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Present Progressive: AS THE WORLD TURNS . . .

BY ALAN CHARNEY

It all started with the mass strikes in France during December, 1995. Over one million workers went on strike against the Juppé plan — the conservatives' attempt to scale back the French welfare state. The mass actions were successful in blocking the right's program as public opinion turned in favor of the striking workers. The left in France heralded this resistance as the first European victory against "neo-liberalism," or, as they accurately put it, "the American model" of rampant globalization, declining living standards and government retrenchment. It was also a public outcry against the austerity budgets required by the Maastricht treaty for a European currency.

Only 18 months later, there is a government of the left in France — a coalition of Socialists, Communists and Greens — elected on a program of economic justice for working people. These parties have pledged to create 700,000 jobs, reduce the work week from 39 to 35 hours, raise the minimum wage and push for changes in the Maastricht treaty.

France is just the most spectacular case of a global shift that is taking place, as working people worldwide are increasingly expressing their opposition to right-wing governments and their free market dogmas. In Britain, the Conservative Party was swept out of office in a dramatic public repudiation of Thatcherism. Whatever one may think about the cautious and moderate policies of Tony Blair's "new" Labor Party, this turnaround has changed the British political landscape and definitely gave the French left a boost. Now everyone is looking toward Germany, the mainstay of the European Economic Community (EEC), and its 1998 elections. Will a "red-green" coalitions of Social Democrats and Greens come to power? Then, every nation in the EEC, except Spain, will have a left or center-left government. At that point, will it be possible to

reshape the EEC into an "alternative model" of economic growth, as French Prime Minister Jospin hopes?

As the Old World turns toward the left again, the New World is also beginning to reshape its political terrain. Just this April in El Salvador, the FMLN, in only its second election as a legal party, drew even in popular support with ARENA, the main right-wing party, and elected the mayor of San Salvador. The FMLN's program was based on opposition to the right's neo-liberal agenda, such as higher consumption taxes and privatization, and a defense of workers and farmers' rights. If the FMLN continues on this trajectory, it will soon be the largest party in El Salvador and be positioned to win the next Presidential election.

Although this is written before the July elections in Mexico, the PRD (Party of the Democratic Revolution) is poised to make major gains, picking up governorships in more states,

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Democratic Socialists of America share a vision of a humane international social order based on equitable distribution of resources, meaningful work, a healthy environment, sustainable growth, gender and racial equality, and non-oppressive relationships. Equality, solidarity, and democracy can only be achieved through international political and social cooperation aimed at ensuring that economic institutions benefit all people. We are dedicated to building truly international social movements—of unionists, environmentalists, feminists, and people of color—which together can elevate global justice over brutalizing global competition.

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and a larger Congressional delegation. There is even speculation that the PRI — the permanent party of the Mexican elites — may lose majority control of Congress. Most importantly, Cuauhtémoc Cardenas, the PRD's Presidential candidate in 1988 and 1994, is way ahead in the race for mayor of Mexico City. If elected, he will be in an ideal position to win the Presidency in 2000. Finally, in the recent Canadian elections, the New Democratic Party (NDP) increased its seats in Parliament from 9 to 22 on the basis of its economic justice message, particularly around job creation. It was the only party which consistently upheld the virtues of the Canadian welfare state.

All these changes in the Old World and the New are matched by two unprecedented events in Asia and Africa. The first were the mass strikes of 1996 in South Korea; the second was the popularly supported armed insurrection against Mobutu and his government in newly-named Democratic Republic of the Congo. Both of these were large-scale mobilizations against neo-liberal regimes and have set the stage for left advances in future elections.

From the perspective of these recent events, globalization no longer appears that inevitable, and resistance that futile. The left may still lack an alternative vision and program, but, increasingly, working people know what they don't want and are willing to turn toward the left. At least the left is on their side, and is willing to intervene in the economy in ways which defend the living standards of the majority, preserve social programs, and expand democratic participation.

So, why hasn't this happened in America? After all, the impact of our version of neo-liberalism — Reaganism — has been more devastating on American workers, relatively speaking, than anywhere in the West. Globalization and the free-market model have meant the destruction of the high-wage, mass prosperity economy of the 1950s and 1960s, an astonishing increase in disparities of income and wealth, a wholesale assault on the welfare state and market regulation, etc. By all accounts, a political tilt to the left here should be greater than in France, and more widespread than in Britain.

What are the typical explanations we progressives have for our political backwardness? We engage in endless and unproductive arguments about the relative merits of economic versus social issues, of class politics versus identity politics, of unions versus social movements, of grassroots mobilization versus national campaigns. Or else, we bemoan the non-political nature of the majority, and curse the inordinate power of the corporations and the media to set national priorities in favor of the right's agenda.

The events of the last months have brought

home to me one strong reason for our backwardness. It's so simple, it's transparent. And, it's something we can act on now. We don't have a national political organization of the broad left that can even speak for the 20 percent of Americans with whom our ideas now resonate, that can coalesce their discontent and express their aspirations. There's no getting around this gaping hole in the American body politic.

Such a progressive political organization is not the same thing as an electoral party. It is everywhere else in the world, but it can't be in the United States. Call it American exceptionalism if you will, but our institutional history of party politics has proven that every time we make electoral politics the fulcrum of a consolidation strategy, it leads to a political impasse. Think about all the failed and thwarted efforts we have made to strengthen the left wing of the Democratic Party — to unite the constituencies, such as labor, feminists, environmentalists, people of color, and gays, which constitute its progressive base. Ponder all the efforts we have undertaken to form a party to the left of the Democrats — efforts that have always ended in mere marginality. The conclusion I have reached is that we can't use elections or electoral parties as the prime arena to consolidate and expand our base. There are essential steps that must be taken first, and that must provide the ideological and organizational grounding, for a major left electoral advance. Maybe the result will be a revitalized, progressive-led, Democratic Party. Maybe it will be a new progressive party that emerges after a broad realignment. There may even be other electoral alternatives. But now, let's concentrate on taking those ideological and organizational steps that will build a firm foundation for next left in the United States. Because one thing is certain: a strategic and one-sided focus on electoral activity and "party-building," inside or outside the Democratic Party, will condemn the left to the margins of American politics.

One crucial step is to recognize the *de facto* programmatic agreement that exists among the leaders and activists of issue and constituency-based groups. The remarkable truth is that the progressive "movement" has become operationally social-democratic in its outlook: the defense and expansion of the welfare state; the pursuit of more corporate regulation and less corporate welfare; the protection and extension of civil, social and labor rights; and even an openness toward more social control over investment and more democratic planning. Right now, this is an unconsolidated consensus, but, ideologically, there is no barrier to laying out an immediate program for economic and social justice around which a broad coalition could be built. And, organizationally, there is now a decisive institution — the AFL-CIO — that has set this as a goal. "We will build a strong political voice for workers in our nation. . . . We will build a broad progressive coalition that speaks out for social and economic justice." With the AFL-CIO providing the ballast, such a coalition, which brings together key women's, gay, environmental, people of color, church and other issue groups, and which "blocs" with the Congressional Progressive Caucus, is on the immediate agenda.

At the same time, we must consolidate those progressive political organizations and activists who are concerned with the long-term strategic direction and deeper ideological coherence of a revitalized progressive movement — a next left as Michael Harrington called it. This "united left" would be the driving force within the broader coalition and be the arena in which the long-range questions — the role of government, electoral politics, international solidarity, the intersection of class, race and gender, faith-based values, sustainable growth, and socialist ideas and vision — are discussed, resolved and woven

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On Becoming a Stadium Slayer

BY MIKE HEFFRON

So, what to do when corporate forces want to build a private arena with public funds in your city? Take lessons from Midwest DSA: as part of a coalition outspent 300 to 1, and opposed by every Democratic and Republican city official and businessperson, we still made Columbus the city that broke the national streak of nine straight victories for pro-stadium tax corporate forces.

Columbus VAST vs. the Ravenous Corporate Dragon

When you enter the dragon's lair of corporate America, determined to rescue the chalice of public money from being used to subsidize private business, you must be able to use your strategy and rhetoric like a knight uses a lance. Armed with the facts and intelligent arguments, you might just make it out alive, with the chalice to boot.

Campy *Dungeons & Dragons* metaphors aside, slaying the corporate dragon on the issue of publicly-financed stadium projects is one necessary part of beating back attacks on declining public funding of the social safety net. Nationwide, there is a continuing trend of private interests profiting from publicly-funded stadium projects: Cleveland and San Francisco are only the two latest examples.

Sports teams hold cities hostage, either by threatening to leave if new stadiums are not built, or by threatening never to expand if a city does not have a new facility. In the case of the former, city governments, feeling beholden to these ego-giants of industry, promise to "save our city" by paying for new stadiums with capital raised from increased taxes. In the case of the latter, city officials justify publicly-financed stadiums with promises of new jobs and a place in the ranks of "America's Top Cities."

There is a dark side to the utopia promised by stadium supporters. It is these same cities that are cutting financial support for public education, social service caseworkers, and city infrastructure. Cuts in federal aid are making metro areas more reliant on local tax levies to support urban necessities such as public transportation. The scarcity of revenue is compounded by downtown development that is always tax-abated. Where schools suffer, cit-

ies suffer. Yet these issues are easily drowned out by stadium hoopla when ballot initiatives asking for increased taxes are put forward.

In Columbus, DSA's participation in Voters Against Stadium Taxes (VAST) was an attempt to stem that attack. Pro-stadium tax forces sponsored a ballot initiative that would raise the sales tax for three years by .5 percent, from 5.75 percent to 6.25 percent, to help raise capital to build an indoor hockey arena and an outdoor soccer stadium in the downtown area. The rest of the funding for the project would come from corporations and state funding (read: state tax revenue).

VAST was a rag-tag coalition made up of anti-tax Republicans, Libertarians, Greens, and Democrats, as well as DSA. Without a fundraising base, our anti-stadium tax coalition was unable to hire the essential member of any election campaign: a manager. This made the VAST coalition seem like it was heading in three directions at once. With no central office or overly coordinated central planning, the media response to many issues was determined based on a spokesperson's own reasons for participating in the campaign. Yet, this became an unexpected advantage for VAST: instead of facing one narrowly targeted message, our Pro-Issue One (as the stadium tax ballot initiative came to be known) opponents were forced to defend their proposal from ten to twenty different sides.

Through print, radio, and television, DSA attacked the proposal as disproportionately affecting the poor and elderly. While the Republicans criticized the proposal for raising taxes, the Democrats criticized it as misplaced tax expenditure. The Greens characterized it as wreaking environmental destruction on a potential park site, and the Libertarians as a perfect example of corporate welfare.

This flexibility paid off. Despite raising a mere \$5,000 to the pro-stadium tax forces' \$1.5 million, VAST won a decisive victory, defeating the ballot initiative 56 percent to 44 percent. A second victory came in the epilogue, when weeks later a private arena proposal, to be paid for with private funds, was put forth. The private proposal provided progressives with the extra victory, for it allowed for school tax-abated money to be reimbursed through ticket surcharges. All this, after pro-stadium tax forces had insisted throughout their campaign that a private plan was not possible.

Honing your weapons and finding the dragon's soft, slimy underbelly

When the campaign against the stadium tax began months out from the election, VAST carefully examined studies that the city had commissioned to gauge the affect a stadium/arena would have upon the Columbus area. Examples included the stadium/arena's impact on local business, its likely cost, and possible ways to pay for it.

Pro-stadium advocates took their proposal from those studies,

but there were many recommendations they conveniently ignored. These ignored recommendations became VAST's ammunition for our initial salvos against the project.

Studies, such as the one for Columbus, are often public record and contain the first weapon on which to build your case. Much of the information which follows is what VAST used to explain why publicly financed arenas are, in the words of VAST co-chair Heather Loughly, "losing propositions for taxpayers." They may not all apply to your particular city's proposal, as the information was gleaned from specific Columbus studies, but they are a good start. Here are some of the better arguments that we put forward in our winning campaign against the corporate dragon.

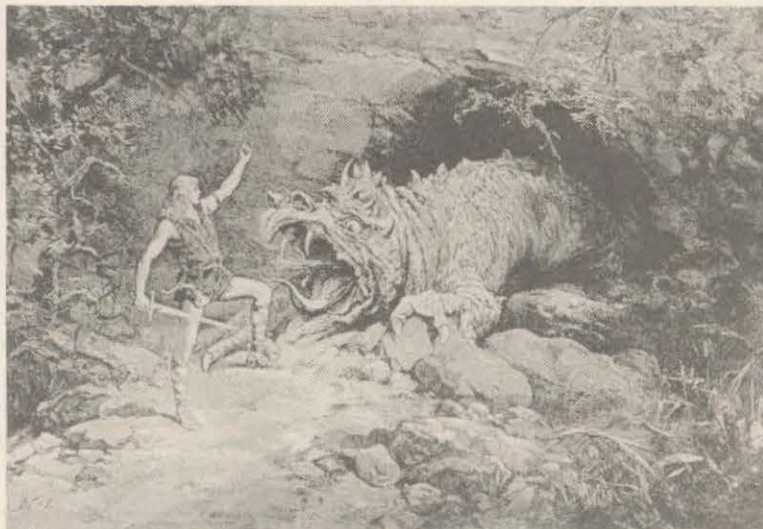
1) *Sales Taxes:* Question the appropriateness of a publicly funded stadium/arena first. "Whenever government provides entertainment services, they are always funded by user fees," stated VAST. Stress that stadiums should be no exception. Using public money to subsidize entertainment complexes undermines

other, more essential, tax-funded projects such as infrastructure improvement and public transportation. Likewise, you should emphasize how the regressive nature of sales taxes disproportionately affects the poor and the elderly.

2) *Transfer Demand:* Where there are already existing public arena/stadium facilities in an area targeted for new ones, there is the negative effect of "transfer demand." Transfer demand is the effect a new private entertainment facility has on another, existing public facility. Money spent at an older venue disappears when the team moves, or concerts are booked, into a larger venue. The result is a negative budgetary effect on existing public sports facilities where revenue ceases, with revenues now going to a private interest. Thus the public loses a public revenue source, while concurrently paying out and tax-abating a venue that will generate money mostly for a few private interests.

3) *Construction Overruns:* To sell a sales tax increase, such as the one proposed in Columbus, there is often a promise to limit the amount of time the tax is in place. Projecting revenue from sales taxes is risky, since the consumption of consumer goods fluctuates with the health of the economy. Calling

into question revenue figures requires some hefty number crunching, but it is important to look at how your opponents arrived at their numbers. There are many ways to interpret numbers, and they will have picked figures that show the proposal in the most favorable light (and ignored the ones that don't; but that doesn't mean they are impossible to find). As stadium/arena supporters lobby the public to favor the project, it is likely that they will not want to count, in their final projected cost, the almost certain construction overruns that are normal for a project of such proportions. Downplaying the anticipated cost overruns is an attempt to suppress the possibility that an additional revenue source may be necessary to avoid a scenario of a half-completed arena. Exploit this as much as you can; nobody likes to be duped. Finally, in the event that the private interests offer to cover cost overruns "out of their own pockets," make sure you follow the money. In Columbus, millionaire team owner Lamar Hunt



Barnard & Graham

made a similar "generous" proposal to allay fears of cost overruns. Turns out, the money was not a benevolent donation by the private owner, but instead a public relations ploy where a ticket-surcharge financed a cost overrun. Once again, nobody likes to be duped.

4) *Lease Guarantees,* such as they are in business, are only as good as the signature on the dotted line. With public funding proposals, it is imperative to stress that voters need to

have as much information as possible; without detailed leases, negotiated before the election, voters can't be sure what they are approving. Emphasize the need for answers to questions like: What happens if there are operating deficits? What happens when there are construction deficits, and who picks up the tab? Does the city get any unbudgeted revenue? A vote before the negotiation of leases gives business the upper hand in negotiating. With the approval of the proposal, sports team owners are able to negotiate with the advantage of knowing the city will cave in to their demands if they threaten to leave. No city wants an empty arena (ask the people of St. Petersburg).

5) *Job Creation:* One of the most openly flouted promises of any stadium campaign is the promise of new jobs. In Columbus, as in Cleveland and many other metro-areas before it, pro-stadium-tax forces touted the job creation potential of an arena as if it were a project the magnitude of the Tennessee Valley Authority. Unfortunately, claims of full-employment-through-arena-construction are greatly exaggerated. When the Heartland Institute studied thirty-six cities with completed arena projects, they found no discernibly positive economic effect for the cities in question. Factor in tax abatements and tax subsidies that are almost always given to stadium projects and, predictably, the results show a negative community impact.

6) *Democratic Accountability:* When city officials want something, rarely do they let little problems such as city residents get in the way. Down-

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into the progressive movement. In a word, we must put an end to left-wing entrepreneurship, by which any small group of individuals with a good idea finds some foundation or institutional support and creates yet another progressive organization with a political perspective almost identical to every other organization. The differences among DSA, the New Party, Neighbor to Neighbor, Americans for Democratic Action, the Committees of Correspondence, Jobs with Justice, and many Citizen Action state organizations — just to name a few groups — are minuscule compared to their programmatic, and even ideological, agreement. Not only is a “united left” on the agenda, it is a necessity for making a broad progressive coalition work and for shaping a left ideological presence that fills the gaping hole in the American body politic.

These advances can be made starting today. We should take hope from the advances that the left is making around the world, and embark on our own “American model” of left-wing renaissance. Who knows, this may be the “American model” that really takes hold around the world.

town arenas/stadiums require parking, traffic rerouting, and the general unpleasantness of noise and massive lighting on game nights (just ask the residents of Wrigleyville in Chicago.) These residents are powerful allies because they voice their concerns with a passion, inducing well-deserved headaches in city officials who must usually attend public meetings of the angry and ignored lumpen city folk. Upset residents also buy time by inconveniencing city planners, who would just as soon pave over the pesky neighborhoods and solve the downtown parking problem once and for all.

This last point of democratic accountability is vital for us; it is why we are willing to defy conventional wisdom and stick with the underdog label of socialists. When we speak out against corporate “wealthfare,” we must constantly pound away with the idea that there would be no public subsidies of private business if city government and private business were kept in check by economic controls restricting the use of public funds to projects that are used by all, rather than those that can only be afforded by some. Columbus proves that these corporate dragons can be defeated. DSA’s work with other organizations and people in Columbus proves that it is possible to play the role of the stadium slayer with positive effects for the community and our organization. Now, go find yourself a lance; consider yourself knighted.

(Special thanks to Richard Schier, Mark Higdon, Heather Loughly, Dennis Kneply, and every other non-socialist who taught me how to slay corporate dragons. Information in this article was mostly taken from the Voters Against Stadium Taxes Response to Columbus City Council President Michael Coleman, March 17, 1997.)

Mike Heffron is the Midwest Organizer of DSA and Homer Simpson’s biggest fan.

ARGUING WITH THE RIGHT AND WINNING

Center For Democratic Values
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We have been losing the battle of ideas raging in the United States over the past 20 years. This conference will develop understanding and skills for entering mainstream debate. It will bring together academics and activists to provide training for Leftists who want to fight back.

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I am interested in attending the first national CDV conference!

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DSA Launches Action Network

BY CHRIS RIDDIOUGH

DSA has just launched the **DSA Action Network**. Approved by the National Political Committee in May, the network has already begun recruiting members. The idea behind it is very simple. Everyone who becomes an activist in the **DSA Action Network** agrees, over the course of a year, to get involved at least once in our **Campaign for Economic Justice**.

Each **Action Network** member can decide which action to undertake. It might be contacting a Congress member regarding a specific vote or to cosponsor a particular bill, or writing a letter to the editor on a specific issue. Those with more time might call other DSA members in their community to get them involved, circulate a petition supporting the Living Wage, Jobs For All Act or become a Congressional District coordinator for the network.

Since its inception in 1996, the **Campaign for Economic Justice** has resulted in action to promote a more economically sound and just budget, opposition to Republican proposals to eliminate the minimum wage for welfare workers and support for living wage legislation. We have participated in successful coalition efforts to stop the balanced budget amendment and we are working with labor and social justice groups to support progressive candidates in 1998.

Yet, debate in the United States on economic policy is confined to a narrow range of opinion. This is true for discussion in the media, among policy makers and with the public at large. Policy initiatives that promote economic justice, gender and racial equity and a sustainable economy are not taken seriously by most policy makers and are generally either invisible or subject to dismissal in the media. Economic democracy and social investment are seen as contrary to common sense in a global economy dominated by corporate interests.

Economic Democracy: From the Federal Reserve Board role to the Multi-lateral Agreement on Investment, from the World Trade Organization to transnational corporations, entities that control economic decision making are neither subject to democratic control nor expected to be.

Social Investment: Budget proposals in Congress, including debate on the Balanced Budget

Amendment, rarely, if ever, reflect any discussion of the role of government in investing in the country and its people. Debate is focused narrowly on the national debt and the deficit and little credence is given to proposals that suggest that an important role of government is investment.

Gender, Race and Economic Equity: Policies designed to promote economic equity for women and people of color have come under increasing attack. From *The Bell Curve* to Pat Buchanan's xenophobic attacks on immigrants to the anti-affirmative action referendum in California, debate on the issue of equity has focused on perceived harm done to whites, men and American citizens. Alternatives to those perspectives are marginalized.

Sustainable Global Economy: Increasingly corporations are transnational in character. Policies of international financial institutions, trade agreements and investment agreements all are established with little accountability or democratic control. Nor do they take into account interests other than those of the corporate world.

Thus in each of these areas the truncated public debate has and will lead to increasing the power and wealth held by a few people, decreasing democracy in this country and limiting the options people in general perceive. Moreover, it is generally assumed that only 'experts' have any standing in discussions of these issues. Opinions from economists and other academics, financiers and corporate executives are viewed as authoritative, while those of ordinary people — factory workers, secretaries, teachers, and the like — are dismissed.

The **DSA Action Network** will advance efforts for economic justice by providing ways for more DSA members and friends to be involved and to counter the bias among policy makers and the media. We will keep **DSA Action Network** members informed through action alerts sent on a regular basis, by mail or e-mail. In return, members pledge to carry out at least one action a year and inform DSA of the results. DSA staff will monitor the media and policymaking arenas on the issues of economic democracy, gender and racial equity and a sustainable global economy and broadcast electronic alerts. Activists participating in the **DSA Action Network** will receive policy reports, political information, and guidance on monitoring the media and meeting with policy makers.

To join the **DSA Action Network** contact Chris Riddiough, DSA Political Director, at 409 Butternut St. NW, Washington, DC 20012, 202-726-0745 or criddiough@dsausa.org. Send us your name, address, phone and, if you have one, your email address.

March in Watsonville

BY DUANE CAMPBELL

In an impressive display of organizational skill, the United Farmworkers Union, with the support and participation of the AFL-CIO, mobilized over 30,000 farmworkers and supporters in the Strawberry Capitol of the World: Watsonville, California.

Union members and human rights activists came to Watsonville from Canada, Colorado, and the Western States. Unions representing teachers, carpenters, ironworkers, the needle trades, and the Service Employees Int., the autoworkers, and every worker existing in the West were represented.

Watsonville was selected for this mobilization since it sits at the heart of the rich coastal strawberry growing region. Tens of thousands of farm laborers, mostly Mexican immigrants, harvest the crops for less than the minimum wage.

The march was lead by UFW leaders, Jesse Jackson, John Sweeney, Ron Carey of the Teamsters Union, Martin Sheen, and a host of dignitaries. It was so large that it brought the town to a stop. The contingent from UNITE was loud and boisterous. Students from colleges and universities participated. A particularly strong contingent came from the UCLA MeCha which mobilized close to 100 Chicano students.

Dolores Huerta, UFW vice president, an Honorary Chair of DSA, and a supporter of the DSA Latino Commission, welcomed the marchers who had overwhelmed the small city with their numbers. Dolores read the long roster of unions and organizations in the march and who had assisted in the march, reaching over 20 major international unions. She predicted, "Today will be for the strawberry workers what Selma was for the Civil Rights Movement . . . we will succeed because you have come to support us. I hope that the crowds show the growers how much support there is for the union, then maybe we won't have to relive the difficult struggles of the past."

Arturo Rodriguez, the new President of the United Farmworkers and heir to the tradition of Cesar Chavez, delivered his speech in English and in Spanish saying, "We cannot permit Monsanto and Driscoll and other strawberry companies to harvest all of the profits of this 600 million dollar industry, while its workers are crowded and living in poverty. I ask everyone here to pledge themselves to defend the rights of farmworkers. I ask you to go to the supermarkets and tell them that you support the 5 cents a box increase in straw-



D. Campbell

berry costs that would bring justice and dignity to our work."

John Sweeney and Richard Trumpka addressed the crowd, with translation provided by Louis Valdez and others. DSA contingents came from Sacramento, Los Angeles, and San Diego as well as the Latino Commission.

Duane Campbell is a leader of Sacramento DSA and chair of the DSA Anti-Racism Commission.

Bay Area DSA Hosts Forum on Full Employment in an Age of Globalization

Over 50 Bay Area DSA members and friends met on Sunday, June 8 to engage in a panel discussion on Full Employment in an Age of Globalization. Focusing on Representative (and DSA Vice Chair) Ron Dellums' Living Wage, Jobs for All bill, HR 1050, the panel included David Bacon, labor reporter, John Katz of DSA, Ying Lee, legislative assistant to Congressman Dellums and Barbara Arms of the Full Employment Coalition.

Not surprisingly, the discussion touched on a wide range of issues and concerns. These included global labor solidarity, people-to-people exchanges, Mexico and NAFTA, the International Monetary Fund and the World Bank, labor in the information age, community control over investment, women in the workforce, education, and corporate "wealth-fare."

The discussion also considered prospects for the future. Recent election results in Europe, and the resurgence of the U.S. labor move-

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A Modest Proposal to Break the Cycle of Dependency of the Very Rich

BY RON BAIMAN

Why are conservatives spending so much time and energy trying to reduce unearned income for the poorest and most vulnerable people in our society? The gutting of welfare will effect less than 1 percent of the federal budget and a somewhat larger but still quite small share of state and local budgets (about 10 percent in 1994), and will therefore not have a big impact on government spending.

In fact, if conservatives were serious about their supposed priority of reducing dependency and fostering the work ethic, government would have to spend a lot more money making paid employment a viable option for the poor by offering free day care, health care, and transportation, by significantly raising the minimum wage and by increasing public sector employment to increase job availability. An alternative program for serious "socialization" of welfare through a national service program which would involve present and potential welfare recipients as welfare providers and administrators, and require the likes of future Newt Gingrichs and Rush Limbaughs to have some direct experience with poverty, has been proposed by Princeton Advanced Institute fellow Michael Walzer in *Dissent*. But Walzer's proposal would again require greater public expenditures. In part this is because free market capitalism requires a high level of unemployment to maintain price stability by constraining wage growth — Marx's "reserve army" argument as articulated by Federal Reserve Bank spokespersons and mainstream economists. Massive public efforts to create jobs would be especially necessary in the local pockets of extremely high unemployment where many of the poor live.

We all know, however, that reducing dependency is not the real goal, nor is it going to be the real outcome, of the attack on welfare. The real political impetus has more to do with targeting a weak and vulnerable class (and implicitly race) of scapegoats for the real problems of the middle class. These include increasing employment and income insecurity, and increases in health care, education, and pension costs to workers, along with a prolonged regressive shift of tax burden away from corporations and the rich to the middle class. Welfare moms and immigrants have become targets for right-wingers seeking a convenient way to stir up resentment and avoid addressing real issues and

offering serious solutions.

The politics of scapegoating leave no room for appeals to reason and compassion. Evidence showing that the supposed "welfare reforms" will only increase pervasive homelessness, despair, and poverty for poor children (22 percent of all kids in the U.S. and half of black kids) and their parents, and increase Third World conditions in our major cities, doesn't seem to work. Rational demonstrations that increased long-term costs for police, prisons, anti-drug enforcement, and child abuse prevention, caused by current "reforms", will prob-

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• JOB OPENING •

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Economic Literacy 101

BY MICHELE ROSSI

Even if you've been dwelling in a cave for the past few years, you haven't escaped the gleeful proclamations about the strength of the U.S. economy splashed across the financial pages and drummed into the public consciousness. Not surprisingly, these proclamations rarely offer a more subtle analysis of what counts as "growth," let alone what economic benefits are going to whom, and in what proportions. Nevertheless, for those of you who skipped, slept through, or otherwise avoided mainstream Economics 101, here's a quick guide to what's making the ruling classes chuckle, fuss, and fret.

Gross Domestic Product. Change in total value of goods and services produced in the United States; measured quarterly. It is the standard measure of economic growth. When GDP grows faster than the economy's ability to produce, unemployment falls.

Unemployment Rate. Share of the work force seeking but unable to find a job; measured monthly. It indicates how much "slack" (as opposed to how many an involuntary slacker?) exists in the economy. The official unemployment rate significantly understates the unemployment problem because anyone who works at all — even a few hours per week — is counted as employed. (For more insight into employment issues, get the new DSA/CDV pamphlet by Kathy Quinn — for more information call us at 212-727-8610.)

Payroll Employment. Change in the number of production and non-supervisory workers on public and private payrolls; measured monthly. It shows how fast the demand for workers is rising.

Employment Cost Index. Change in cost of workers' pay and benefits; measured quarterly. It is considered a key guide to labor costs and inflationary pressures.

Consumer Price Index. Change in consumer prices; measured monthly. It is the most widely used

measure of inflation; many costs and payments are linked to it. (Recall the fuss about recalculating the CPI as a backdoor way of cutting Social Security?)

Consumer Confidence. Index of consumer feelings about current and anticipated economic conditions. It indicates when consumers are more likely to spend or not spend.

Retail Sales. Change in sales at retail outlets, measured monthly and often sharply revised. Retail sales represent about half of all consumer spending and indicates the strength of the economy.

Industrial Production. Output of mines, factories, and utilities, measured monthly. It is used as another indication of the economy's strength.

Capacity Utilization. Share of industrial production capacity actually in use; measured monthly. It shows whether the industrial sector is straining to meet demand and therefore whether prices are likely to rise.

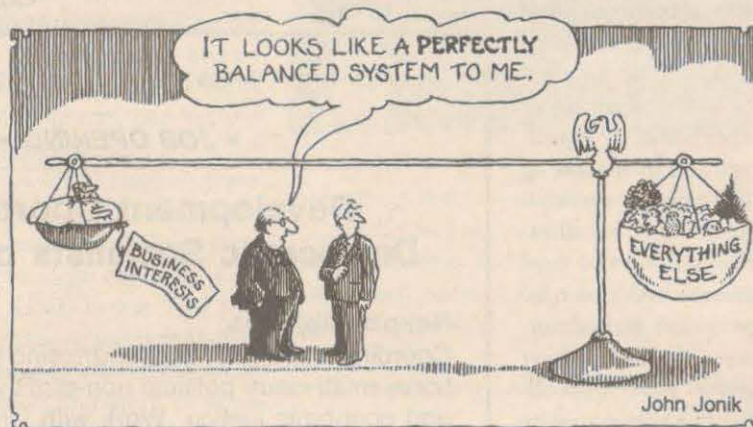
Vendor Deliveries. Index showing changes in time between receipt and delivery of manufacturing orders; measured monthly. It is considered another indication of strain in the industrial sector, with a number above 50 showing lengthening delays.

Trade Balance. Net of all imports and exports of goods and services; measured monthly. When the trade deficit rises, it means less demand for U.S. products and therefore less economic growth.

Corporate Profits. Total profits from current production for all U.S. companies (adjusted for inventories and capital consumption); measured quarterly. It is the basis for the strength of the stock market, where prices have soared as profits, considered as a share of GDP, have hit their highest levels in nearly 30 years. (An increase in the capital gains tax, anyone?)

Federal Funds Target Rate. Interest rate charged on overnight bank loans. It can be changed at any time by the Federal Reserve Board. It is the rate the Fed uses as a guide to add or subtract cash from the banking system as it seeks to keep inflation (and employment) under control.

Sources: Labor Department, Commerce Department, Federal Reserve, National Association of Purchasing Management, Conference Board, The Washington Post.



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The Very Rich/continued from page 9

ably far off-set any minor short-term savings in welfare costs, fall on deaf ears. These proposals are not about facts and reason, they are based on political victimization — on “blaming the victims” pure and simple.

Therefore I propose that instead of trying to stop the politics of victimization we offer the right substitute victims who truly need our assistance and whom we can easily help *and* increase public revenue at the same time. Instead of scapegoating the poor and vulnerable we need to break the intergenerational cycle of psychologically and socially destructive dependency of the very rich. The generations of rich (Rockefellers, Duponts, Heinz's, Morgans, etc.) clearly suffer from rampant drug addiction (mostly to alcohol) and moral breakdown, as is evident in the merry-go-round of affairs, abortions, spousal abuse, and business power plays depicted in “Dynasty,” “The Lives of the Rich and the Famous,” and the O. J. Simpson trial.

We need to end welfare for the rich as we know it. This includes what Secretary of Labor Robert Reich has called “corporate welfare,” but it's much more than that. The moral degeneration displayed by the very rich is a clear threat to the social fabric of our society, particularly as it is watched so closely by so many. Reforming the rich could have a real impact on social mores and they obviously need help. It would also be very affordable, indeed lucrative, for the public treasury.

A tiny minority of very rich households in the U.S. get more than 3/4 of their income from property entitlements for which they don't have to lift a finger. According to a 1990 Federal Reserve study, in 1988 the upper 1 percent of households by income made an average of almost 3/4 of their income from property-based entitlements such as profits, dividends, interest, and capital gains. In fact, private ownership of the means of production is the major cause of income inequality under capitalism. In 1989, the top 10 percent of households by income held 80 percent, and the top 1 percent held 40.3 percent, of all wealth (excluding personal residences) in the U.S., leaving just 20 percent of wealth for the bottom 90 percent of households. Wealth for the top 1 percent, and top 20 percent, increased by 61.6 percent, and 98.8 percent, respectively, from 1983 to 1992 (before the most recent stock run-up), whereas the wealth of the bottom 80 percent increased by only 1.2 percent during these years. Moreover, studies have shown that at least two-thirds of large fortunes in the U.S. are derived from inheritance and not from present earnings (again, before the 80s and 90s run-up in wealth, and reductions in inheritance tax).

We're talking real money here, not the crumbs that gutting welfare will generate! The conservatives' constant litany that taxing the rich won't gen-

erate much income is patently false — the rich are monopolizing the lion's share of wealth in the country and this trend has been increasing as inequality in the U.S. has grown steadily since the mid-70s to the current worst levels on record (since WWII) and the worst among major advanced industrial countries.

The very rich need our tough love now. As a society we can no longer deny their plight. An initial proposal might be to redirect all property-based income back to the treasury to be used for public child care, health care, job creation for the poor, middle income tax breaks, college tuition grants, public housing, etc. The former rich in return could be issued \$300 a month “transition to independence” checks but only for a limited time period and only for those who are legally married and in recovery from alcoholism and spousal abuse. During this time training in proper subservient behavior and labor discipline would be offered to help them find real jobs that require work. If they can't find jobs they'll just have to make do in the street or wherever. Their kids of course may also need some help to make the transition from private boarding schools to the street or to orphanages, but that too can be arranged.

A fall back strategy to appease bleeding heart conservatives who may worry that forcing the rich into cold turkey withdrawal from property-income dependency may drive some of them over the brink (although it's hard to imagine why they would worry as the very rich represent far fewer people than the poor — whom they never worry about), might be to at least end legal entitlements to property-based income and instead redirect these funds to state and local coffers in the form of “personal responsibility block grants” (after making appropriate cuts in funding to support the needed federal programs listed above). State and local governments could then allocate these charity funds at their discretion, depending on local budgetary conditions and sympathy for the rich.

Ultimately, however, such administrative details are not that important. The important point is that as a society we can no longer afford further dependent and self-destructive behavior by the rich. This might sound like socialism, but it's really just “tough love” for those who need it most.

Ron Baiman is a member of the Center for Democratic Values and an economist.

Full Employment Forum/continued from page 8

ment under AFL-CIO President John Sweeney, were causes for encouragement. Considering the U.S. experience in recent years, with cutbacks in social and safety-net programs, the lack of organized protest on the part of the dispossessed was surprising. The recent unveiling of the monument to Franklin Delano Roosevelt notwithstanding, the struggles which led to the New Deal must be fought over and over again.

Many noted that while unemployment in the U.S. is at a relatively low point, wages are stagnating, and jobs are often insecure. Working people are divided among themselves, and feel threatened by global competition.

Those gathered reached no grand conclusion about how to counteract these negative forces. What was clear was the need to proceed with lobbying Congressmembers to get them to cosponsor HR 1050. Furthermore, socialists and other working people need to reach out to one another, and form the kind of coalitions which will create opportunities to educate and work against the rampaging corporate forces engulfing the planet.