

VOLUME 19
NUMBER 83



THE LEADER

WWW.ARKANSASLEADER.COM

25¢

LARGEST PAID NON-DAILY
NEWSPAPER IN ARKANSAS

FOUNDED IN 1987

• MIDWEEK EDITION • COVERING LONOKE, WHITE AND NORTH PULASKI COUNTIES

WEDNESDAY, DEC. 28, 2005

8A • The LEADER • Wednesday, Dec. 28, 2005

EDITORIALS

In Our Opinion

Payday lenders Democrats' pals

It is the least surprising and most surprising news of the month: The payday-lending industry has settled more than \$20,000 on the Democratic Party of Arkansas. The Arkansas Business newspaper reported that development this week.

Least surprising because it will come as a shock to no one to learn that an industry that gets its way in the legislative halls spends some money on political campaigns. The payday lenders, who give short-term loans to desperate people at triple-digit interest rates, got a law passed making their operations legal in Arkansas, and they have withstood meager efforts to get it repealed. The media could compile similar reports on the generosity of hundreds of other business interests that have thrived when laws are made or regulations adopted. Money, sadly, is the grease that keeps the wheels of government turning.

Most surprising because if any person or entity ought to be wary of contributions from the payday lenders it is the Democratic Party, which prides itself upon being the tribune of working people and the poor, the victims of the wretched practices of the usurious lenders.

It will be remembered that the former Attorney General and now U.S. Senator Mark Pryor took \$14,000 from the lending companies when he ran for attorney general in 1998 and then took a hands-off view of the payday-lending legislation when people sought his official opinion on it as the legislature was passing it in 1999. He would not offer his opinion on the obvious: The big fees charged to people who would get the speedy loans amounted to interest and would violate the state's constitutional bar to usurious interest on any kind of debt. Pryor insisted time and again that the big gifts to his campaign had not influenced his implied favor for the lenders' legal position. Well, Pryor won anyway but the coincidence of the money and his stand robbed his campaign of much ardor.

It is now a problem for Attorney General Mike Beebe, who is running for governor. Beebe is obliged officially to defend the law empowering the lenders to charge the exorbitant rates because the attorney general defends statutes when they are challenged. But the sizable gifts to the party — will there be more? — raise doubts about Beebe's rectitude and his attitude about this working-class issue. He is apt to be the principal beneficiary of the money as the party's standard-bearer.

A Pulaski County trial judge has upheld the constitutionality of the law and it will be appealed to the Arkansas Supreme Court, again. Let us hope that the court advances the case and makes the industry's political slush moot by the 2006 election. Meantime, there would be nothing wrong with the attorney general saying that he believes sky-is-the-limit loans are rotten, whatever he considers his duty to be in defending the law's constitutionality.