

sewing — or sweat — shops and their women workers do *not* flourish.

No person of gentility could rejoice over extraordinarily long hours of hard work in bad circumstances for low pay. So we are to do good: We must pass strict laws, strictly enforced, to abolish low pay, long hours, unpleasant working conditions (including work at home), and use of children.

By so doing, what good have we done? Politicians, journalists, professional social activists, and media personalities will have posed as benefactors of the down-trodden. Bureaucrats will enlarge their bureaucracies. Labor union members will have less job competition at home and abroad. Major manufacturers can find solace in greater mechanization, state-assisted cartelization, and protection from foreign “pauper labor.”

But is that really the end of the story, the end of analysis of the problem, the end of policy prescription? We simply outlaw the scourge of sweatshops and walk away in prim satisfaction?

**W**HAT OF those who were supposed to be helped — the workers — typically uneducated, poorly trained, illegally in a land foreign to them, with little experience and marketplace sophistication — who have had their livelihoods abolished? They had been surviving, even though meanly by civilized standards, in market competition by selling their limited services of low value at meagre wages. Taking away those miserable jobs, pric-

ing them out of what had been their best option, does not magically provide them with better alternative employment. Reducing their already-poor power to compete, leaving them more handicapped than before, is a strange way to help them.

**T**HE SWEATSHOP situation certainly has tragic elements. But to alleviate the tragedy, we must get straight the base of the tragedy. It does little good to damn greed, for all of us — not just garment producers and sellers — are afflicted by abundant greed. The real source of the terrible circumstances of sweatshop workers is their few and unappealing alternatives. With better options, they would leave the sweatshops.

They do not voluntarily leave, for they have no better options, either here or in their native lands. Why not? Because they have little of value to sell in the labor market. And they have little to sell because they have little education and training, little geographical mobility and knowledge of employment possibilities, and their condition is made still harder if, by chance, they also are without a resident husband and too many children.

A policy which helps to generate a satisfying resolution will have to deal with enhancing the productivity and market effectiveness of these workers. Abolishing their jobs can hardly help. Moral outrage has its place. But it is not an adequate substitute for systematic thought.

CPR

## THE WORKING PRESS

# The San Jose Conspiracy News

*The Merc Reports a Government Plot to Wipe Out Thousands in L.A.!*

T I M W . F E R G U S O N

**N**O NEWSPAPER series this year has caused as much yakking as the *San Jose Mercury News's* three-parter on how the CIA and some honchos of the Nicaraguan Contras teamed up to flood black Los Angeles with crack co-

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caine in the 1980s. Much of this conspiracy had been alleged previously in various fora, but the *Merc* packaged the stuff as an exposé, and a lot of people were happy to see it as a scandal. It might even beat out the *Philadelphia Inquirer's* rehash of its “declining middle class” project for the Pulitzer Prize.

The San Jose pieces caused some hand-wringing at

the *Los Angeles Times*, at least according to various other liberal organs (including the two L.A. free weeklies, which reprinted part or all of *Merc* material and delightfully savaged the *Times* for “missing” the story of how an inner-city area in its own backyard got such expensive highs). The *Merc* and series author Gary Webb went into overdrive promoting their claimed coup, even as representatives of the *Times* and major Eastern dailies generally dismissed the event as a second-tier paper’s reach for glory with dated dope. (It’s fun to watch the Hive turn on itself!)

Yet in those black precincts where blame is always the name of the game, the story played big. Maxine Waters and her ilk clamored for a U.S. government investigation, even though a lot of the *Merc*’s series came out of a previous probe by a Senate committee then headed by John Kerry of Massachusetts. The objectives this time are retribution and reparations.

Although it seems likely that elements of the Contras, if not the command and its CIA contacts, were indeed drug runners (something even conservatives tacitly admit by making much of the Mena airport rumors in Arkansas), it ought to strain credulity to think that blacks would be a natural target market — unless one thinks they are especially disposed to do drugs. Or unless you believe, as many of the loudest black voices suggest, that the feds want to wipe out big parts of black America. In an article in the *Weekly Standard* on this hubbub, Tucker Carlson asked one talk-show demagogue (black-left variety) why the CIA would want to kill blacks. “This is America!” he replied.

When you think about it, that was the implicit explanation the *Merc* and all of its newfound fans were offering as well.

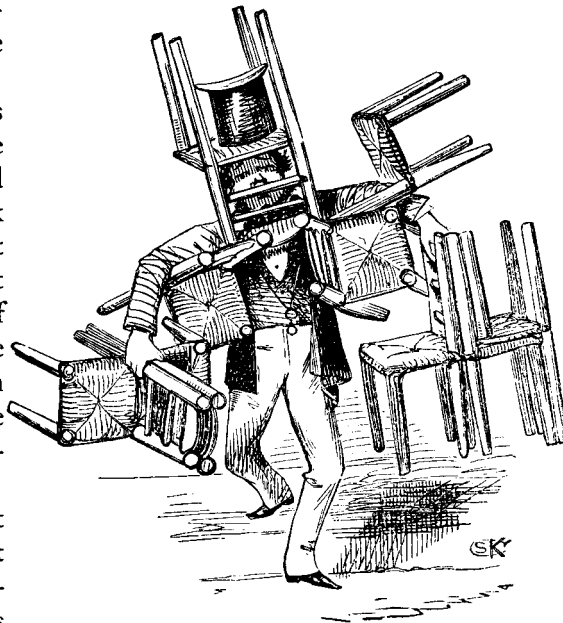


The big news in opinion circles is the looming departure of Ken Grubbs from the top editorial-page post at the *Orange County Register* and what that might portend for coverage at the state’s third largest newspaper. Grubbs, a libertarian with conservative strains, has been the keeper of the Hoiles philosophical flame at the paper for more than 20 years (with sabbaticals, during one of which your humble columnist assumed that chair). There has been little wavering

from classical liberal, free-market beliefs on the *Register*’s editorial pages, and no great reason to expect any now. But Grubbs’ likely departure for a magazine job at parent Freedom Communications has to be seen in a larger context: his battles with several of the news chiefs who have joined the paper over the last decade, and especially with Tonnie Katz, the *Register*’s current editor. Under Katz, Grubbs saw the rest of the paper veering left and away from the news judgments that attracted him to the place. (Patriarch R.C. Hoiles was still running the *Register* when Grubbs joined as a reporter in 1966.) Rather than resign himself to a bifurcated product, as editorialists at places like the *Wall Street Journal* have done, Grubbs argued repeatedly to publisher Dave Threshie, a Hoiles in-law, that the newsroom’s drift to port be checked. But with a recent Pulitzer Prize under her belt, Katz isn’t likely to get grief from Threshie, so Grubbs is going looking for a publication on which he can put more of his own stamp. His successor — yet to be named — is unlikely to pick many fights with the newsside, so whatever the *Register* is now, it can be expected to be more so in the future.



Those who wish to relive the sad tale of the “Terrible 200s,” the anti-litigation measures that were wiped out by an effective lawyer campaign in March, should check their library for the October issue of *Worth* magazine. Andrew Tobias, the author of the no-fault auto insurance part of that triad, recounts at length the dodges and deceits of the Naderite consumer lobby and its various allies on the left. A New Democrat of sorts but still infused with liberal (hence naive) sensibilities, Tobias remains capable of indignation at the sort of hardball demagoguery that his onetime friends practice. He gives Consumers Union a going over, and details the lengths to which he went to get signatories of a hit ad against him to renounce what they’d put their names to. (He even placed a target ad of his own in the college paper of a Pecksniffian San Diego law professor who blew him off.) Tobias can’t quite bring himself to see venality in Nader himself, but he doesn’t have the same hesitation about Proposition 103 hound Harvey



Rosenfield.

Tobias's tale is awfully long, but it's the sort of behind-the-scenes story about a major California campaign that — especially in the case of initiatives — we rarely get to read. The *Los Angeles Times*, which is still capable of running pieces that “jump” over several pages, avoids this kind of extended political analysis, even in what might be an appropriate forum, its limp Sunday magazine.

One final thing worth noting about the Tobias article is a crack in the lefty alliance: Barney Frank is quoted observing that Nader “has remained conspicuously silent on the tough social issues.” Adds Tobias, “Gonadal politics’ is how Nader sometimes dismisses the concerns of women and gays.” By the way, St. Ralph also is said to detest the erosion of standards in public schools, which might stir up further dissension in the Democrat ranks if an enterprising reporter were to tease the words out of him.



About the only time Dan Lungren has the Capitol press corps on his side is when he's trying to regulate gaming in the state — which is to say, when he is trying to aggrandize his office with new powers. Give Lungren credit — he probably does believe that gambling is out of control and needs an honest regulator. And concede the fact that without state action, there'll probably be more shady sorts getting involved. So? A *San Francisco Chronicle* front-page story on “California's best chance to rein in” the nefarious industry — legislation that was stymied by legislative bickering — never considered the question: Why do we want to give these gambling dens any official stamp of approval? Why can't those who patronize them do so at their own risk? One response is likely to be: without controls, they'll be used to launder ill-gotten gains — that is to say, money made at some other vice prohibited by law. Maybe all vice should be legal and buyer beware. If that isn't a perspective ripe for consideration in San Francisco, where?



The Copley papers are supposed to be conservative, but some of them feature a state-government columnist named Tom Elias who sounds a lot like Harvey Rosenfield when it comes to insurance companies. (He also says seismology is little more than astrology and shouldn't be the basis for rating earthquake policy risk.) On another subject, he likes Barbara Boxer's chances for re-election, saying her best potential foes — Pete Wilson and Michael Huffington (!) — won't

run against her and nobody else who would be serious. (The names he ticked off didn't include Chris Cox, whom Elias probably regards as an Orange County crank.) He said Tom Campbell “may want to stay put” in the House, which doesn't sound like Tom Campbell. He said Boxer is like Alan Cranston, lucky in having bozo foes. But then he wrongly lists Earl Brian as Cranston's 1974 opponent (it was H.L. Richardson). If this is the best Copley can manage, maybe it should just pick up Sherry Bebitch Jeffe.



Dean Singleton's purchase of a string of small Los Angeles County papers raised speculation that the Denver-based press magnate (who also owns the *Oakland Tribune*) might try to consolidate an advertising “buy” by acquiring L.A.'s *Daily News* from Jack Kent Cooke. He says he has no plans, but even his tight-fisted finances would be an improvement for the bereft *News*, which might then forge a sharper challenge to the *Times*. Even if Singleton's newspapers have no distinct editorial line, a little more competition can't help but improve the regional fare.



This column has grouched before that the Public Utilities Commission escapes regular press attention, which is a shame given that it has become one of the primary sources of income-transfer in California. The agency imposes taxes on power and phone customers, and on the utilities themselves, that are then handed over to favored parties in the form of “lifeline” service rates and other compensatory programs. But you don't have to be poor or disabled to get a bounty from the PUC. You can be a “public interest” lawyer. Each year the bureaucracy publishes a list of its “Intervenor Compensation Decisions” to the notice of no reporters. In 1994 and 1995 combined, a total of \$1.7 million went to consumerist groups, most of it to cover the billings of attorneys like \$215-an-hour Robert Gnaizda and their “expert” witnesses in cases before the commission.



Where was the “corporate welfare” attack squad in the press when an executive of the California Restaurant Association argued in a *San Francisco Chronicle* op-ed against Pete Wilson's plan to privatize the State Compensation Insurance Fund? Seems this group of small businesses doesn't want to disturb an entity that acts to keep down their workers comp premiums. Sure, keep the state in the insurance business. Hello! CPR

## A New, Consumer Friendly Electric

### Power Industry

By Assemblyman Jim Brulte

**A**FFORDABLE ELECTRIC power is a serious matter in California: all customers — small businesses, residential consumers, and large users — rely on it, not as a luxury, but as a necessity. Assembly Bill 1890 (Brulte), recently signed by Governor Pete Wilson, ushers in a new era of competition, making California the first state in the nation to bust-up its electric monopolies. Implementation of AB 1890 is a significant step in guaranteeing consumers lower rates, increased reliability, and better service. In effect, it will allow Californians to shop for the best electric prices, in a competitive market, to meet their needs — not those of the power providers.

Currently, California electricity customers are assigned an electric generation provider based on whether their location falls within a certain utility's territory. This system, stifling competition, has resulted in rates that are a full 40 percent higher than the national average. The state's three major privately-owned electric utilities are Pacific Gas & Electric, San Diego Gas & Electric, and Southern California Edison. AB 1890 will require these monopolies to restructure, relinquishing their control of transmission facilities and

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*Assemblyman Jim Brulte represents the 63rd Assembly District and is the author of Assembly Bill 1890.*



## Public

## Policy

## Forum

## A Bribe by Any

### Other Name

### Smells

By Gideon Kanner

**C**ALL IT baksheesh or mordida or whatever, but in many parts of the world, crossing palms with silver can work wonders when it comes to facilitating commercial objectives. Here in the good ol' U.S. of A., we have been largely spared all that.

Oh sure, legend has it that there are places where a spot of generosity toward building inspectors can go a long way toward spreading the milk of human kindness in dealings with City Hall. Out here, civic-minded Californians prefer generous contributions to the campaign coffers of elected municipal officials, though legend has it that some have been known to lunch with devoted public servants and leave behind on the dining table a copy of a highbrow magazine with pages generously interleaved with federal reserve notes. It used to be tax-free bearer bonds, but you can hardly get those now.

But that is nasty stuff with criminal-law implications. How much nicer it would be if one could make money change hands, mollify one's opponents and achieve one's development objective without having to worry about being prosecuted, all while assuming a public posture of do-gooderism.

Is that possible? Can you pay off

*(Please turn to page 24)*

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