

Newsletter of

# THE DEMOCRATIC LEFT

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Edited by MICHAEL HARRINGTON

## *Carter and the platform: room for the Left*

by MICHAEL HARRINGTON

If there were ever any doubt about the subject—and frankly there was not—the 1976 Democratic Party platform shows why the Democratic nominee must be elected in November. The Democrats have taken a progressive stand on critical domestic issues like full employment, national health care and tax reform. And although the Cold Warriors in the Party managed to insert some rhetoric and even a little substance of their position, the platform is basically committed to detente. For these reasons, among many others, the democratic Left should work enthusiastically for the Democratic ticket during this campaign.

There is another reason for the Left's wholehearted involvement in the struggle. Jimmy Carter is, of course, certain of being the Party's nominee and has a very good chance of being elected President. But how a Carter administration will act is not set. Carter is not a Washington insider with a blueprint for his Presidency in his pocket. How he will fill in the platform generali-

engaging in hard, but routine, political work. It will also be winning positions of strength from which it can help to shape the all-important details of the incoming Administration's program.

Socialist Democrats will join with all of the progressive forces in the Party—with labor, the minorities, the women's movement, the reformers—in this fight for a Democratic victory with real political content. But then we emphatically add this point: the Democratic program and candidate are infinitely superior to the Re-

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## **Make redlines green: end urban disinvestment**

by PAUL DUBRUL

In the last four years a new word has entered the vocabulary of urban America. The word is "redlining," the refusal of banks and other major financial institutions, such as insurance companies and pension funds, to reinvest the hard-earned savings of city dwellers to preserve urban neighborhoods and maintain the existing housing stock.

As "redlining" has spread from inner city ghettos to so-called "transitional" neighborhoods and to entire cities, a new mass movement of home owners and tenants has sprung up to demand democratic control over investment policies which have condemned vast segments of our cities to the junk heap. The Democratic Party can not ignore the demands of this angry coalition of blacks and whites, blue collar workers and an increasingly embattled urban middle class — people fighting for their homes.

The banks, of course, deny that redlining exists. They have also consistently refused to open their books so that depositors and rejected borrowers could see where mortgages are being granted. The banks are losing this battle, however, as cities, states and now the Federal government are requiring more extensive disclosure of bank loan policies. Even without bank

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ties about full employment and health care and tax reform depends on the relative strength of the various political tendencies in the Party and in the nation during the next four months. In going all out for the Democratic candidate the Left will thus not be simply

# Building a coalition of human need

By JULIAN BOND

On July 4th, 1776, the people of the 13 colonies declared that the economic slavery imposed upon them by British colonialism denied their right to life, liberty and the pursuit of happiness.

While the nation prepares to parade and celebrate this anniversary, an American underclass waits for its own declaration of independence. Our struggle for independence heightened over the last 20 years, years of legal struggle in the courts followed by other struggles in the streets. The fabric of legal apartheid in America began to be destroyed. What had been a movement for civil rights has become a political movement, and black men and women are winning office and power only dreamed of before. But despite an increase of 150 percent in the number of blacks holding office, despite the ability to sit or eat or ride or vote in places that formerly lacked black faces, in a real way we find our condition unchanged.

A quick look at every statistic that measures how well or poorly a group of people is doing shows that while our general condition has improved, our relative condition has actually worsened. Infant mortality rates

*Julian Bond is a Georgia State Senator. This article is adapted from a recent speech.*

for us remain twice as high as for everyone else, nearly half of all black families in the United States earn less than 5,000 a year, the average black American male is still dying seven years earlier than his white counterpart, we remain the last to be hired and the first to be fired.

Yesterday's gains become suspect. The bus front seat loses meaning for a people whose longest trip is likely to be from the feudal system of the rural South to the more mechanized, high-rise poverty of the North. The right to vote loses meaning for a people forced to choose between Tweedledum and Tweedledee. The right to an integrated education can mean little to children bused from one ignorant academy to another.

Despite a decade of protest and movement, what has occurred in the last half-decade is simple—the reins of government have been seized by a massive coalition of the comfortable, the callous and the smug. The two most recent national presidential elections gave this group awesome power. The second was more a rout than an election, a rout that reinstated the fiscal fascists, the merciless merchants of the cost accounting school of social welfare in the White House, and insured a four-year reign of men with an arrogant contempt for people and their problems.

At the same time, Congress was largely unable to resist presidential vetoes, impoundments, cut-backs,

## Rallying the women's movement

by NANCY SHIER

On May 16, more than 10,000 women from all over the country came to Springfield, Illinois for the largest single demonstration in the history of the modern American women's movement. In fact, through this National Rally for Equal Rights, we proved to legislators and to millions of sisters unable to attend that the feminist movement is indeed alive and well and temporarily living in Illinois.

The rally sponsors represented the broadest possible women's rights coalition. Groups working on the rally included the National Organization for Women, the Coalition of Labor Union Women, Church Women United, The Coalition of American Nuns, the YWCA, the Women's National Political Caucus, the National Black Feminist Organization and many labor unions, including the Brotherhood of Railway and Airline Clerks, the American Federation of State, County and Municipal Employees (AFSCME), the Teamsters, the Meat Cutters, the Steel Workers, the United Electrical Workers and the UAW.

Already, the rally has had impact. In Illinois, there's a new optimism among ERA advocates because of the

*Nancy Shier, a member of the National Board of DSOC, was on the staff of the Rally for Equal Rights.*

rally and the large scale publicity it received. There is a possibility of action in this month's legislative session in Springfield. And all over the country, we've placed state legislators on notice that millions of people are impatiently waiting for action on the ERA.

*Newsletter of*

### **THE DEMOCRATIC LEFT**

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shifts in sharing and reverses in revenue, which have cut sharpest at the people on the bottom, those who traditionally look to their government for some help. In spite of rising prices and unemployment, in spite of increased inflation and dangers of recession, this same Congress offered no alternative to President Ford's program of austerity.

But if the years before, the Kennedy and Johnson years, taught us any kind of lesson at all, it ought to have been that government, under militant and concerted pressure, would move, slowly and rather ponderously, to become a limited partner of sorts with the American underclass in their struggle to do better for themselves.

In the decade of the '60's, the number of people living in poverty in America was reduced by nearly one-third. It's not at all unreasonable to ascribe some of these gains to the so-called Great Society and New Frontier programs of that era. The last few years have changed all that. The government's policy toward the poor has changed from benign concern to malignant neglect. The government moved to kill, freeze, and wind down urban renewal, model cities, community action, public service employment, student loans, public housing, federal impact funds for education, and to impose a 60 percent pullback in social services. Human problems are now placed on a balance sheet, forced to add up, to pay for themselves.

For black America, the tentative economic gains of the 1960's are slowly but surely slipping from our

This great success came at a time when it was badly needed. Many of the larger, better-known feminist organizations suffer from internal division (which has been widely publicized) and a lack of a specific program as to where to go next. Too much energy is diverted internally when we need to be winning changes for women and giving women a sense of how collective action can bring real change and liberation.

At the same time, the number of women whose personal consciousness is being raised grows mightily each day. There is no town or suburb where the women's movement's ideas have not reached. What's needed is some way to mobilize these millions of women into strong national organizations which can win immediate victories and fight the long struggle.

A top priority for our movement must be a change in Washington. The current Federal Administration is the most serious obstacle to the growth and victory of the women's rights movement. In recent years, we've won major victories against employment discrimination and unequal pay. The most notable case was a generous back pay award to women employed by American Telephone and Telegraph. Gains in future struggles over equal pay will be far more difficult, given the weakening of the Equal Employment Opportunities Commission (EEOC). The EEOC is under-staffed and badly managed. More and more, it politically reflects the anti-women, anti-black biases of the Ford Administration.

A case filed with the EEOC now takes 2-7 years to reach any conclusion, and there is currently a case

backlog of 120,000.

grasp. For black America, it is still true that despite the war on poverty, which we apparently lost, one-third of all our children still live in poverty.

We are where we are today because of a confluence of events of the 1960's. The nonviolent—and in retrospect, lovable—marchers of the first part of that decade began to be replaced, if not in fact, then certainly in the public fancy, by the rapacious rioters of the latter part of the '60's. America's major cities were believed to be either in flames, under martial law, or sinking under the dead weight of a population of pensioners, the unemployed young, or their presumably unemployable parents.

The middle mind of America was running away from social concerns in a crisis state all their own. They rightly perceived that their taxes were escalating to pay for barely maintaining what they were running away from, but they were wrongly informed, by their President and others, that their taxes were high because of the lazy poor and not because of the corporate evader and the military glutton.

The rhetoric from Washington about sharing the wealth became a scandalous exercise in consolidating wealth and power where they always were, away from the cities, away from the children, away from people for whom wealth is an extra meal and for whom power is the ability to hide from the census taker.

There can be no better prescription for relieving this crisis, and for reviving some interest in it, than by making our Party a national coalition of need—with us

backlog of 120,000.

For women involved in labor organizing and for the thousands of women in sectors of the work force which are currently being organized—hospital workers, clericals, child care workers and others—the Federal government and its agencies are, again, a major roadblock. The National Labor Relations Board, which represented a great victory for workers when it was established, now stands in the way of those seeking to organize. The waiting periods for union recognition elections are so long (an average of 11 months from filing if there are any issues in dispute) that in some sectors, with

## Unequal pay

Although women have made substantial gains in life expectancy, education and employment since 1950, the income gap between men and women is actually widening.

The Census Bureau reports that jobs for women doubled since 1950, while male workers increased by only one-fourth. But while women workers in 1970 made 59 percent of the \$9,184 median income for men, the percentage dropped to 57 percent by 1974, when women earned \$6957, compared to the \$12,152 the average American man earned that year. □



as base—of parents who want care, not warehousing for their children, of workers who want work at a decent

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***The government's policy toward the poor has changed from benign concern to malignant neglect.***

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and protected wage, of people who work for their living and can't live on what they make as well as those who can't find work but can't live on what we so grudgingly give, of all those people who want an end to welfare and capitalism for the poor and subsidy and socialism for the wealthy and all who must learn that sufficiency for those at the bottom is compatible with stability for those in the middle. All those people now live in America, divided now by race and class, fearful of each other, contentious and impotent.

An entire political movement came to near maturity in America in the 1960's. Fueled by the fire from the southern civil rights and national anti-war movements, that movement became the partial victim of its own success. It fought for and won the right to sit in front of the bus, to cast a vote, to sit at a lunch counter. It launched a southern black political movement, but it failed to sustain and extend itself, and instead saw itself being dissipated by struggles on the edge. For some of us, being black became a rhetorical or sartorial

large employee turnover, organizing becomes an endless task. By the time the NLRB has scheduled an election, many workers who have been organized may have left; the union faces the prospect of educating and recruiting an entirely new pro-union majority. It becomes a hopeless process. Penalties for management infractions of the federal labor laws are mild or non-existent. The NLRB's pro-management majority has dampened the great hopes for organizing the unorganized that many women held only a short time ago. Once again, the political atmosphere is crucial. That anti-labor majority was appointed in the last eight years of Republican Administrations. And veteran CIO organizers remind us how important it was in the 1930's for unionists to be able to tell the workers, "The President of the United States supports unions; FDR wants you to join."

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***The Rally for Equal Rights put the momentum back on our side.***

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This massive dismantling of Federal machinery supposedly designed to help working women comes just when vital grassroots organizations of working women are making gains. But promising organizations like Women Employed in Chicago and 9 to 5 in Boston, and

accomplishment. For many, social commitment began to be measured by the length of your hair, or the intricacy of your handshake.

The political process needs to be put to a constant test, not as an election day effort alone. That means breaking away from the kind of "reference" politics we have played in the past—voting for Joe Blow because John Smith tells us to.

We can easily see in the bicentennial year that we are the 200-year victims of the philosophy of "ethnic purity," of those who believe that black people—who arrived in America the year before the Mayflower did—constitute an alien group. These master-race theories have consigned us to second-class citizenship, and second-best lives, and make our intelligent participation in the citizenship process all the more important. That is the process which determines who will get how much of what and from whom.

In this presidential year we must construct a national movement to insist on certain basic themes that must be accepted by a candidate acceptable to us. They would include in foreign affairs an end to subversion and assassination as national policy; a one-third cut in the defense budget; an end to open checkbooks for totalitarian regimes; a new Marshall Plan to eradicate hunger in the third world; a cessation of tolerance for Africa's settler states; a non-intervention pledge in other nations' affairs.

In domestic affairs it would include income and wealth redistribution via the tax structure; the elimination of poverty through a program of full employ-

innovative approaches to organizing working women used by unions like AFSCME and the Service Employees, are being frustrated by the anti-women and anti-union tone emanating loud and clear from Washington. Since many organized or organizable women are employed in public sector jobs, the poverty of cities and states, aggravated by Federal policies following corporate priorities, compounds the problem.

All of this has led some otherwise skeptical feminist activists to the conclusion that we need a new Administration. Many women activists realize that a change in that message from Washington is crucial; changing the institutions we must deal with to secure women's rights is a crucial step on the road to the success of the women's movement. A leading Chicago feminist recently told me, "We've always been skeptical of electoral work but this year is so crucial . . . not only the EEOC, but the stacking of the Supreme Court, its recent rulings, the possibility that the Court might rule on ERA . . . it all seems so urgent for us."

Much of the skepticism among women's activists toward electoral politics is well-founded. We've seen our political parties frustrate rather than promote change. We've seen incredibly poor representation of women in the higher councils of government. We've seen the Democratic Party, which serves as the arena for most social change movements, vacillate both in the positions of the leading Presidential contenders on women's issues and on its own commitment to affirmative action.



ment supplemented by a negative income tax for workers earning on the margin; an educational system that dignifies vocational as well as academic training, and permits each American to realize full potential; free, adequate health care for all Americans, financed through the national treasury and not profit-making insurance companies; effective social control of monopoly, and national, regional or municipal ownership of vital services operated for need, and not for profit.

These promise no perfect world, but do hold out the hope that we can create a system of laws and relationships between us that promise more than our present system of privilege for only a few.

We ought to be reminded of some words from Dr. W.E.B. DuBois nearly half a century ago:

"Our problem is: how far and in what way can we . . . guide our future so as to insure our physical survival, our spiritual freedom and our social growth? Either we do this or we die. There is no alternative. . . . [We must conquer] by thought and brain and plan; by expression and organized cultural ideals. Therefore, let us not beat futile wings in impotent frenzy; but carefully plan and guide our segregated life, organize in industry and politics to protect it and expand it. What will be, no one knows. It may be a great physical segregation of the world along the color line; it may be an economic rebirth which insures spiritual and group integrity and physical diversity. It may be utter annihilation of class and race and color barriers in one ultimate mankind, differentiated by talent, susceptibility and gift—but any of these ends are matters of

According to figures recently released by the National Women's Political Caucus, while more than 40 percent of the delegates to the 1972 Democratic National Convention were women, women will comprise less than 30 percent of the delegates to this year's Convention. It's an outrage and a disgrace for a Party which is so heavily dependent on women activists at the grass roots level to continue to deny women full participation at decision-making levels.

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***The pro-management majority on  
the NLRB has crushed women's hope  
of organizing the unorganized.***

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The Democratic Party and its candidates must realize the tremendous resources thousands of activist women can bring to the campaign—and to the next Administration—and must stand clearly for women's rights.

Jimmy Carter's recent statement promising enactment of the ERA if he's elected President is a step in the right direction. But we need more substance and more specific commitments—on issues like equal pay enforcement and anti-discrimination, support of the

long centuries and not years. We live in years, swift, flying, transient years. We hold the possible future in our hands, but not by wish and will, only by thought, plan and organization." □

### ***Labor's stake in black rights***

"There may be those of you who agree with the Attorney General and with the President of the United States in the Boston situation. But if they or any other politician plays politics with the constitutional rights of black people, then they will play politics with the hard-earned rights won by the labor movement. We are the first and you are next.

"So whatever your personal view is about the Boston situation, think about your vested interest as a member of a union. . . . They will sacrifice your rights on the altar of political expediency just as they are sacrificing the rights of little black children on the altar of political expediency.

"For that reason, we are going to Boston. And we say to the labor movement . . . that just as you were with us in Selma, you too ought to be with us in Boston."

—Vernon E. Jordan of the National Urban League speaking to the Amalgamated Meat Cutters and Butcher Workmen Convention

Supreme Court position on abortion, and guarantees of appointment of women to policy-making posts. We may desperately need a new Administration, but we will not be taken for granted by the national Democratic Party.

And the politicians will do well to remember that the women's movement will survive and grow. We're reaching new people every day. Women are finding collective strength through the movement. But now the women's movement must strengthen its own organizations and identify the day-to-day issues which concern millions of women most. Then the women's movement must go on to win victories that will improve women's lives.

We must plan programs to constantly reach out and involve new people, and we must take seriously the task of training leadership and staff in the skills of organizational development.

The Rally for Equal Rights put the momentum back on our side. The ERA is now *the* cutting issue for the women's movement. In its April issue, *Spokeswoman*, an excellent women's movement newsletter, best summarized the situation: "The ERA has come to symbolize all of the basic demands that women are making. It is the demand for a share of power in this society and a measure of control over their lives. The struggle for the ERA is, in that sense, a struggle for the preservation of the gains of the women's movement and its continuing survival. It is a struggle that must be won." □

# Primary lessons: calculating Carter's victory...

by JIM CHAPIN

Four years ago, we heard a lot about how accidental, how weak and fragile McGovern's victory for the Democratic nomination was, and how narrow his base was. This year, the Carter bandwagon is the big news, and everyone seems to be marvelling at his strength, his astute judgment, his solid campaign strategy.

Carter's victory is every bit as fragile as McGovern's was, and is based on a similar mixture of effective organization, the candidate with the most desire to win, an anti-establishment appeal, weak and fragmented opposition, and sheer luck.

Outside the South, Carter lost as many primaries as he won, and his victories were won largely against no one or against Mo Udall (in at least three important primaries—New Hampshire, Michigan, and Wisconsin—Fred Harris' vote combined with Udall's would have put the Arizonian in first). After the Pennsylvania primary, late starters Jerry Brown and Frank Church, lacking the weaknesses of Carter's two earlier rivals, Udall and Jackson, showed Carter's vulnerability by beating him almost everywhere they faced him. Ironically, at this point in the campaign, the Party reform rules, which were supposed to prevent anyone from winning the nomination through the primaries, helped Carter. In California, he won a large share of the delegates even while losing 3-1, while sweeping Texas through its winner-take-all at the district level system.

Carter's greater strength relative to McGovern comes not from the behavior of the voters, however, but from far greater acceptance among various Party elites. No one in the Democratic leadership is ready to split the Party over Carter's nomination in the way so many (including Carter himself) were willing to divide the Democrats against McGovern.

The most popular explanation of Carter's victory is that the voters wanted "honesty" rather than precision on the issues. That this is simply a variation on the "end of ideology" speculation so popular in the 1950's should make us suspicious in itself. More important, voter desire for this characteristic is *not new*: polls have *always* shown that most voters care more about a candidate's character than his specific ideological stands, and until the Eagleton affair, McGovern benefitted from the same perception.

The media helped Carter by giving him early coverage as a "fresh face" and an alternative to Wallace. He made good copy, took good photographs, and had the right image for TV news. But most of his advantage was directly political even—horrors!—ideological.

First, it has long been clear that primaries benefit "extreme" candidates against "centrist" ones. The luck of the draw (and some bad decisions by key opponents) gave Carter the "extreme" advantage even though he stood in the middle of the party. In Iowa and New Hampshire, he was the most right-wing of the candidates; in Florida, against Jackson and Wallace, he stood on the Left. In New York and Massachusetts, faced with the entire spectrum of candidates, Carter

did quite badly.

Second, with the defeat of all other candidates (most important, George Wallace, since almost the entire Wallace vote cast in later Democratic primaries went to him), only Jackson and Udall were left to face Carter in the crucial Pennsylvania primary. Both were severely limited candidates. Udall never proved able to reach beyond suburban liberalism. Jackson recognized and campaigned against that flaw in his liberal opponent, but shared the problem in reverse. Jackson's rhetoric seemed to contain definitions of supporters and opponents reminiscent of the most hair-splitting kinds of Marxism, and he never got many votes outside the Jewish community and decaying industrial towns.

Both candidates were crippled by the confusing new campaign laws: Jackson unable to accept more than \$1000 each from his fat-cat backers; Udall driven off the airwaves by the six-week delay in matching funds resulting from the Supreme Court ruling on the FEC.

Third, Hubert Humphrey, who did so much to nominate McGovern by running against his "friend" Ed Muskie and to elect Nixon by his harsh rhetoric against his friend George McGovern, insisted on having Udall and Jackson defined as his stalking horses. Carter was fortunate Humphrey never claimed to be on his side.

Finally, the long-standing feud in the Party helped Carter. As embittered Jackson supporters could find him acceptable because he was "better on foreign policy" than Humphrey, liberals could back him because he was, after all, not associated with the hard-liners.

For all Carter's "newness" he fits some long-standing patterns. One is the venerable tradition of the new. As historian Robert Marcus pointed out in his book *Grand Old Party*, the victory of the "amateur" over the "professional," the "people" over the "bosses" is an American commonplace. In the period he studies, Hayes, Garfield, Cleveland and Harrison, although politicians, defeated the "establishments" of their party. Carter as "citizen-politician" continues the tradition. He also represents the extension of the Democratic tendency to pick candidates slightly to the right of center of their party when they have a real choice. Except in 1972, the Democrats have gone this way for a long time. FDR over Smith in 1932, Truman over Henry Wallace for V.P. in 1944 (when the party elite knew FDR wouldn't last), Stevenson over Kefauver and Harriman in 1952, Kennedy over Humphrey and Stevenson in 1960, Humphrey over McCarthy and McGovern in 1968 all fit the pattern.

## Carter and the Left

The democratic Left's reaction to Carter is as ambiguous as the man himself. While Al Baron and Joe Rauh were deeply involved in the ABC (Anyone But Carter) movement, Joe Duffey and major elements of liberal labor supported him actively. Cockburn and Ridgeway in the *Village Voice* condemn him (as do Joseph Kraft, Evans and Novak, and William Safire) but James Wechsler and Anthony Lewis trumpet his virtues.

## ...the end of ideology and other myths

The signals from the campaign are confused. Liberal activist Bob Shrum quit the campaign in disgust, yet he reported that the one rival Presidential candidate Carter spoke well of was Fred Harris. Other advisors for the campaign fail to clarify what direction Carter is likely to take. His foreign policy advisors are considered to include Paul Nitze, Paul Warnke and Zbigniew Brzezinski; his domestic economic advisors include radical egalitarian Lester Thurow of MIT and Albert Sommers, chief economist associated with the Conference Board, a business think-tank. On these precedents, one would expect his civil rights advisors to be Ron Dellums and George Wallace.

For all the ambiguity, a Carter Presidency could be a good thing for the country and for the Left. Anthony Lewis argues that he won't cast Ford-type vetoes. He may be able to bring Southern (and non-Southern) white Protestants back to the Democrats and to the Left (they were the largest Left constituency until the 1920's). He could reverse the tendency towards Southernization of national politics and renew the effort to nationalize Southern politics. He could bridge much of the racial gap in the country, if he wanted to try.

Since he's clearly not a "Left" President, the democratic Left will stand readier to criticize his "Bay of Pigs" decisions. (On this point, a word of caution for the Left. So far, all too much of the liberal opposition to Carter has tended to begin with legitimate issues criticisms and slide over into cultural hostilities. Carter has been a master, as was John Kennedy, at turning criticism of him into reflections of anti-Southern liberal bias, and the opposition should scrupulously refrain from anti-religious, anti-white Southerner attitudes and stick with his programmatic shortcomings.) In a number of ways, Carter will give us an opportunity to organize without facing the retrenchment and reactionary atmosphere of the Eisenhower and Nixon eras. Carter may well be a Democratic Eisenhower—moderate, not too ideological, interested in restoring faith in the system, and perhaps turning around the continued disintegration of the political process visible in the steadily more miserable voter turnouts of the last decade. If he can do this, 1984 may yet be a good year.

### The Republicans and the Right

Once the Republicans finish debating on national TV the Panama Canal, right-to-life, and sending troops to save white Rhodesia, the election should be just about over.

This is not to say that Carter couldn't lose. There are two ways this could happen. One highly unlikely possibility would be the nomination of a Rockefeller or a Percy who could "reach around" Carter's relatively rural Southern conservative image to disgruntled trade unionists, urbanites, Northern Jews, etc. But Ford and Reagan cannot and will not try such a strategy, and the Republicans who could cannot be nominated.

The other possibility leading to a Republican victory casts Carter in the role of "President" Dewey. Running against Ford, if he becomes the "winner" too early and

too often, he could suffer from an "anti-incumbent" backlash. That's unlikely to happen if Reagan is the nominee, because too much of the American establishment is against him (as they were opposed to Goldwater and McGovern). The media, Ford, Kissinger and Goldwater have succeeded in portraying the Californian as a dangerous man.

In fact, against Carter, it's hard to see any chance for Reagan to win. His strengths against an "old liberal" like Humphrey or a "new liberal" like Udall or McGovern make no sense in a race with Mr. Peanut. Regan will have conceded half the country, and he'll be reduced to battling Carter in his home Sunbelt turf.

Ford, except as the anti-incumbent (and that would be a delicious irony to end the year) is as weak as Reagan. He lacks appeal to conservative activists. Unlike Nixon, he is a true stand-patter, rather than an innovator of the Right. And he cannot run against the Democrats (at least against Carter) on "morality" issues. The First Lady's stands on abortion, ERA and her daughter's sex life deprives him of that constituency. In fact, Ford is a 1950's Republican; genuinely conservative, even reactionary on economic issues and relatively liberal on social issues. Reagan is much closer to the New Right. And the primary results reflect the difference almost too neatly. Ford carried states dominated by traditional Republicans (and traditional Republican areas in Democratic states, like Appalachian Kentucky and Tennessee and the St. Petersburg area in Florida). Reagan carried the "new" Republican areas in the Sunbelt and the West.

The media played up how important Wallace votes were to Reagan, but generally overlooked the fact that Wallace votes for Carter were at least as important and perhaps three times as numerous. Wallace cross-overs were simply more noticeable in the now quite small Republican Party (Carter received ten times as many votes as Ford and Reagan combined in Arkansas).

The fortunes of both the Right and of the Republicans appear at a low ebb. The Right's indisputable control of the Republican Party gives them control of what is by now nearly a corpse. In retrospect, Nixon missed great opportunities which may not recur (or, from our point of view, his incompetence saved us from great dangers). The Right, as in the 1920's and the 1950's, has proved able to create a mass constituency, which, tolerated by the establishment, was used to crush the Left (as in 1918-24 and 1948-53) but not to do anything else. This time, as weak as the Left is, we have survived the worst years with more activists and more thriving and even growing institutions (journals, communes, organizations, etc.) than in either of the previous periods. If history can be a guide, we can expect the organized Right, deprived of a Left which is prominent, to follow the KKK and the McCarthyites into decay, while the Left has some half a dozen years of growth, unchecked by serious repression or by major internal feuds, ahead of it. We may not deserve this fourth opportunity this century, but we should be prepared to make the most of it. □



# Democratic Socialists: who and where we are

The Democratic Socialist Organizing Committee is attempting to create a socialist presence in the United States. We hold forums, discussions and conferences. We publish the NEWSLETTER OF THE DEMOCRATIC LEFT, to report and analyze what's going on in the mass liberal-left. We work in the left wing of the Democratic Party, and many of us are active in the unions, in the women's movement, in the continuing struggles for racial equality and peace—wherever people are fighting for their rights, to extend human freedom, to win a better world.

We came together in October 1973 to found the DSOC. Since then, an energy crisis, Watergate and the state of the economy have persuaded us and a lot of other people that America needs socialists asking difficult and radical questions. We've succeeded in pulling together seasoned activists and new recruits, radicals of the 1930's and undergraduates of the 1970's. We are just the beginning of what will become a democratic egalitarian movement for a better America, a better world.

Democratic socialism is our ultimate goal. We hope for—and work for—a society dedicated to full human equality, to cooperation instead of competition, to meeting human needs instead of maximizing profits.

But meanwhile we work in the liberal, labor, black and women's movements for social changes desperately needed now.

We want to push social progress an extra mile—from tax reform to income redistribution, from national health insurance to socialized medicine. As we work for the reforms needed today, we're proposing ideas and programs for the future.

Along with liberal activists, we fight for:

- Income redistribution through a genuinely progressive income tax;
- a shift of resources from the private sector to the public sector in areas like medicine and pensions;
- planned social investments, in energy resources, for example, to counteract the influence of private wealth;
- a government committed to full employment and to progressive social programs.

To bring such a government into office, we act as part of the left wing of the Democratic Party so that it becomes more liberal, more responsive to the needs of the poor and of ordinary working people.

At the same time, we keep hammering away for deeper—socialist—change. □

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## Socialist notes

The great debate finally took place. On June 9 at Roosevelt Auditorium (now a facility belonging to the International Ladies Garment Workers Union, formerly the property of infamous Tammany Hall), Michael Harrington debated the much talked about "capital shortage" with Richard Everett, vice president and chief domestic economist of Chase Manhattan Bank. In a series of ads on the capital shortage, Chase had warned that the nation faced dire consequences (unemployment near 20 percent, for example) unless the Chase program for corporate tax relief and investment incentives were enacted. It finished with a bit of bravado. "We at Chase . . . will argue the point. Anytime. Anywhere."

When requests to debate came in, Chase tried to backtrack. Only the most persistent actually got to debate, Chase officials told the *New York Times*. That came down to one right-wing businessman in Helena, Arkansas and the DSOC. The *New York Times* covered the debate in Helena, but the general press reaction to the Harrington-Everett debate: "It's not news."

News or not, the debate was held. *Newsday*, National Public Radio and New York radio station WBAI

(part of the Pacifica network) covered it. And, according to the *Newsday* estimate, about 400 people attended. Anyone interested in hearing the debate should contact the DSOC office; we're working on getting some tapes ready for rental. . . .

In Chicago, Carl Shier avers that this year's Debs-Thomas dinner (May 16) was the most successful ever. Farmworkers Vice President Dolores Huerta received the Debs-Thomas award and brought the crowd to its feet with characteristically inspirational fighting rhetoric. Ralph Helstein and Mike Harrington also spoke, and several correspondents report that both were at their absolute best. A contingent from the Equal Rights Rally in Springfield, held earlier that day, came from the rally straight to the dinner and reported briefly on the success of the rally. "That gave us the feeling of a good political rally," said one Chicago socialist at the dinner.

Chicago socialists followed that one up with a highly successful Democracy '76 conference on June 5. More than 100 people came from all over the Midwest, and one member who made the trip from Kansas judged it well worth the two-day bus trip. Conference Coordinator Jone Johnson reported the conference well attended by activists from the trade union movement, the women's movement, reform Democrats and minorities communities. . . .

### Socialist youth to meet

"A New Generation of Socialism," a conference sponsored by the youth caucus of the Democratic Socialist Organizing Committee, will be held September 2-5 at a live-in camp near Pittsburgh.

"We hope to draw young democratic socialists from all over the country," said Youth Caucus Coordinator Cynthia Ward, "to explore our socialist heritage, discuss the ideas and ideals of socialism and work on basic organizational skills, like speaking and fund-raising. A major goal of the conference is to help DSOC develop the kind of continuity between generations that the Left has lacked for decades."

She noted that the program was still flexible, and that efforts were being made to have the participants shape the conference as much as possible. A wide variety of activities are already being lined up including presentations on American labor and socialist history by some of the people who helped make it and discussions of the theory and practice of democratic socialism in the 1970's. The types of activities will range from formal seminars to participatory workshops with films and videotape used as learning resources. There will also be opportunities for recreation. Michael Harrington, national chair of the DSOC, will keynote the conference on the topic "Socialism: A Life-Long Commitment."

More information on the conference is available by writing Cynthia Ward, 853 Broadway, Room 617, New York, N.Y. 10003.

### Here and there

CALIFORNIA . . . The April 25 Democracy '76 conference in Los Angeles was similarly successful. It served as a rallying point for DSOC members all over the state, but socialists were clearly outnumbered at the conference by liberal activists from CDC and ADA (CDC leader Wallace Albertson addressed the conference) and by people active in the fight against utility rate increases. Burt Wilson, who organized the Campaign Against Utility Service Exploitation (CAUSE) to fight a scheme whereby the oil industry would pay

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for Alaskan exploration through a utility surcharge (see Harold Meyerson's article in the January NEWSLETTER), was the lead-off speaker. Burt, inventor of the ARCO shark, a gimmick which draws the media to CAUSE demonstrations, recently joined DSOC. . . .

Los Angeles DSOC has been busy since the conference, working with ADA and CDC activists to get the Democracy '76 statement and ideas circulated (lots of help there from northern Californian socialists in the San Francisco Bay and Sacramento Valley areas), holding a large reception for Irving Howe and continuing activity in CAUSE.

Two forthcoming meetings in the Bay Area focus on a socialist analysis of the recent San Francisco strike and a discussion of women in the labor movement. And they're working with Sacramento Valley socialists to promote socialism further north . . . in Oregon, where Dan Wolf is pulling together a DSOC chapter. Northern California DSOC also has the right idea about combining organizational business with socialist sociability. A recent picnic, co-sponsored by the Bay Area and Sacramento Valley locals, worked on planning future activities and was also just plain fun.

TEXAS . . . Houston socialists have also been picnicking and politicking. Among other things, they've circulated the Democracy '76 statement and mobilized support for progressive state legislator Ron Waters, who successfully withstood a primary challenge from local conservative Democrats. Austin, Houston and Dallas socialists worked together to spread the socialist word at the recent state Democratic convention where several members were delegates, and are also planning for Mike Harrington's visit to the state this fall. . . .

COLORADO . . . DSOC is beginning activity in the

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## MOVEMENT SONGBOOK

### Songs of Socialism, Labor, Women, Civil Rights & Peace

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Order from: Contemporary Problems, P.O. Box 59422, Chicago, Ill. 60659. Single copies \$2. Ten or more: \$1.25.

Mountain States. Marjorie Gellermann made some contacts there when she travelled to Denver for the regional Democratic Party platform hearings. Skip Roberts presented testimony to the platform committee on behalf of Democracy '76. Now, Fort Collins socialists are getting ready for a push to expand Colorado DSOC in the fall. They're thinking about a conference, and they'd certainly be able to use any socialist speakers passing through the area. . . .

GEORGIA . . . is another area where Marjorie Gellermann touched base during the regional platform hearings. In Atlanta, Fred Horne is building up DSOC and planning for a fall visit by Jack Clark. Georgia State Senator Julian Bond's joining increases Southern visibility of DSOC. □

## Solzhenitsyn and his views

by HARRY FLEISCHMAN

Alexander Solzhenitsyn, the dissident Soviet author, performed wonders for freedom and democracy with his novels exposing slave labor in the Soviet Union.

But, since leaving Russia, he has become so obsessed with democracy's alleged weaknesses that he urges, in effect, that the West bury Russia before Russia buries the West. Would a policy of confrontation, instead of negotiation lead to nuclear war and the destruction of humanity? "Better be dead than be a scoundrel," Solzhenitsyn replies. Claiming that the West has "lost the will" to defend itself, Solzhenitsyn even praised the Franco regime and urged the Spanish people to curb the democratization process which followed Franco's death—a position sharply criticized by union leaders throughout the world. For his native land, Solzhenitsyn favors authoritarianism, guided by the Russian Orthodox Church.

How do other Soviet dissidents feel about these views? Andrei Sakharov, the nuclear scientist who won the Nobel Peace Prize, says: "The nationalistic isolationist direction of Solzhenitsyn's thinking, the religious-patriarchal romantic mysticism characteristic of him, leads him into very substantial errors and makes his proposals utopian and potentially dangerous." Sakharov adds that universal disarmament must have a priority over all other problems of mankind. Calling for "mutual trust," Sakharov says it is necessary "to reject forever the obsessional fear of spies. In the world of the future, there should be no place for notions such as 'military secrets, secret works or publications forbidden because of their secrecy.'"

And historian dissident Roy Medvedev, who espouses democratic socialism as the alternative to Soviet totalitarianism, insists that Solzhenitsyn's views reinforce "the most reactionary circles, sentiments and institutions in the Kremlin." □



## Disinvestment . . .

(Continued from page 1)

cooperation, a number of studies have already been conducted which show that a sharply increasing percentage of mortgage loans have been made outside major cities since the mid-1960's. The Northeast has been particularly hard hit, with billions of dollars flowing from older cities and states to the burgeoning Sunbelt stretching from Florida to Southern California.

### The money hemorrhage

New York State is an excellent example of this money hemorrhage. In 1955, 65 percent of the mortgages held by New York State mutual savings banks, the biggest mortgage lenders in that area of the country, were within the state. By 1960, this figure had fallen to 49 percent and by 1973 to only 44 percent. Much of this severe turnaround resulted from growing disinvestment in New York City, but aging suburbs and major upstate cities like Rochester suffered as well. (New York City still accounts for 70 percent of the total deposits in these banks, however, showing that small savers have few choices in a system of financial markets where only the very wealthy can benefit from rising interest rates.)

Last year New York State savings banks had \$66 billion in total assets, with about \$44 billion of that in mortgage investments. Yet \$21 billion of those mortgages were on properties outside the state, predominantly in the South and West. The irony of this is that although New York remains the nation's largest capital exporter, New York City and dozens of smaller cities are starving for new capital investment and suffering record-breaking unemployment of 60-70 percent in the building trades.

New York is hardly alone in this predicament. The same pattern of systematic disinvestment has been shown in studies involving Chicago, Philadelphia, Boston, Providence, Cincinnati, Indianapolis, Washington, D.C., Baltimore and dozens of other cities. In the South and West, urban disinvestment has been demonstrated in cities ranging from Atlanta to Los Angeles. This is a national problem demanding national solutions.

### Race, sex and the Sunbelt

Part of the problem is race. A study comparing mortgage lending in two areas of Philadelphia found that "while the two areas did not differ substantially in stability of income, level of employment, educational level and other key variables," mortgages by private lenders fell from 73 percent to 20 percent in just ten years in an area with a rapidly growing black population while a stable white area retained 70-90 percent in institutional mortgages in the same 1960-70 period.

(A young white Cincinnati couple seeking a mortgage on a home in a racially mixed neighborhood recently won a major federal court decision barring lending decisions based exclusively on the racial composition of an area. The case is being appealed.)

*Paul Du Brul is an urban planner and Special Assistant to Bronx Borough President Robert Abrams.*

Ending racist lending policies, desirable as that might be, would not cure the urban disinvestment crisis, however. (Nor would ending the sexist bias of institutional lenders; many banks still won't include a wife's salary when computing the maximum allowable on a mortgage loan—another issue which is in the courts.) The simple reality is that the cities will continue to wane and die unless we recognize that maximum profit for the lender can no longer remain the primary criterion for planning our housing environment.

The financial institutions already grasp the basic issues involved in the redlining controversy. They know that the issue is power: who will decide how the nation's money will be spent? Right now, we save it (by depositing a few dollars a week in a bank, or paying insurance premiums, or contributing to a pension plan), and they spend it—rarely paying us enough interest to keep up with the rate of inflation while reaping substantial profits for "administering" our money.

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## Capital quotes

“Edward Whalen, president of the First Federal Savings and Loan Association (Plainfield, Ind.), said the President had done a 'commendable job,' but added, 'the times call for someone who can do more than a commendable job.'”

The nation's problems are spiritual, he said, and Mr. Reagan promises 'spiritual leadership.'

'I think this country is ready to settle down to some old-time religion in government,' he declared.

Asked for an example of a spiritual problem, the banker cited recent Federal legislation requiring full disclosure of mortgage information from banks in order to check the practice of 'red-lining.'

The legislation showed that the government no longer trusts businessmen, he said, that it regards them as potential 'crooks.' This is a spiritual problem, Mr. Whalen explained, because 'we have to trust our fellow man.'”

—New York Times  
May 4, 1976

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Every dollar we save, therefore, must earn enough to provide adequate incentives to keep us saving, and at the same time pay for the salaries, fancy offices and expense accounts of the financial elite who control the nation's money market.

The public expects that its money is handled conservatively. The degree of risk, in popular imagination, for money in the bank, is far different from the risk involved in playing the stock market with the \$1,000 inherited in Aunt Fanny's will. Financial managers, with their rumbling about "fiduciary responsibility," promote that judicious image as much as they can.

But, in fact, the banks and other institutional investors play in the same ballpark as the Wall Street sharpies, with largely the same results, to wit, disclosures

that some of our biggest banks lost billions last year on a shell game called real estate investment trusts (REITS). Billions more may go down the drain this year and next on loans to friendly dictators in Africa and Latin America. *The Wall Street Journal* disclosed last year that the Teamsters' pension funds are still the major financiers of Mafia real estate schemes, and *Forbes* reported that casualty insurance companies took such a bath in the market last year that they're being forced to double their rates.

With all this bungling and all those extra hungry mouths to feed, institutional lenders—even supposedly *non-profit* lenders like savings banks—follow some tough imperatives for where they throw money around and where they don't. It's here—in dealing with the public and in dealing with issues like housing construction—that the leaders preach homely capitalist pieties about “not being forced to make bad loans.” (Unfortunately, that's a position which the probable Democratic nominee shares.) The “bad loans” issue is a false issue. In the depths of the recent Ford recession, actual mortgage defaults amounted to 5 in 10,000, making mortgages the safest area of investment other than federal securities. Still, the lenders preach caution; we must avoid risks and be sure to avoid “bad loans” to lowly home buyers.

How? First, be sure of repayment. Never make a loan to someone who may be laid off. Second, if some mistake is made and a loan recipient does end up out of work, be certain that the property can be resold—preferably at a nice profit. New houses sell better and cost more than older buildings. New houses are built in suburbs or tracts carved from rapidly declining farmland. Only invest in new houses. Third, avoid any risk you can avoid. Specifically, line up federal guarantees to back up the loan. Since the Federal Housing Administration will only insure new houses built to high standards in white communities (there are some exceptions), that leads our money in the same direction: away from the cities, toward affluent and segregated suburbs and Sunbelt communities. Finally, invest in states where bank regulation is weak and savings are still limited. There, the sky is the limit on mortgage rates.

I may have missed some additional rules from the lender's handbook, but even these few are enough to put “condemned” signs on most of our older cities. There are some, of course, who argue that the cities are dying simply because they've outgrown their usefulness. That's nonsense. In the age of energy and natural resource shortages which is now dawning, cities are our most efficient and hopeful habitat. Suburban sprawl and the incredible waste of energy it entails, while profitable to developers, is ultimately self-defeating. We can either save our cities now or rebuild them at incredible expense in the future.

#### The greenlining of America

“Greenlining” grass-roots associations are demanding that we save the cities now. These urban groups which have successfully organized savers against redlining backs are calling for a sacrifice of some of today's astronomical profits—profits built on misery—for a

stable tomorrow. By democratizing investment patterns, the “greenliners” want to recycle the savings of urban dwellers to preserve existing housing and provide a basis for stable communities. This is their basic program:

- A national housing policy which will provide investment incentives for rehabilitating old but sound housing which has been milked by generations of slumlords and mortgage lenders;

- Limitations on mortgage rates so that low income and blue collar families can achieve sound housing at rates they can afford in viable communities;

- Democratization of the decision-making process of private lending institutions so that savers have an effective voice in how their capital will be spent. Inevitably this means putting citizen members on the boards of banks, insurance companies and pension funds to represent those who are the source of these vast pools of capital;

- An end to the malicious neglect of urban problems—the product of seven years of Nixon-Ford tenancy in the White House.

This vast new constituency has waited in vain for the recent primaries to produce a Democratic urban policy which speaks to its concerns. People whose backs are already against the wall can hardly be satisfied by admonitions to “lower their expectations.” They want answers and support, and they want them now. □

## Platform and issues . . .

(Continued from page 1)

publicans and inadequate in terms of the structural change which this nation desperately needs. This fundamental criticism does not mean that we will shirk from the struggle to beat the Republicans. It does mean that while participating in it we will keep on trying to bring the Party, and the nation, to a consciousness of the necessity for a much more basic transformation than is now on the agenda.

#### Platform's progress

Let me spell out these generalities in an analysis of the issues for 1976.

The Democratic platform is clearly committed to the Hawkins-Humphrey full employment bill even though it does not specifically name it. All of the essentials of Hawkins-Humphrey—which provides a national planning mechanism to guarantee every American the right to a job—are there. Indeed, at the Washington hearings of the Platform Committee in May, it seemed that Hawkins-Humphrey had become a non-controversial article of Democratic faith. But then came a concerted attack on the bill mounted, paradoxically, by liberal economists.

Jimmy Carter was the last of the major candidates to endorse Hawkins-Humphrey and he did so only when the bill's goal was downgraded from 3 percent unemployment to be reached in eighteen months to 3 percent *adult* unemployment to be achieved in four years. Now it is clear that even that modest commitment is under



attack. Here, then, is a perfect example of why the Democratic Left mobilization in the campaign is critical in terms of deepening the Party's commitment to a guaranteed job for all. For despite the general approval of Hawkins-Humphrey in the platform, the content of that proposal is still the subject of furious debate.

#### Hawkins-Humphrey bill under attack

The liberal economists make a curiously radical case for their conservative position. The American economic system, they argue, cannot function without a reservoir of impoverished workers, many of them young or female or black. At 5 percent to 5.5 percent jobless rates, they say, there is a shortage of skilled labor, which bids up wage rates and thereby threatens inflation. At the same time, a Federal program providing "last resort" employment for the unskilled at non-poverty rates of pay would attract workers from the poverty jobs, and therefore raise Federal budget costs, again setting off inflationary pressures. In effect, these liberals hold, the nation's job policy must adapt to the necessity of maintaining \$2.50 an hour jobs in the private sector.

I can only touch lightly on the many things wrong with this argument. First, it underplays the enormous positive effects of full employment: the billions in goods and services which would be added to the economy by utilizing wasted capacity and, above all, wasted men and women; the rise in Federal tax revenues that would result; the reduction in the direct (unemployment compensation, food stamps, welfare) and indirect (increased crime, alcoholism, family breakdown) costs of joblessness. In short, as I testified before the Platform Committee in May, full employment partly finances itself, and that is not inflationary.

Secondly, to the degree that there is a budget squeeze it can be paid for by making the tax system progressive. The platform supports tax reform, even if much too modestly. We need not assume that the cost of fighting inflation must be borne by the most vulnerable people in the society, by those making \$2.50 an hour. We can require that the millionaires contribute their fair share.

Thirdly, the liberal critics of Hawkins-Humphrey are right on one count if you let them make a huge assumption. Assume that the government provides "last resort" jobs which are only makework for the rejects of the private sector and pay a living wage in the process. That will indeed draw people out of low-paid, but productive employment and would have an inflationary effect. But suppose that full employment were achieved in part through "first resort" employment, i.e. by channeling people into jobs that the society desperately needs, like restoring the railroads. That would subvert the poverty job market, which is good—and it would make a more efficient use of people's abilities, which is anti-inflationary.

Which point of view is going to prevail with regard to Hawkins-Humphrey, the conservative rationale of the liberals or a real full employment policy? That question will be answered politically. If the Democratic Left makes a major, visible contribution to the campaign, if it helps to shape the themes of the campaign

and the decisions which will be made after victory in November, a positive outcome is possible.

The same is true with national health security. At the Platform Committee the representatives of the private medical insurers fought a labor-led coalition seeking Federal administration of the new health program. If private insurers are made part of national health insurance, companies which have proved themselves indifferent to cost control will earn tax-financed, guaranteed — and inflationary — profits. Money which should be spent improving the quality of the health care will line corporate pockets instead. Like Hawkins-Humphrey, this issue will be settled in the larger political debates of the next Administration.

I could list other questions which are similarly unsettled. In some cases, we won a vague platform commitment, but the details are crucial, e.g., will there be a yardstick public corporation to help solve the energy crisis? In other cases, we lost on issues like full federal funding of welfare and a commitment to credit allocation. But those are issues on which the larger political debate will continue. And on the issues of war and peace, there was a compromise, but clear evidence that the anti-war Democrats are a majority of the Party.

Clearly, then, the Democratic Left has a major stake in making the best of the considerable policy victories it scored in the platform process. But just as clearly, socialist Democrats must point out the inadequacy of even the best of what we won.

Although the platform favors ending tax subsidies to multinationals and to plant owners who choose to relocate, leaving joblessness in their wake, the document does not directly challenge the power of corporations to shape our society. Some modest measures moving in that direction—like Federal chartering of corporations with employee and public representation on the boards of directors—were introduced unsuccessfully. In the tax reform debate, we won on a number of egregious giveaways but lost on the most outrageous of them all, the capital gains loophole, a welfare program for the rich worth more than \$13 billion a year (compared to an \$8 billion Federal contribution to the major welfare program for the poor).

These defeats mean that a lot of individual injustices will continue to exist, that the ownership of 26 percent of the wealth by ½ of 1 percent of the people will go unchallenged. But more than that they mean that the government will continue to follow corporate priorities in all of its programs. Consider the evidence of the last time the Democrats returned to the White House after eight years of Republican rule. That was 1961.

When John F. Kennedy became President, he wanted to stimulate the economy to bring unemployment down and to fight poverty. Some advisors wanted that done through a Federal "first resort" effort which would directly fund social needs—housing, schools, health care and the like. Kennedy had been elected by a thin margin. He had a hostile Dixiecrat-Republican coalition against him in the Congress. But most important of all, the "normal" way to get the economy going and create jobs when corporations dominate the investment process is to give the companies the benefits and hope that



they will "trickle down" to the people. Kennedy did that and a liberal Democratic Administration, with the best intentions, thus contributed to the maldistribution of wealth and to a lopsided, capital goods boom that was to make it difficult to achieve full employment in the future.

The issue, it must be remembered, is not *whether* the Government is going to get involved in influencing investment. It already is involved in dozens of ways. There are, for instance, investment tax credits which are supposed to motivate corporations to invest and thereby generate new jobs. They can be used by a corporation to run out on a Northeastern or Midwestern city without regard for social consequence; they can be used to displace workers; and by shrewd accounting practices, they can probably be used simply to increase profits.

Current policies direct public money to what is most profitable for private corporations rather than to what the nation needs. One simple alternative would be to turn the investment tax credit around. We could legislate a credit but specify that it will only go to corporations which invest in certain socially useful ways, e.g., in regions with high unemployment, in creating jobs for women and minorities, in labor intensive outlays, and so on.

But even such a measure does not get to the root of the problem. American political economy assumes that maximizing private profit best serves the public good—a proposition which will not stand public scrutiny, as the oil company rip-offs so dramatically demonstrate. Any rational and intelligent measure will be subordinated to the logic of the system, which is to make as much money as possible. If that logic conflicts with human need, so much the worse for human need.

That is why we must democratize the way basic investments are made in this country. Corporate board chiefs should not decide what kind of energy system, transportation network or health care American will have. Open, free, public debate and decision-making is fundamental to the public interest. Democratic economic and social (as well as political) decision-making is the essence of socialism. We reject the dictatorial bureaucracies of the Communist model and the corporate-government planning practiced in the United States. We believe, as America enters its third century, that we can meet our social and economic needs while actually strengthening our heritage of freedom and democracy.

#### Carter—point of departure for the Left

The Democratic Party campaign in 1976 will not even begin to touch on such crucial matters. Yet it is a point of departure—the point of departure—for the American Left. The platform is far from perfect, even by programmatic standards, yet it contains the possibility of some real advances, in full employment policy, health care and tax reform. If the Left plays a vigorous role in fashioning a Democratic victory, then these promises may be only the very first installment on the dream of a free people—free from economic as well as political coercion—in a free society. □

## Response . . .

Washington, D.C.

All of us who believe in the reform movement within American labor are clearly unhappy to see the present factional fighting within the United Mine Workers of America which just three years ago overthrew the murderous tyranny of Tony Boyle and replaced it with the reform rank-and-file leadership of President Arnold Miller. But I think the Jimmy Higgins column in the last NEWSLETTER so emphasized the factionalism that it failed to point out the tremendous gains coal miners have won under the Miller administration. I literally could not list them all in this space.

In the past three years coal miners have won such democratic liberties as the right to elect all union officials, the right to vote on the contracts under which they work, constitutional protections guaranteeing free and open union elections, including space in the *UMW Journal* for all candidates and the right to dissent without fear in their union. Those are liberties UMW coal miners never enjoyed before. They have them as a matter of right under the leadership of Arnold Miller.

In the last contract negotiations led by President Miller, coal miners won the *largest* labor settlement that year. The Miller administration won such new benefits as the right to withdraw from an unsafe work place, sick pay, cost-of-living protection, sickness and accident benefits, and huge increases in pension benefits. It also went back and provided pension and medical protection to about 40,000 disabled coal miners and widows throughout the coalfields whose benefits had been denied under the Boyle regime. The majority of those people cannot vote in a union election and were Arnold Miller simply a self-serving leader he would not have even bothered to negotiate on their behalf. But the Miller administration, from the outset, has tried to use its influence to do what is needed to alleviate the problems of coal mining families without regard to its narrow self-interest.

It is unfortunate, but not surprising, that there are still factions within the UMWA which want to return to the "good old days" of pork barrel unionism which existed under Tony Boyle or that they should see Arnold Miller as the principal obstacle to that return. Miller has stood up to his Executive Board when they have voted secret and unwarranted new increases in their personal benefits and has consistently informed the membership when they have done so. If there is turmoil within the UMWA, it is because the forces of reaction and greed do not die easily. But it is precisely at such times that we who believe in democratic reform trade unionism must lend our support to those in the trade union movement like Arnold Miller who are struggling to keep it alive.

—JOSEPH L. RAUH, JR.

# Economic recovery—flaws in the ointment

by DAVID BENSMAN and LUTHER CARPENTER

The stock market is up. Unemployment and inflation are down. The "economic issue" is dead. Right?

Not quite. America's economic recovery is flawed. And the Democratic Party must not only exploit these flaws for all they are worth in the Presidential campaign, it must correct them in the next Administration.

The fundamental drawback to President Ford's recovery (which, incidentally, our peerless leader was dragged into, kicking and screaming, by Congressional Democrats) is that it is limited to already favored groups in American society. The suburbs, the Sunbelt, large banks and oligopolistic multinational corporations are doing quite well, thank you. White adult male unemployment is down. But there are more than 10 million people out of work, partially employed, or too discouraged to look for a job. Women, teenagers, blacks and other minorities, urban dwellers, government employees, teachers, construction workers, residents of the Northeast are suffering intolerably from the recession Nixon and Ford helped to engineer. And time is not on their side.

The conventional wisdom holds, of course, that if Federal policies stimulate profitability in the "First Economy"—big business, suburban and Sunbelt expansion—the benefits will trickle down to everyone. Hence, tax cuts and investment credits. "What's good for General Motors is good for the country."

If the conventional wisdom was ever valid, it certainly is not working today. Instead of trickling down, Federal subsidies are siphoned off, to the stock market, for instance, where the three hundred point rise in the Dow Jones average has simply skimmed off into inflated paper capital what otherwise would have been available for productive investment. (Approximately 95 percent of the money invested in stocks simply represents a transfer of equity from one institution to another representing little or no net gain to American capital plant and creating few new jobs, if any.)

Capital exports are another drain on recovery—and American investment in Chile, Brazil, Rhodesia or Japan is not compensated for by Arab oil money pumped into our economy, because the oil-rich nations are interested primarily in short-term investments which yield no new jobs or productive capacity.

Thus, America's great 1976 surge witnesses no increases in business investment in plant and equipment and machine tool orders; in particular, the energy oligopolies have drastically cut plans for developing American resources in the near future.

Moreover, there is no room for doubt that expansion in the suburbs and Sunbelt offers little hope for urban workers, black or white, male or female. Indeed, quite the opposite. Taking advantage of Federal and state subsidies, corporations in both blue-collar and white-collar industry continue to move out of the cities to low-tax, non-union regions, aided by the banks whose headquarters in the big cities are surrounded by ever more empty office buildings.

The second major drawback of the current upturn is its base in technology, transportation, and energy systems that are no longer viable. Consumer spending is fueling our recovery and auto sales of medium and large cars, lead the surge. Meanwhile, mass transit continues to stagnate, in some cases, indeed to deteriorate. Hikes in the energy costs are inevitable — soon. The U.S. lags behind all the Western European countries in its efforts to adapt to impending realities. Our efforts at energy conservation, the Ford administration admits, have been a miserable failure. And while environmentalists have blocked nuclear energy development (usually with good reason), the oil oligopolies have blocked the development of alternative energy sources.

Moreover, Washington's bias toward the development of suburbs and the Sunbelt increases our dependence on now-costly energy, since the new regions are particularly energy wasteful. In the near future we can expect to see recently built communities become ghost towns because no one will be able to live, work, commute, and produce in them. A dismal prospect.

Clearly, the new Democratic Administration will have to be imaginative and forceful to reverse such trends. Full employment, the Democrats' by-word, will not come if we follow the methods of the past. We need Humphrey-Hawkins, but trickle down economics alone will not work, for we cannot leave the entire job to private industry; if we did, the corporations would continue to invest in speculative building, short-term paper, overseas development, the suburbs and the Sunbelt.

We will have to have national planning, to make sure that Federal resources reach the people and regions that need them most. Only a nation-wide Federal takeover of the railroads will restore them to viability as a system. Only a Federal investment bank can promote energy-frugal, labor-extensive development in run-down, innercity neighborhoods. Only a Federal Oil and Gas Corporation will ensure the development of power that is both as cheap as possible and environmentally benign. Only a Kennedy-Corman Health Security Act will provide reasonably priced health care to meet our enormous health needs, and provide thousands of jobs to the economically disadvantaged to boot. Private industry can not restore the cities of the Northeast to viability—only a Democratic administration can, and then only if it is daring, imaginative, and concerned with jobs before business profits.

There is plenty for Democrats to say and do on the "economic issue." Let's do it. □

## Moving?

Let us know *before* you go. Address changes via the Post Office slow delivery of your Newsletter and cost us money.

This will be the last issue for the summer. We'll be back in September with our special Labor Day issue.

# Jimmy Higgins reports . . .

## ITALIAN "FREEDOM" AND AMERICAN INTERFERENCE—

John Connally and fellow humanitarians (e.g. Eugene Rostow) have joined together to form a "people to people movement" to promote "freedom" in Italy. The formation of "The Citizens' Alliance for Mediterranean Freedom" was announced in a full page ad June 6 in the *New York Times*. After worrying about the future of freedom in "this cradle of democracy and fountainhead of civilization," but before the clarion call to show that "we still have the will and determination to resist encroachment on human freedom," the ad gets down to serious business. "The fall of Italy to the Communists" (Note the battle imagery. One would think that the Communists were rallying guerrilla forces around Rome rather than running candidates in democratic elections.), the ad worries, would lead to probable "loss of control of the Mediterranean." Loss of whose control? A late April dispatch from the *Los Angeles Times* answers that query. In organizing the group, Connally and former Johnson press secretary Jack Hood Valenti originally sought to enlist Italian-Americans against the Italian Communists' participation. The report noted that both men were very concerned about the future of commercial shipping interests should the PCI share in power.

WITH ALL HIS PROFESSED CONCERN for human rights, it's instructive to recall Connally's last, major, public foray into foreign affairs. As Secretary of the Treasury, he led the hard line faction in the Nixon Administration on the question of dealing with the Allende government in Chile. Using his position as chair of the National Advisory Council on International Monetary Policy, Connally exerted influence to cut off all aid, American and European, public and private, to the Allende government. Eventually, his view became official American policy. As Michael Harrington commented in these pages just after the coup which overthrew and murdered Allende, that policy was "admitted in Presidential directives and carried out with enthusiasm by the then Secretary of the Treasury . . . so we joined hands with fascist reaction against a democratic government in Chile."

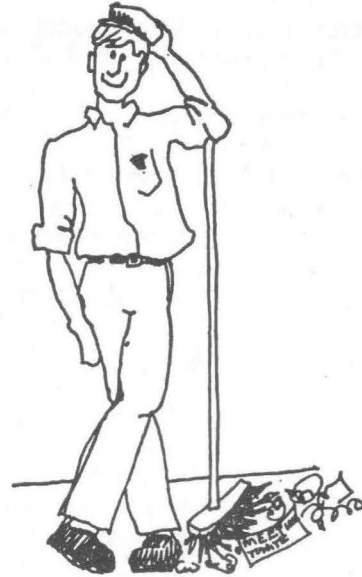
**WE'RE GOING TO PRESS** before the Italian election returns are in. If the PCI should win, Connally's "people to people movement in support of freedom" may begin promoting the cause of an Italian Pinochet.

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## NEW YORK CITY RICHER THAN WE THINK?—

The fiscal woes and massive cutbacks facing New York are known far and wide. From the White House to the national television networks, intelligent people "know" that too much is spent on social programs here while not enough comes in. What's not as widely known is that a lot more money could be—and should be—coming in. A recent city audit reveals more than one billion dollars in uncollected city and state taxes here. If that money were properly collected, according to the *East Side Express*, the city could eliminate the billion dollar deficit it faces over the next three years and maintain current levels of services. There's \$500 million in uncollected real estate taxes alone, and, far from being limited to worthless property in declining neighborhoods, that backlog on real estate taxes includes unpaid taxes on choice commercial sites. For example, the building across the street from the Empire State Building owes more than \$400,000 in back taxes.

**MORE THAN 300** trade unionists, community activists and environmentalists participated in a five-day "National Action Conference on Working for Economic and Environmental Justice and Jobs," last month. Hosted by the UAW, the conference drew a very good mix from the three constituencies, and several participants agreed that after some initial wariness and apprehension, conferees (who thanks to subsidy arrangements included poor people) settled down to serious dialogue on the sensitive problem of balancing economic needs and environmental concerns. Although the conference was not organized to discuss specific political proposals, discussion of government full employment policy and the Humphrey-Hawkins bill was raised from the floor. Barry Commoner came to the edge of advocating socialism, according to one participant, and was very well received by the audience. Several Canadian trade unionists, activists in the New Democratic Party, specifically urged socialist approaches to the problem of balancing jobs and economic needs against environmental needs.