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HIGH ANXIETY ON THE CAMPAIGN TRAIL

Race Against Hope In South Africa

MARK GEVISSER

The battle of this election is, ultimately, not one between different political parties for the allegiance of South Africans. The real battle is between hope and fear.

GAMBLING TAX FOR WALL ST.

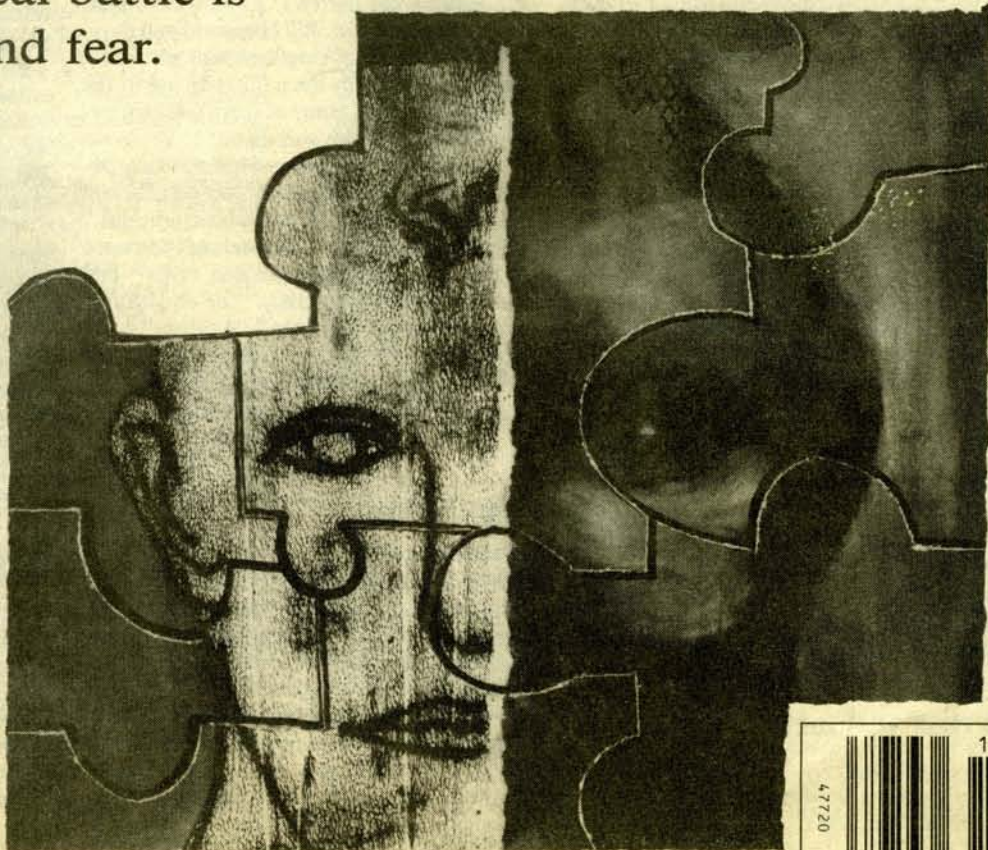
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club. But the priorities of the financial markets—against low unemployment, wage gains and inflation—are reflected far more broadly among policy-makers. Laura D'Andrea Tyson, chairwoman of the Council of Economic Advisers and a liberal within the Administration, obviously felt it necessary to ease Wall Street's obsession with inflation in a recent *New York Times* Op-Ed piece, though she has not felt similarly compelled to address working people's concerns about the lack of wage gains in the current recovery.

A tax on trading would certainly not solve all these problems. However, if it succeeded in reducing speculation significantly, it would clearly promote financial stability and productive investment. And even if it failed to dampen speculation, revenues generated from the tax would be equally beneficial. We estimate that a 0.5 percent tax on stock trades and the sliding scale described above for bonds and derivative instruments would raise about \$60 billion annually if trading did not decline after the tax was imposed. By this estimate, even if trading declined by 50 percent as a result of the tax, the government would still raise \$30 billion.

This \$30 billion could then be channeled, for example, toward education, military conversion and environmental technologies, which, as Candidate Clinton maintained repeatedly in 1992, would also increase opportunities for high-wage jobs. Alternatively, some of the funds could be used to avoid the types of austerity measures that, in the name of deficit reduction, President Clinton has proposed in his 1995 budget—such as cuts in the home heating subsidies that keep old people and the poor from freezing in winter.

Technical challenges will emerge in properly implementing the tax, but such problems are not insurmountable. For instance, to discourage funds from leaving the U.S. market in favor of tax havens like the Cayman Islands, the tax should be levied on all trades made by U.S. taxpayers, regardless of the country in which the trade occurred. Experiences with similar taxes in many other countries, including France, Germany, the Netherlands and Japan, provide useful guidelines toward the most effective strategy for implementation.

The major obstacle to the passage of a securities trading tax is not technical but political. Wall Street will be vehemently opposed, as will its champions in the Clinton Administration. These include National Economic Council chairman Robert Rubin, formerly head of the powerful investment banking firm Goldman Sachs, and Treasury Deputy Secretary Roger Altman, formerly of the Blackstone Group, another

major Wall Street firm. Yet the case for the tax is compelling, as the Administration's own best economists have shown.

The broader logic is also clear: Government is perfectly willing to tax Las Vegas, Atlantic City and the lotteries, where working people place their bets with virtually no consequence to the country's economic future. Why then should it not also tax the preferred gambling venue of the wealthy, especially given the serious costs their activities impose on the economic prospects of the majority? □

■ RACE AGAINST HOPE

Fear Campaign in South Africa

MARK GEVISSER

A few days before the Inkatha Freedom Party decided to contest the elections, I asked Ma Thuli, an elderly Soweto resident and an African National Congress supporter, whether she would vote. "You know, young man, I'm an older lady and I'm not in the best health. I will not be alive for the next election. This is my one and only time in my life to vote. But I will not do it—it just seems too dangerous. To die in my land without voting! Now is that not a tragedy?"

On Tuesday April 19, following Mangosuthu Buthelezi's eleventh-hour volte-face, thousands of I.F.P. supporters spontaneously streamed into Durban in a wild, cheering mass—evidence that even among his own supporters, his election boycott call had been unpopular. And in Natal, A.N.C. supporters too were jubilant: With the I.F.P. in the running they were no longer assured of a landslide, but at least they felt free to vote.

Back in relatively peaceful Soweto I managed to contact Ma Thuli. Would she still stay at home? She sighed. "I will have to see. It all depends on what happens on the day. Just because Buthelezi is in, it doesn't mean there won't be violence. Look at Thokoza."

Indeed, on the very "miracle day" of the I.F.P.'s announcement, fierce gunfighting continued between Inkatha-supporting hostel dwellers and A.N.C.-supporting self-defense units in the township of Thokoza, outside Johannesburg. Five more people were killed, bringing to twenty the number of deaths in the township since the previous weekend.

Even after the momentous "peace" of April 19, it seems likely that political violence and concomitant fears of intimidation will keep at least some voters away from the polling booth. Ma Thuli is right: It would be a tragedy if many South Africans stay home in an election that empowers them, for the very first time, to participate fully in their country's political life. The battle of this election, ultimately, is not between different political parties for the allegiance of South Africans. It is a battle between hope and fear. That battle is

SPECULATIVE TRADING VERSUS PRODUCTIVE FINANCING (figures are for 1992)

	Existing Stocks & Bonds Traded	New Stocks & Bonds Issued	Ratio of Trading to New Issues
Stock Market	\$3.1 trillion	\$26.8 billion	113.8
Corporate Bond Market	\$8.2 trillion	\$67.3 billion	122.1
U.S. Government Securities Market	\$44.4 trillion	\$272.2 billion	160.3

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being fought not only on the killing fields of the East Rand and Natal but through the political campaigns of the respective political parties.

One glaring example: South Africa found its own "Willie Horton." "Would you give the Cape Strangler the vote?" asks a National Party advertisement placed in newspapers in the Western Cape, where "colored" communities have been terrorized by a serial killer who has, to date, murdered at least twenty-one young boys. The ad was released after the African National Congress insisted that criminals be given the vote. It hit home, not least because a police Identikit revealed the murderer to have features more "black" than "colored." The A.N.C. accuses the N.P. of playing into deep-rooted racist fears by "coloreds" of black subjugation. A comic book distributed by the N.P. on the Cape Flats had already been banned by the Independent Electoral Commission because one of its characters says that an A.N.C. slogan is "Kill the coloreds! Kill the Boers!" And so a "black" strangler became a powerful metaphor for all manner of social, economic and political terrors that an A.N.C. (read "black") government would inflict upon "colored" people.

Let's be blunt: Hope translates into votes for the A.N.C. Fear is a more difficult impulse to manage. In African communities it remains impossible to predict how high—or low—the turnout will be. The smaller the vote, though, the worse it is for the A.N.C.

But among Western Cape "colored" voters, the N.P. has harnessed fear very successfully with campaign tools like the "Cape Strangler" ad and its unconscionable comic book. Even the A.N.C.'s own research shows that among the 40 percent of undecided "colored" voters—who constitute the majority in the Western Cape—it is picking up only one for every two that the N.P. is winning.

Initially, the A.N.C. was going to focus its campaign entirely around freedom; this was to be the "liberation election." But, says senior A.N.C. strategist Joel Netshitenzhe, "our research showed very clearly that people were interested in bread-and-butter issues—peace, jobs, housing and education." Hence the A.N.C. campaign has been heavy on de-

tail and low on negativity. The A.N.C. has taken the high road; the gray road. In the A.N.C. campaign you will see none of the evils of apartheid dredged up; no forced removals, no brutal killings, no pass raids, no Sharpeville 1960 or Soweto 1976. Ken Modise, responsible for the A.N.C. account at Applied Marketing & Communications, explains: "It would be patronizing to tell black South Africans that they've had a bad life under apartheid. They don't need to be reminded."

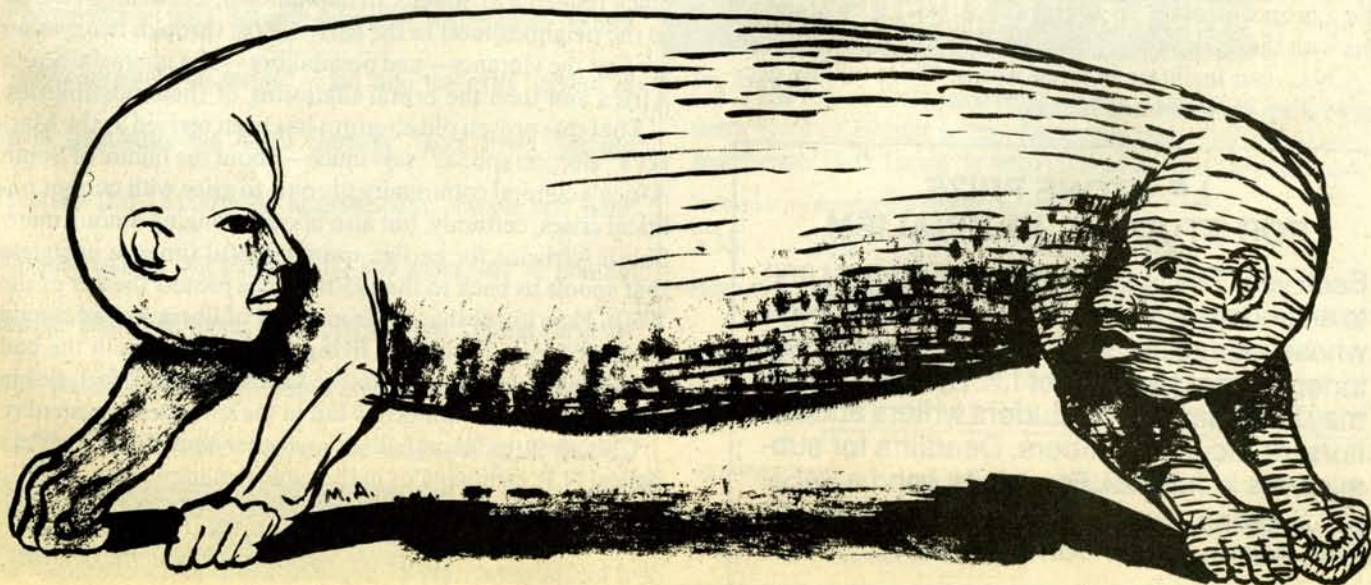
But Netshitenzhe gives another reason for steering clear of negative images of the past: "We have to acknowledge that the National Party has been successful in presenting itself as a transformed, multiracial party. F.W. de Klerk is not P.W. Botha. So rather than going back to the evils of apartheid, we have to show that, even now, under the new transformed F.W., policies still discriminate against black people."

Modise emphasizes that "everybody knows the A.N.C. was a highly effective liberation movement. But will it be an effective government? South Africans look to the A.N.C. as the incumbent. We had to be substantial; we had to be serious, to show people that we had the wherewithal to govern."

Enter the National Party, setting out with the avowed intention of proving to voters, and particularly black voters, that the A.N.C. has neither the morals nor the plans needed by a future government. "We are builders and they are breakers," says de Klerk in every campaign speech. "We build schools, they break them down. We build clinics, they break them down."

"What we would have liked to say," says Paris Pitsillides, a member of the Saatchi & Saatchi team running the N.P. campaign, "is the following: 'Look how good life was for the whites; now you can take part in it as well.'" As one N.P. ad puts it, "South Africa works, so why change it?"

An astonishingly audacious message to send out to black voters. But one N.P. strategist recounts a conversation he had with a black supporter early in the campaign: "This man told me, 'The best thing you can do is put white faces on your campaign. We blacks have lived for too long under corrupt and inefficient black bantustan leaders. We want the order of the white man.'" And so there is a bizarre ambivalence to the



N.P.'s message: On one level it is trying to present the image of having "blackened" itself and of being truly representative of South Africa; on another level it is using a perceived black inferiority complex to suggest to potential black supporters that they would be better off under a largely white N.P. government than under a black A.N.C. government.

Given that the National Party cannot organize effectively in black areas because of intimidation, image-management has assumed an immense significance. De Klerk's staged events with traditional leaders and cheering black N.P. supporters beam the message into the living rooms of unsure black voters that there *are* black N.P. supporters. And the N.P.'s advertising campaign is calculated, according to Eldad Louw, who heads the Saatchi team (and who ran Daniel arap Moi's successful 1992 Kenyan presidential campaign), "to show potential supporters that they are not alone—that there are others who feel the same way as they do."

Pitsillides notes that "we've been knocked for taking the emotional approach, but advertising is not about logic, it's about emotion." Precisely because the A.N.C. is making an emotionally charged call for the allegiance of black voters, "we have to take the emotional approach to negate it." This has led to a form of emotional manipulation that has come in for fiery criticism. For example, an ad appeared after the March 28 Johannesburg massacre, showing corpses of Inkatha supporters outside the A.N.C. headquarters, above a quote from South Africa's largest black daily, *The Sowetan*, saying, "We are sick and tired of the cynical use of ordinary folk who are also misinformed about the real causes for marches, for rallies and for the politics of today." The quote, from a lead editorial, was actually an attack on Inkatha. The N.P. redeployed it against the A.N.C. Just who, one is tempted to ask, is engaging in the "cynical use of ordinary folk"?

The Saatchi team derides the A.N.C. campaign's high-mindedness. And maybe, in terms of a short-term marketing strategy, it is right. Listen, for example, to a "colored" leader of the A.N.C., talking about why his party has been unsuccessful in winning "the colored vote": "The thing about my people is that we all carry within us black African roots and white European roots. To accept the A.N.C. is to come to terms with the dark sides of ourselves. This is not something the A.N.C. can facilitate in a few weeks. We're talking decades of deep-programmed racism."

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There is a level on which this first democratic election is, for South Africans of all races, about difficult—and not very savory—primal emotions. When white South Africans rush—as they have been doing for the past few weeks—to supermarkets to stockpile goods, building for themselves laagers of candles and canned sardines and baked beans, they are acting out of the naked fear that comes from the prospect of relinquishing power as much as from any rational concerns about darkness and hunger that might descend after April 28.

It's a little more problematic to assert that black South Africans' concerns about security articulate some deep-rooted unease about assuming power; black South Africans, after all, have lived their entire lives exposed to social, economic and physical violence. But the moment of liberation has become so tarnished by the bloody politics of transition that a certain level of fatalism has set in. Whether the I.F.P.'s last-minute decision to take part in the elections has tempered this fatalism remains to be seen.

In the April 14 presidential debate between Mandela and de Klerk, the A.N.C. leader hammered his opponent repeatedly, accusing his party of racism, particularly over the "kill the coloreds" comic book. Then at the end he leaned across and took de Klerk's hand. "My criticism of Mr. de Klerk," he said, "should not obscure one fact. We are a shining example of people drawn from different race groups who have a common loyalty, a common love for their common country."

True enough, there is something miraculous about the image of Mandela and de Klerk—representatives of previously warring tribes—sitting across from each other in a televised debate; this is not lost on the majority of South Africans who crave reconciliation.

This craving is manifest in the success of the revival, at Johannesburg's legendary but ailing Market Theatre, of the play *Sophiatown*, timed to coincide with the election. First produced in the 1980s, the play is set in the Johannesburg neighborhood of Sophiatown in the 1950s, a much-mythologized place and time of racial harmony, the cradle of the black intelligentsia and one of this land's few cultural melting pots. In 1955, the authorities destroyed the village and forcibly removed all its black residents to Soweto. In *Sophiatown*, a Jewish girl moves to the neighborhood in the early 1950s; through her eyes we see first the vibrancy—and possibilities—of a nonracial South Africa and then the brutal shattering of these possibilities.

That this proven old chestnut has been revived as the Market's "election special" says much—about the failure of South Africa's cultural community to come to grips with current political crises, certainly, but also about a longing among many South Africans for earlier, more hopeful times, a nostalgia that spools us back to the 1950s via the protest theater of the 1980s. How ironic that at the moment of liberation we should be moved by a Jewish girl living with black men in the bad days of early apartheid; that we should find comfort, not in the possibilities of tomorrow but in the struggles of yesterday.

Ultimately, racial pathology—whether it manifests itself in a cynical N.P. campaign or in the cynical manipulation of Zulu history—will continue to spread through the body politic of South Africa. Curing it will be the work of generations; there'll be a lot more revivals of *Sophiatown* in years to come. □