record the creative hand. But in the marketplace, bad art corrupts public taste and drives out the good.

Born in 1757 and living until 1827, Blake didn't set out to be poor, or to be overlooked. Beginning in the 1790s, he developed a unique method for producing printed works that combined word and image on a single copper plate. The results of his technical and imaginative experiments were offered to the public through a prospectus and in the equivalent of a private gallery at his print shop in the Hercules Building in Lambeth. But he found few takers.

Thanks to the scope and quality of this museum show, it's possible to compare Blake's actual creations with the increasingly detailed and crisp reproductions of his handiwork (best available in the lavish catalogue that accompanies the exhibition and in a fine series of facsimile illuminated books published by Princeton University Press). Although mechanical reproduction was part of Blake's process, to go to this exhibition is to discover the universe of difference between his original pages and even the most careful reproductions.

Blake's method for producing works that unified word and image as a single act of imagination is both technical and artistic. Inspired by a dream-communication from his dead brother Robert, he developed a method of drawing and writing in an acid-resistant liquid on copper plate, so that his lines would be raised when the background was etched away by acid. Blake then taught himself to write legibly and backwards in his acid-resistant ink, a calligraphic feat that probably requires a Koranic scribe or master of the Chinese brush to fully appreciate. After the etched plates were finished, each was inked, then impressed on wet paper. After the impression dried, Blake added watercolor by hand. In later experiments, he used several colored inks, sometimes in several stages. Each impression was unique. The state of the copper plate altered from edition to edition, and each application of watercolors was freshly improvised within the context of the page.

Blake's The Laocoön as Jehovah with Satan and Adam*, c. 1820*

Even this exhibition cannot quite capture all of what Blake was after. The plates from *Songs of Innocence and Experience*, for example, turn into something other than books when hung on the wall: A page read as a poster is not the same as a page in a book—just as reading "The Tyger" on the text-only page of a poetry anthology is not the same as reading it in its illuminated printer's Eden. But there are nonetheless things the exhibition does that no book can capture: display properly, for instance, Blake's large-scale (twenty-one by thirty inch) color prints *Pity*, *Newton*, and *Nebuchadnezzar*, and the color-printed relief etching *God Judging Adam.* The artist called them "frescos," meaning the images were intended for walls, albeit portable.

The Met has, in fact, two versions of *God Judging Adam*. In one, God and Adam, Maker and Image, appear as warm-tinted figures against a misty heaven. In the other version, the Creator and his Image are depicted as pale, cool-fleshed beings, in heightened contrast to the darkened earth and God's chariot of fire. The prints do not read like variations on a theme. They seem, rather, a set of successive impressions, a series of revelations.

Still, it is Blake's books and illuminated texts that viewers come to see—and for good reason. His pen-and-watercolor illustrations of John Milton's *Paradise Lost* are so good they almost seem a confirmation of the direct inspiration the artist claimed to have received (which was from Milton himself, descending from heaven in the form of a comet and entering Blake's left foot, as depicted in plate twenty-nine of *Milton A Poem*).

The finished state of the *Paradise Lost* illustrations is striking, especially when the series is compared with the sketches and illustrations for an edition of Dante's *Divine Comedy* that Blake was planning at the end of his life. Where Milton's Chaos and Heaven and Hell were part of Blake's vision of elemental creation and so could be realized in full detail, Dante followed Virgil. Dante's hierarchic, architected Hell, Purgatory, and Heaven must have repelled Blake, even as the music of the Florentine's demotic epic must have attracted him.

Indeed, Blake's vision of his predecessors was established much earlier. He

made a tempera-and-ink portrait of Dante in 1803, painted around the same time and in the same format as his portrait of Milton. The English poet wears a Puritan collar, his sightless eyes facing the viewer. An oak wreath circles Milton's head, a medallion set against the green background. The serpent with apple slithers behind Milton from right to left. An epic poet's lyre frames the left side of the picture; on the right stands a pastoral oaten pipe.

Dante, however, Blake portrays in prison. He wears a scholar's hood, and is framed by the laureate's wreath denied him by his native Florence. A heavy chain attached to a stone wall occupies the left side of the composition. Dante faces right, where Count Ugolino and his sons (*Inferno* XXXIII) await their cannibal horror.

Blake was a poet of contrary states; he celebrated impulse and decried moralizing, but he understood that appetite had a dark side. *The Ghost of a Flea*, done in tempera and gold leaf on a mahogany panel, is the spiritual apparition of a flea that visited the artist in the last decade of his life. According to his friend John Varley, Blake claimed that "all fleas were inhabited by the souls of such men, as were by nature bloodthirsty to excess, and were therefore providentially confined to the size and form of insects."

In Blake's Paradise, the contraries cease striving with each other. His poem "Auguries of Innocence," from a manuscript of about 1803, accomplishes in verse what his fresco *Nebuchadnezzar* does in line and color, simultaneously compelling the opposites to be visible and remain there, for as long as one can bear to look:

Every Night & every Morn
Some to Misery are Born.
Every Morn & every Night
Some are Born to sweet delight.
Some are Born to sweet delight,
Some are Born to Endless Night.
We are led to Believe a Lie
When we see not Thro' the Eye
Which was Born in a Night to perish in a Night
When the Soul Slept in Beams of Light.
God Appears & God is Light
To those poor Souls who dwell in Night,
But does a Human Form Display
To those who Dwell in Realms of day.

Above: Newton, *c. 1795. Below:* Nebuchadnezzar, *1795.*

Like Shakespeare and Milton and very few others, Blake is his own place. London printer, draftsman, and autodidact, he employed his skills to depict an eternal mental war as yet in progress, and largely unremarked. Other mystics have brought tidings of the spiritual world that is located alongside, inside, above, or behind the physical realm. But no other major artist or poet leaves so little room for comfort as William Blake. Many readers who admire his songs feel compelled to dismiss his prophetic books as madness, and those who read the prophecies in order to explain them end up trying to fasten mercury with a tack. Blake's cosmology looks something like the Cabala, his version of the physical world resembles alchemy, and his eschatology is probably unintelligible: How is it possible that he sees so clearly that which can't be seen?

The answer, if there is one, lies in the fact that prophecy does not illuminate God, who needs no illuminating, or the prophet, who is the means, not the end. Prophetic works illuminate the reader. Take these lines from *Jerusalem*, Plate 91:

I have tried to make friends by corporeal gifts but have only
Made enemies: I never made friends but by spiritual gifts;
By severe contentions of friendship & the burning fire of thought.

or later, at the bottom of the same page:

I care not whether a Man is Good or Evil; all that I care
Is whether he is a Wise Man or a Fool.

Almost alone among artists, Blake left work that testifies directly to the dealings between man as he actually lives and God. His poetry presents a vision and a music descended from the Hebrew prophets, sung in a different country, at a later moment in eternity. On his engraving *Laocoön*, the poet-prophet Blake proclaims *The Eternal Body of Man is The Imagination, that is God himself The Divine Body / It manifests itself in his Works of Art (In Eternity All is Vision)*. To go to the Metropolitan Museum's exhibition and see these lines as Blake printed them is to visit the land of strong conviction. ♦

Ronald Reagan on the floor of the 1964 Republican convention. Bettmann / CORBIS

Birth of the Right

The 1964 Goldwater campaign and its consequences.

BY ALVIN S. FELZENBERG

Why is it that young writers of the left seem to find the rise of modern conservatism so interesting these days? Nostalgia for the triumphal liberalism they have never experienced, but have absorbed from "mainstream" histories and older siblings? A desire to show up previous writers and documentary makers who attribute its demise to the rise of the "counterculture" in the 1960s? The unraveling of what pundits once proclaimed the permanent liberal consensus? A hope that by studying how the right advanced from the margins of American politics progressives can learn to do likewise?

Whatever the reason, we're in the middle of a deluge of leftist books about the right. The latest volume is Rick Perlstein's *Before the Storm: Barry Goldwater and the Unmaking of the American Consensus*. Perlstein, who has written for the *New York Observer* and the *Nation*, sees in Barry Goldwater's failed 1964 presidential campaign the roots of what later took hold.

Before the Storm
Barry Goldwater and the Unmaking of the American Consensus
by Rick Perlstein
Hill and Wang, 671 pp., $30

He is hardly the first to do so. James L. Sundquist, in *Dynamics of the Party System: Alignment and Realignment of Political Parties in the United States* (1973), and Kevin Phillips, in *The Emerging Republican Majority* (1969), neither of whom Perlstein cites, declared that 1964 marked a significant "realigning"—an election in which a party gains support among groups of voters who traditionally have backed its opposition while losing its long-time supporters.

Goldwater did manage to carry his native Arizona. But otherwise, he lost every state in the Union—except for five southern states that had voted

Alvin S. Felzenberg directs the Mandate for Leadership Program at the Heritage Foundation.

Democratic in almost every election since Reconstruction. And, save for a defection or two for the sectional sons Jimmy Carter and Bill Clinton, these states have stayed as solidly Republican—at both the state and national level—as they once were Democratic.

Goldwater also signaled the permanent shift of African-American voters from the Republicans to what was once the party of Bull Connor and George Wallace. Nixon had 32 percent of the African-American vote in 1960. Goldwater had 6 percent in 1964. And the pattern has remained the same ever since: Thirty-six years later, George W. Bush received 8 percent. These massive defections resulted from Goldwater's vote against the 1964 Civil Rights Act, upon advice from future jurists William Rehnquist and Robert Bork that provisions regulating private establishments were unconstitutional. Democrats have been making hay out of that ever since.

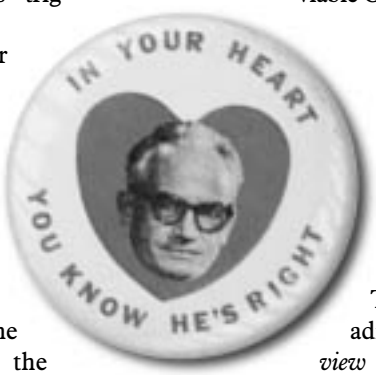
In *Before the Storm*, Perlstein provides a colorful account of the issues and personalities that made Goldwater's campaign so memorable and the enthusiasm of his supporters so intense. Though he lost to Lyndon Johnson by 61 percent to 39 percent, Goldwater bumper stickers in evidence outnumbered those of his opponent by a factor of ten. Whereas Johnson's liberal base later deserted him, Goldwater stayed a hero to most of his. (Those offended by his later support for gays serving openly in the military and "choice" on abortion, allowed for his "errant ways.") Within hours of his defeat by the widest margin in history to that point, his legions took up the cry "Twenty-seven million Americans can't be wrong."

Over the next sixteen years, more and more Americans who had backed Johnson began working against the party he led. Why and how is a story Perlstein does not tell. Nor does he consider how Nixon built future victories out of Goldwater's defeat or how Reagan forged an effective governing coalition. Such undertakings, beyond the scope of this study, would undermine Perlstein's thesis that Goldwater's campaign presaged Reagan's presidency in both form and substance.

But one thing Perlstein does do—with the benefit of recently released materials, especially tapes of Johnson's conversations—is cast new light on what Goldwater was up against. His book is a refreshing antidote to Theodore H. White's famous contemporary account, *The Making of the President, 1964*.

One revelation is how hard Johnson worked to woo big business into his camp, promising favorable rulings, appointments, and access in exchange for cash and votes. Others are the methods he and his minions used to undermine an opponent, who posed as slight a threat to Johnson's victory as McGovern later would to Nixon's. These include bugging telephones and using the FBI and CIA for campaign purposes. The professionally "thoughtful" Bill Moyers, now of PBS, proves to have been "the most ambitious and surely the most ruthless" in Johnson's camp. Perlstein credits Moyers for introducing into presidential campaigns the "full-time espionage, sabotage, mudslinging unit." Just as telling are the accounts of administration plans to escalate hostilities in Vietnam, even while they were decrying Goldwater as "trigger happy."

Readers familiar with how the press covered up the peccadilloes of the "charismatic" Kennedy, will learn how willing they were to do the same for the uncouth Johnson—at least until he was safely back in the White House. Networks granted the president free time for "nonpolitical" speeches, while reporters ignored his gaffes, drunkenness, and cavalier attention to nuclear codes in his care.



Certainly Goldwater's views accounted for some of this treatment. The rest resulted from the fatal sin he had committed: winning his party's nomination beneath the radar screen of the media. The process took five years and is a tale worth telling.

Perlstein's account would be more compelling were it not so marred by errors of fact that distract informed readers from his well-written narrative. He misidentifies New York attorney Robert Morganthau, has the Democrats take control of the Senate three years after they actually did, and has particular trouble sorting out Roman Catholic cardinals. (It was Cardinal Cushing, not Spellman, who put out a fire on Kennedy's inauguration stand; the Soviet antagonist Cardinal Mindszenty was Hungarian, not Czech.)

Perlstein traces the birth of the modern conservative movement to the fusing of disparate elements in the late 1950s that harbored grievances against the liberal status quo. Among them were southerners of various stripes, young activists galvanized by crusading intellectuals, and industrialists angered over federal regulations, high taxes, and militant unionism. The dean of Notre Dame's law school, Clarence Manion, forged a sizable network out of well-heeled and well-connected isolationists, anti-Communists, and anti-New Dealers. Frustrated over the hold eastern Republicans exerted over presidential nominations, he envisioned a new and viable Conservative party.

Goldwater, however, initially refused to run. He changed his mind in large part because of the dedication and commitment a special group was investing in him. Those were the young admirers of *National Review* founder William F. Buckley Jr., who showed that conservatism could be both energetic and fun. They honed their political skills in the Young Americans for Freedom (founded in 1960), and, like the antiwar Democrats who came after them, they reasoned they could best advance their agendas through a presidential campaign. The combative and feisty Goldwater was their man.

It fell to political strategist F. Clifton White to weave together this ideology and activism. In an era when parties

selected most of their delegates through conventions and caucuses, White and his disciplined troops clinched the nomination for Goldwater while he was polling only 14 percent among Republicans. Perlstein seems to think White did this by stealth, but concedes that "moderates" had determined nominees in a similar manner.

Once in command, Goldwater immediately distanced himself from White and others who had secured him the nomination, closeting himself with cronies from Arizona. Ambling across the country, Goldwater seemed to relish speaking his mind and telling off friendly as well as hostile audiences. Rarely did he tailor his message to his locale. Rather than develop a message, he voiced ideas—tax cuts, block grants, a volunteer army—once or twice, then let them drop.

There was one person, however, who seemed to grasp the ways in which Goldwater was missing opportunities, and that was Ronald Reagan. Reagan's stump speech on Goldwater's behalf, "Time for Choosing," proved the brightest spot in a dreary campaign as well as its principal fund-raiser (though Goldwater's palace guard tried to scrub it). Reagan's presence in the campaign has lured Perlstein to conclude that Reagan as president merely picked up where Goldwater left off—though Reagan himself wrote in the *Saturday Evening Post* in 1965 that conservatives needed to change not only their messenger, but also their message.

By the time he was in the arena in his own right, Reagan not only raged against liberal failings, but offered a positive agenda of his own. A former union president, he spoke directly to workers about how high interest and inflation rates were harming them. Eschewing big government, he made his peace with the New Deal, telling how the WPA gave his unemployed, alcoholic father a job. Decrying the evils of Soviet tyranny, he justified defense buildups as a means of preserving peace. He moved tax cuts from the periphery to the apex of his program, showing how they would encourage self-reliance and increase freedom.

Reagan did more than build on the wreckage of Goldwater's defeat, though that's a truth the young writers of the left aren't going to like. He reinvented an existing political movement with the help of new conservatives of many gradations—including the neoconservatives (who certainly had not supported Goldwater), the religious conservatives (who typically weren't involved in politics), and the economic-growth conservatives (who were barely noticed in 1964). Once Reagan put his conservative coalition together, it proved to have what the old, liberal consensus long assumed would remain its exclusive preserve: support from a majority of the American people. ♦

The Prime of Miss Muriel Spark

The white magic of her latest novel.

BY JOHN WILSON

Obliged to summarize in one sentence Muriel Spark's 1973 novel *The Hothouse by the East River*, a hapless library cataloguer wrote, "A group of people struggles to regain control over their lives as they deal with life in New York City." Not bad, given constraints of space; it is also admirably discreet about the unfolding of the plot. Still, it somehow fails to convey the flavor of a novel in which (and here you must avert your eyes if there's a chance you will ever read this book) the principal characters have all been dead since 1944, when a German bomb hit the train they were taking from London. Their subsequent life in New York, as the reader only gradually puzzles out, is a figment of the imagination. And what's keeping them in this purgatorial state, it seems, is the jealousy that obsesses one character, which he must leave behind once and for all.

Aiding and Abetting
by Muriel Spark
Doubleday, 176 pp., $21

Muriel Spark has been creating conundrums of this sort since her first novel, *The Comforters*, in 1957. After that splendid debut—praised by Evelyn Waugh, among others—she never looked back. She was made a dame of the British Empire in 1993, her long residence in Italy notwithstanding, and commandeur des arts et des lettres in 1996. Twice the *New Yorker* has given an entire issue to one of her slim novels. The movie version of her 1969 novel *The Prime of Miss Jean Brodie* introduced her most memorable character to a worldwide audience and made the book a staple of high school English classes. Now in her eighties, she has just published her twenty-first novel and her best in many years. Her hand has not lost its cunning.

Two subjects have preoccupied Spark throughout her long career. The first is the peculiar nature of her medium, the art of fiction. Most novelists strive at all costs to maintain what John Gardner called the "vivid continuous dream" that keeps readers turning pages. Spark instead plays a double game, drawing attention to the fictiveness of the story, intrusively reminding the reader of the author's existence, while delighting in the illusion of life that persists even when the magician has revealed her tricks.

Spark's second fascination is with human evil. A presumption of wickedness sets the tone for what is likely to

John Wilson is editor of Books and Culture.

happen in her fictional universe, making goodness stand out as an almost inexplicable alternative. (Spark's outlook is, in other words, the opposite of the liberal American view in which goodness is the norm and wickedness requires special explanation.) In a handful of books, the possibility of goodness is framed explicitly in terms of the Catholic faith she accepted not long before she wrote her first novel. For the most part, however, the grace of God is glimpsed only obliquely, fleetingly. So, for example, at the end of *The Ballad of Peckham Rye*, after a devilish visitor to a dreary town has come and gone, wreaking havoc and provoking murder, one of the characters sees children playing by the river Rye

> and the women coming home from work with their shopping bags, the Rye for an instant looking like a cloud of green and gold, the people seeming to ride upon it, as you might say there was another world than this.

Spark's new novel, *Aiding and Abetting*, takes as its point of departure the sensational Lucan case. In November 1974, the seventh earl of Lucan disappeared immediately after the murder of his children's nanny, whose battered body was found stuffed in a mail sack, and the savage attempted murder of his estranged wife, who identified Lucan as her assailant. Evidently he killed the nanny first, mistaking her in the dark for his wife. Before his disappearance, a month or so short of his fortieth birthday, "Lucky" Lucan, as he was known, had accumulated staggering gambling debts; he was recently separated from his wife, who had obtained custody of the children, and was humiliated in the bargain (in the custody hearing, it was revealed that he beat his wife with a cane for sexual excitement).

Despite a massive manhunt, Lucan escaped and has never been found, although there have been unconfirmed "sightings" over the years. His escape is widely believed to have been accomplished with the help of his upper-class friends. For the purposes of the novel, Spark assumes that Lucan has indeed survived; moreover that he employs a double, named Walker, very similar to him in height and build, whose features have been altered by plastic surgery so that he closely resembles Lucan. At the novel's opening, both Lucan and Walker are in Paris; both, individually, are seeing the same fashionable psychiatrist, Dr. Hildegard Wolf; both claim to be the real Lucan.

Muriel Spark in 1960

Hulton-Deutsch Collection / CORBIS

Dr. Wolf has troubles of her own. Both Walker and Lucan have learned that she is really Beate Pappenheim, a fake stigmatic from Germany (she simulated the stigmata with her own menstrual blood). When her imposture was exposed in 1986, she disappeared with a great deal of money—much of it donated by the faithful poor. (In a prefatory note, Spark says that this second plot line was also inspired by a real event.)

In Spark's hands, these parallel stories illuminate each other. Lucan's aiders and abettors are the aristos who help him elude the law, not out of friendship—Lucan has no real friends—but class solidarity. Hildegard's aiders and abettors are first those who help her establish her cult, second her companion in Paris, Jean-Pierre, and last her besotted patients. Because Lucan is so despicable, the reader is likely at first to sympathize with Hildegard; Spark wants us to see how easy it is to rationalize and equivocate. The reader for a while becomes an abettor.

In *Aiding and Abetting*, Spark looks to unmask the mechanism of evil. Elsewhere, most notably in *The Only Problem*, she has asked the "why" question. Here she focuses on "how." Evil works by complicity, in webs of compromise and self-deception; the devil himself, as Aquinas wrote, cannot force a person to do wrong.

Like the other cranks, mediums, and tricksters who populate Spark's fiction, Lucan and Hildegarde practice a banal form of black magic. They are perverse doubles of the novelist, who makes up stories intended to be convincing. Lucan, the quintessential aristocrat, is so confident that his title and lineage make him untouchable that others believe it too. "His proposition was: I am a seventh Earl, I am an aristocrat, therefore I can do what I like, I am untouchable. For a few days after the murder, this attitude overawed the investigators and his friends alike." Hildegard says that, although she faked the stigmata, "I caused miracles. I really did cure some people." Both are distinguished by their absolute belief in themselves, which of course entails an ultimate disregard for the reality of anyone else.

This tawdry black magic thrives on secrecy and is always threatened by exposure. Lucan and his double are perpetually on the run; Hildegard is not Hildegard. Against them Spark deploys the white magic of her novelist's art, which comprehends their schemes—indeed, which brings them into life—and yet is not limited to their claustrophobic world. For nothing is secret, that shall not be made manifest; neither any thing hid, that shall not be known. ♦

Building Hollywood

The vanished architecture of Southern California.

BY MARTIN LEVIN

I was a small boy in Santa Monica, California, back when the muckraking novelist Upton Sinclair ran for governor against Republican Frank Merriam (the roadside billboards read: "A Vote for Merriam Is a Vote For God"). Our town was where Will Rogers owned a private polo field and Marion Davies relaxed in a vast beach house down on the Pacific Palisades.

Lost Hollywood
by David Wallace
St. Martins, 256 pp., $23.95

Unless you're a *Citizen Kane* fan, you can't be counted on to remember Marion Davies or the rest of this crowd. According to David Wallace, author of *Lost Hollywood*, the Davies character in the movie is a nasty caricature of "one of Hollywood's least mean-spirited personalities. As well as one of its most generous." But you're not expected to remember the culture of yesteryear unless it's exhumed by someone like Ken Burns. Which is where Wallace's nostalgia adventure comes in. It's a treasury of Hollywood memorabilia along the lines of Nathan Silver's recently reissued *Lost New York*.

Silver's book is a jaw-dropping look at the city's vanished landmarks. The venality prize for destroying irreplaceable architecture has got to be a tie: One winner is the Metropolitan Opera Association, which ordered the demolition of its historic 39th Street Opera House, lest it be used to compete with the association's new plant at Lincoln Center. The other winner is the president of the Pennsylvania Railroad Company, who supplied an epitaph to the destruction of Penn Station when he wrote a letter to the *New York Times* asking, "Does it make sense to preserve a building merely as a 'monument'?"

Like Silver, Wallace uses architecture as a springboard for memory, as when he discusses a celebrated hotel named The Garden of Alla, after its owner, the silent film star Alla Nazimova. (A subsequent proprietor changed the spelling to "Allah," to Nazimova's everlasting annoyance.) Alla's Garden was not in the same architectural league as New York's great lost monuments like the Ritz or the Astor. It consisted of two dozen stucco bungalows surrounding an eight room house at the end of Sunset Boulevard. What was noteworthy was not the layout, but the residents.

Rykoff Collection / CORBIS

When Nazimova opened her hotel, she threw "a gigantic eighteen-hour party." And when it closed, a generation later, she gave a party for 350, at which more than a thousand materialized. Between galas, the Garden of Alla(h) gave food and lodging to F. Scott Fitzgerald, Margaret Sullavan, Carole Lombard, Humphrey Bogart, William Powell, and a celebrity register of thousands. William Faulkner wanted to stay there while doing time as a screenwriter. But he couldn't afford it. The place featured one of the first swimming pools to be lit underwater. From which Tallulah Bankhead is said to have emerged in the buff, to be offered a martini by Robert Benchley, a long-time habitué. Sounds reasonable.

During Prohibition, having an aperitif could be complicated. At Ocean House there was an extra hurdle. When Winston Churchill wanted a drink, Marion Davies took him on a tour of the facilities. Davies' lover and landlord, William Randolph Hearst, objected to her drinking. So she cached her gin in a toilet tank in one of the mansion's fifty-five bathrooms and couldn't remember which one.

It's not Wallace's fault that what was lost in Hollywood is flimsier than what was trashed in Manhattan. What can compare to the destruction of Pennsylvania Station, a heroic masterpiece that required a great deal of excavation? Hollywood structures are skimpier, like the electrical sign atop a hill known as Cahuenga Peak. It was intended to promote a real estate development called Hollywoodland. When the last four letters disintegrated, the sign survived as a civic attention-getter.

So *Lost Hollywood* focuses less on topography than on celebrity. One culture hero was Aimee Semple McPherson, a wildly popular evangelist, faith healer, and entrepreneur whose Angelus Temple is still one of the largest churches in America. Aimee's organization included a radio station, several choirs, and an orchestra in which Anthony Quinn played the saxophone. But it couldn't survive the scandal that ensued when the evangelist went AWOL for a month. She claimed to have been kidnapped by Mexican

Martin Levin is a writer in New York.


Bettmann / CORBIS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Metropolitan Opera House at Broadway and 39th Street, ca. 1912 ; The Garden of Alla Resident Hotel, 1928.

bandits. But when it turned out that she had been spending a naughty interlude with a married employee, the ridicule was overwhelming.

At the beginning of its silent film period, Hollywood was still a rural backwater. The vacant lots were abloom with orange poppies. "On Vine Street they grew grapes," recollects the director Mack Sennett. "That's how it got its name." But by the 1920s, the town had developed a cosmopolitan ambience. Sightseeing buses were showing tourists the homes of internationally known film stars like Francis X. Bushman ("America's handsomest man"), Harold Lloyd, Charlie Chaplin, and the megastar Rudolph Valentino. Valentino could often be seen in jodhpurs, walking his dogs (two mastiffs and a Doberman) along the narrow streets of a terraced development known as Whitley Heights.

Valentino may have gotten a bum rap as a shallow gigolo type. ("Women adored him, but most men despised him.") According to Wallace, he had a self-deprecating sense of humor. His mystique was even greater than Elvis's. His funeral drew 100,000 mourners. What's left of Whitley Heights is now listed in the *National Register of Historic Places*. It featured tiled roofs and wrought iron hardware in a Mediterranean style that became a Hollywood trademark.

A lively chunk of Hollywood's lost places consisted of its restaurants. They ranged from the whimsical—like a bistro in the shape of a hat (the Brown Derby)—to nightclubs where the stars went to be seen. Tourists visited the cabarets on the Sunset Strip, expecting to find a glitzy expanse like something out of Fred and Ginger's *Flying Down to Rio*. But, with one exception, the clubs were disappointingly intimate. The exception was the Coconut Grove, a vast nightspot in the Ambassador Hotel. It was born when the Grove's host bought a thicket of fake palm trees, left over from the set of Valentino's *The Sheik*. He installed them in a ballroom as big as an airplane hangar. It was an instant success, so much so that, by 1937, the club's publicists were proud to announce that it had been the scene of 126 celebrity fights.

Hollywood's lost landmarks have generated a vigorous rearguard action. The Los Angeles Cultural Heritage Commission has gone to bat for the Cinerama Dome, a concrete igloo built in 1963. It's the only surviving theater from the short-lived Cinerama mode, which employed a curved screen for a "surround" effect. Then there's the L.A. Conservancy, a private preservationist group dedicated to "preserving the city's architectural heritage." This includes the Hanna-Barbera building, birthplace of the Flintstones and Yogi Bear. Others on the list of endangered landmarks are the Hollywood Bowl and the Lakeside Car Wash.

Painted a revolting green, the Hanna-Barbera studio qualifies as "Googie" architecture, named after Googies, a vanished L.A. coffee shop with an in-your-face façade designed to capture drive-by attention. (Alan Hess, architecture critic of the San Jose *Mercury News*, anatomized this roadside wrinkle in his 1986 book *Googie*.)

The Conservancy has blocked the remodeling of the Angelus Temple, which would have obliterated a spectacular 40-foot mural over the proscenium. It has shored up the audience-friendly but acoustically archaic amphitheatre, the Hollywood Bowl. And it saved the Brown Derby from demolition. The brown bowler is now entombed in a shopping center.

As for the Lakeside Car Wash, according to a tourist guide: "It's the best one in Southern California, a study in lava rock and wood."

Wallace's fetching Hollywood eulogy emits vibrations that tell you all is not lost. It's certainly a pity that the landmark police were not mobilized in time to save the likes of Ocean House. But going to bat for a car wash does deliver a message to the demolition community. Namely: that it makes good sense to preserve a structure "merely as a monument." No matter how tacky it may be. ♦

Parody

While many women's magazines show off the glossy, manicured side of woman, the new magazine to which Rosie O'Donnell has lent her name . . . focuses instead on the pits and crags of the American woman's life. . . . "She is a lot darker than most people would think," said [*Rosie* editor in chief] Cathy Cavender.

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