

Moving On

MAGAZINE OF THE NEW AMERICAN MOVEMENT



Organizing In The South

Worker owned sewing company, Windsor, N.C., 1980.

*The Fight Against Synfuels
Politics and Reaganomics
National and Local News*

Moving On

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Towards a Socialist America

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SOUTHERN SOCIALISTS "COME OUT"

by Laura Batt

Is there a possibility for democratic socialist politics in the south? Laura Batt answers with a resounding "yes." Her article on the recent NAM/DSOC conference in Tennessee gives a rare picture of the lives and political work of southern socialists.

WILL SYNFUELS CHOKER MON VALLEY?

by Morgantown NAM

Energy issues continue to be at the center of American politics and the political practice of NAM members. Morgantown NAM has been involved in an important fight over a proposed synfuel plant. This one looks like a victory.

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Southern Socialists "Come Out"

By Laura Batt

DRAWING ON GRASSROOTS organizing experience in rural and urban communities across the south, over 75 social activists met at the highlander Center in New Market, Tennessee on April 3-5. Representing 11 states from Texas to Virginia and Kentucky to Florida, they came together to discuss ways of 'building a socialist presence in the south.'

H.L. Mitchell, longtime socialist and one of the original organizers of the Southern Tenant Farmers' Union (STFU), described it as "The Second Southern Socialists Conference in over 40 years." Mitchell recalled that the first conference was convened April 7-9, 1939 at the Delta Cooperative Farm in Rochdale, Mississippi. This year's meeting, organized by members of the Democratic Socialist Organizing Committee (DSOC) and the New American Movement (NAM), drew twice the number of expected participants. About half of those present were not members of either organization, but felt the need to build personal ties with other socialists and activists working throughout the south.

Equally unexpected was the broad spectrum of over 30 organizations rep-

Laura Batt is a member of Bluegrass NAM (Lexington). She is currently working as an intern with the magazine Mountain Life and Work.



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resented. They included little known local and state groups such as Tennesseans Against Chemical Hazards (TEACH); The Gulf Alliance for Equity, a gay and lesbian organization in Mobile, Alabama; The Appalachian Alliance, a coalition of community and environmental action groups in the southern coalfields; the Georgia Housing Coalition; and the Sequatchie Valley

Applying for membership in STFU — organizer Melvin Swines at work.

Project in rural Tennessee. Southern members of national organizations, such as NOW, ACORN, ACLU, AFSC, Vietnam Vets, The Socialist Party, The Citizens Party, Clergy and Laity Concerned and The National Council of Senior Citizens were also present. The wide range of groups gave testimony to the concern felt by many under the Reagan administration.

"I was also really surprised and encouraged to find so many representatives from labor here," added Ray Noblitt, a United Autoworker from Cookeville, Tennessee. Among participants from public and private sector labor unions were members of the Amalgamated Clothing and Textile Workers, the Autoworkers, the United Woodcutters Association of Mississippi, the Employees Union of the University of Texas and the International Ladies Garment Workers Union.

H.L. Mitchell caught the spirit of the meeting when he began by referring to

himself as "an ecumenical socialist" ("I belong to everything"). Parallels with the past were striking as Mitchell provided a summary of the minutes of the 1939 southern socialists conference and recalled its original purpose of "mobilizing the south" and "building a political organization that would ultimately lead to a socialist economic order." Mitchell described how the 1939 delegates from 15 states reported on their organizing efforts in The Southern Conference on Human Welfare, The 'Keep American Out of the War Committee,' union organizations, producer and consumer cooperatives, credit unions, and organizations fighting racism and the Ku Klux Klan.

The list was all too familiar, and to some, a testimony of the failure of the left to make major advances in the south. Stated another fifty-year veteran of southern labor struggles, "I can't think of any great things we did in the past that you should follow." On the other hand, he continued, "The past is mighty good to teach you what *not* to do." He went on to say that while the anti-unionism in the south almost paralyzes workers, "that's nothing new. Union busting may be more intense now than it was 15 years ago, but not any more so than what we faced in the '30s."

To most present, however, returning to the history of resistance in the south was an inspiration to continue the struggle.

Southern Politics and the Reagan Presidency

The Reagan era provided the immediate impetus for many of those who turned out for the meeting this year. "My nerve endings have been raw since the last election," stated one feminist who has been fighting the Human Life Amendment and a current Tennessee state initiative to defund Planned Parenthood. Tennessee is one of 19 (out of 34 needed) that have passed a call for a Constitutional Convention on abortion. Others present were fighting deregulation and budget cuts in occupa-



Karen Trant, Rosa Parks (Mobile) NAM; John Buckley, Tallahassee NAM; and Bill Barclay, NAM P.C., at Highlander Center.

tional health and safety, strip-mining and other environmental measures, legal services, black lung benefits, food stamps and a host of other social legislation. For all, the rise of racism in the south was a central concern, as groups from Austin, Mobile, and Memphis described organizing drives to wear armbands and ribbons in solidarity with the people of Atlanta.

In some cases, the threatened loss of federally funded programs won in the '60s and '70s on which many activist strategies have depended seems to have forced a personal critique of liberalism and an openness to consider socialist alternatives. In other cases, the community outcry against Reagan's budget cuts is providing long-time socialists with an opportunity to take their analysis out of the closet and present them as viable alternatives.

"When you have someone giving lip service to some of your goals and priorities, it's easy to let things slide," commented Wanda Noblitt, former Tennessee State Coordinator for NOW, "but it's frightening when they dare to be that up front about it. It's obscene. There is a sense of urgency I came here with and a desire to create a 'master work plan.'"

Responding to Jim Chapin of DSOC in his predictions of the impact of Reaganomics on working people, most agreed on the need to continue electoral and legislative work which they have been involved in. But there was no master plan nor pretense of building an elaborate southern strategy.

Beyond the reaction to Reagan, many of those present came because they are activists committed to work in

the south for the long haul and they are isolated, with few allies—in rural towns, in community organizations, in labor unions, in single issue campaigns across the south. Many see the need to develop political ties and personal trust with other socialists in the region—to develop a regional network to work more in coalitions and to develop a coherent political strategy for the south. They see the recent 'right resurgence,' led in fact by many southern politicians, as a national expression of what they have been fighting in their own regions for some time—and will continue to.

The central concern was to confront problems particular to the region and to develop better ways of working within southern traditions and culture. Many of those who attended were from rural communities—Blountsville, Tennessee; Mooresville, North Carolina; Moss Point, Mississippi; Martin, Mississippi; Martin, Tennessee—where red-baiting is fierce, resources are scarce, and resistance to organizing is often stronger than in larger towns and urban areas.

One woman who has worked for years on reproductive rights issues said she was sheepish about telling her friends she was coming to the meeting of southern socialists until she found out they were also planning to attend. Another, expressing the frustration of isolated feminists and socialists who find it difficult to get support in their local communities, state, "I really do feel lonely out here. At times I've gotten to feeling like I was the last living cell in a dead body." Two other women who went to the 1975 NAM So-

Laura Roth

cialist Feminist Conference in Yellow Springs, Ohio, said that this was the first socialist meeting they had heard of in six years that reached out to southerners.

Building on Southern Roots

While confronting real problems that face the south, those present also set about dispelling exaggerated stereotypes that undermine organizing efforts. Addressing the issue of breaking down southern myths, Glenn Scott, Chair of NAM's Anti-Racism Commission stated, "Often times many northerners and westerners think that living in the south is like walking in on the set of *Birth of a Nation*. While there is definitely a strong vein of social conservatism and while overt racism and sexism are still very real problems, we have to be careful not to throw the baby out with the bath water. There are also strong traditions of radicalism, militant trade unionism, and Black-White unity, and we as southerners have to build on what's positive in those traditions."

Having grown up and become a democratic socialist in the south, Bill Barclay of NAM's Political Committee, reiterated this point, "A democratic socialist movement that doesn't recognize the distinct character of southern politics, culture, and history will never be an effective political force in this country."

Rather than seeing southern culture as an obstacle, most successful movements in the south have drawn their strength from southern traditions, particularly the social gospel, the extended family and kinship structure that remains central to many communities, and southerners' closeness to their rural roots.

Drawing on his experience with the United Woodcutters Association (UWA) in Mississippi, Paul Cromwell, a member of NAM and DSOC, also attributed the growing success of UWA to its community base, its close ties with and support from the church, and its inclusion of all family members in

the organization's work. In two years the UWA has grown to an organization of 700 woodcutters and, along with its support for workers' rights, has set up 35 buying cooperatives and credit unions in 28 counties across the state.

Larry Braden, who has worked closely with other NAM members in organizing employees at the University of Texas, also stressed the ways in which the union's membership has grown because they've disregarded southern stereotypes and dealt with social concerns of the community beyond mere wage demands. "We've had to unlearn everything we've been taught as southerners—we were taught our heritage is the plantation south. The reality is that the majority of southerners come from populist, often radical, poor working class traditions. We began by appealing to those traditions and stressing traditional values in our union."

Organizing around rural issues has also been a critical point for mobilizing communities in the south, as in the recent threat made by Texas ranchers to drive their tractors to the capitol to prevent the airforce from putting an MX missile site in the panhandle. Similarly, community groups who participated in the recent Appalachian land study which documented wide-

spread ownership of land and minerals by absentee and corporate owners, have begun the fight to regain local control.

The common thread in the organizing experiences of southern activists is not that the majority of southerners are more conservative or apathetic than their northern counterparts, as is often thought. Rather the right has had an continues to have more unilateral control over the region's political economy and culture. As the nation's leading nuclear dumping ground, the pioneer in sophisticated union-busting techniques, the source of leadership for the attack on reproductive rights, and the arena for the most blatant racism and Klan activity, socialists have a particularly hard battle to fight.

As Wanda Noblitt concluded, "Being rural, being southern, it's hard for people to grasp the power they have. They've been taught to conform and they don't have strong examples of dissent because that history is never celebrated. We have to be that example."

"My activism comes from the Southern Baptist Church," she continued. When people see we're not struck by lightning and God doesn't come down on us on the spot, then they'll stand up and be counted." □



Duncan MacBryde, N.C. NAM; Glenn Scott, Chair, Anti-racism Commission, Austin NAM; Ann MacBryde, N.C. NAM; and others.

Laura Beth

Will Synfuels Choke Mon Valley?

By Morgantown NAM

WEST VIRGINIA AND PENNSYLVANIA miners call their coal "black gold." So when Gulf Oil Corporation and U.S. Department of Energy (DOE) announced plans in the spring of 1979 for a Fort Martin, West Virginia, plant to turn coal into fuel oil, the communities of north-central West Virginia and southwestern Pennsylvania were overjoyed. But the "black gold" of 1979 has turned into what Morgantown's First National Bank calls the "black elephant" of 1981.

The planned Solvent Refined Coal Liquefaction plant (SRC-II) promises to bring the region a serious risk of cancer and birth defects through both air and water pollution. Waste from the Fort Martin plant will be dumped into Monongahela River, threatening the water supply for downstream Pennsylvania communities, including Pittsburgh. In addition, construction of the huge plant will put the region through a vicious cycle of boom and bust, during which moderate income residents will be priced out of housing, food and other markets by an influx of five thousand construction workers.

The plant is projected to convert 6,000 tons a day of high sulfur coal into the equivalent of 20,000 barrels a day of fuel oil for use in Northeastern power generating stations. The plant was originally estimated to cost \$800 million, employ up to 2,000 workers during peak construction, and 432 workers during operation. Ground-breaking was to have begun in March, 1981, but community opposition and changes in the national political climate

for synfuels development have given SRC-II an uncertain future.

Under the original plan for SRC-II, the governments of Japan and West Germany were to each provide 25% of the cost of building the plant, while the U.S. government would provide 45%. Gulf Oil, through its subsidiary, Pacific and Midway Coal Company, would contribute 5% of the cost in the form of patents that it holds for the process. Because private insurers have refused to give Gulf liability insurance, Gulf will be shielded by the government from any liability suits for damages the plant may cause in the community. The only precedent for such government shielding is in the nuclear industry.

Gulf currently operates what it calls a bench scale SRC-II plant in Marmarville, Pa., and has operated a pilot scale 50 ton-a-day SRC-II plant in Ft. Lewis, Wash. The West Virginia plant would be the first U.S. coal liquefaction plant built using equipment suitable to a commercial scale operation. The demonstration plant will be a huge plant covering more than 20 acres with an additional 2200 acres put aside for storage of coal and waste products.

Health hazards

For most chemical processes, toxic substances produced may be an incidental byproduct. But in coal liquefaction, the final product, SRC-II fuel oil, is itself the dangerous element. This product will contain a mixture of hundreds of chemicals. Among these will be classes of chemicals called poly-nuclear aromatic hydrocarbons (PNA's) and aromatic amines. These substances are known to cause cancer and birth defects in humans. It is PNA's that are responsible for the extremely high rate of

cancer among coke over workers. These are also the chemicals present in cigarette smoke which are linked to lung cancer.

Experiments have been done with SRC-II fuel from Ft. Lewis in which the material was painted onto the backs of rats. In this experiment, the material produced extremely high rates of cancer in the rats, miscarriages, and birth defects among their offspring. As these experiments demonstrate, the material can be absorbed into the body through the skin. Despite an extremely careful hygiene program at Ft. Lewis, where workers are covered head to toe with protective clothing and shower after every shift, black light examination has revealed that PNA's are sticking to the skin of workers and no soap, scrubbing, or other method can get it off.

Gulf's response to these dangers has been to control the sexual composition of the workforce, limiting the role of female workers on the proposed Fort Martin plant. This decision was evidently spurred by litigation arising from the pilot project in Ft. Lewis. A woman denied work in the processing area of the plant (even after she offered to be sterilized) has filed a complaint with the Washington state human rights commission. Shortly after the complaint was filed, Gulf announced in Morgantown that no women would be allowed to work in any of the processing areas of the Fort Martin plant. However, it is not only the workers in the plant who are threatened by these chemicals. The plant will not be enclosed. Thus any leak or spill will escape into the general environment and pose a hazard to the community at large, as well as to the millions who depend upon the Mon River for their drinking water.

More disturbing than the dangers to workers and the community is the public health hazard this material threatens as it is transported and used throughout the Northeast. The Environmental Impact Statement for the plant cites a potential "worst case accident" during rail transport, in which a spill into the Potomac at Harper's Ferry would make the water supply of Washington, D.C.,

"We got this oil by cooking rocks!"



unsafe for drinking or cooking. A similar accident could occur on the Monogahela, producing the same threat to Pittsburgh's water supply. Even without a spill, the plant plans to dump 22 tons a day of solid waste—containing lead, mercury, cadmium, phenolic compounds, and other toxic chemicals into the Mon River.

The fuel oil will then be handled in utility plants. If extreme care is not taken, this usage will pose a serious risk to the health of utility workers. If production expands, another logical market for this fuel oil will be in the home heating oil market. The risks for this usage are truly fearsome. "Mom and pop" heating oil companies will be handling the material, with a potential for serious spills and exposures coming in the basements and yards of millions of people who heat with oil.

Future uses for this liquid fuel include the production of transportation fuels. SRC-II fuel can be refined to a material that could be used in place of diesel or other automobile fuels. In this case, we would turn an extremely potent cancer causing substance into one of the most widespread and frequently handled materials in our society.

Building a plant to operate with such large quantities of cancer-producing chemicals requires great care and attention to design. The problem becomes more serious in coal liquefaction plants because the nature of the process places a tremendous strain on the system. Moving through pipes and vessels of SRC-II will be not the typical oil refinery liquid or gas, but a slurry of liquid carrying very fine and abrasive particles of coal. The system will run with extremely high temperatures and pressures. This means that valves, seals, flanges, pumps, compressors, and just plain elbows in the plant will wear out quickly, producing a continual stream of leaks into the ground and the air.

Under these conditions at a small liquefaction plant in Kentucky, valves costing \$10,000 are lasting only a matter of days. A report by TRW Energy

Systems Planning Division states that the available versions of 87 major pieces of equipment required for coal liquefaction cannot be used with confidence without extensive further development.

This situation arises because the industry is developing too fast, resulting in serious engineering problems. Even Jerry McAfee, Chairman of the Board of Gulf Oil, states, "Now if we had our 'druthers, we wouldn't do it this way. This is too much of a jump in an orderly technical development—to go from a 50 ton-a-day plant to a 6,000 ton-a-day plant."

Control of hazards to workers is best done by careful design and engineering so that exposures to chemicals do not occur. Instead of taking the time and money to develop SRC-II in this manner, the Department of Energy has proposed an elaborate plan of protective clothing for SRC-II workers, monitoring of work and community air, and health studies of the plant's effects on residents in the community. All these measures would be *after the fact* of exposure to chemicals. Pressure to proceed in this manner stems from the fact that the SRC-II plant must be a demonstration of economic feasibility as well as technological feasibility.

But the implications of the demonstration are to make the plant an experiment on the health effects of coal liquefaction. And the residents of the communities involved will be the guinea pigs for this experiment!

Social and economic effects on the community

For the Morgantown and surrounding

communities, the SRC-II will bring social and economic dislocation rather than lasting economic benefit. The plant will require nearly 5000 workers to build, but will provide only 440 permanent jobs to operate. Of these 440, only 200 will be local workers in maintenance jobs. The rest will be technicians imported by Gulf.

No taxes will be paid to Monongalia County or to any municipality by the plant. Business and Occupation taxes will go to the state. Yet the cost of services to the plant and education, social, and other governmental services to workers during construction will be born by county and municipality. No planning has yet taken place to provide the additional housing, water, sewerage, fire protection, etc., for workers and their families during construction.

The most serious economic and social effects of the plant will result from the process of boom and bust associated with the construction phase of SRC-II. Less than half the workforce required to build the plant will live within 100 miles of Fort Martin. The rest will have to find housing in an area where a housing shortage already exists. They will be competing with students at the University and elderly and moderate income residents for a very limited rental market. And at salaries greater than \$15.00 an hour they will force moderate income people out of the housing market. This influx of high paid workers will also drive up other prices in the area. We will see a dual economy in which many present residents will not be able to compete for goods and services with the construction work force and their families. And when construction ends, the boomlet will burst with closed businesses and high unemployment among workers in enterprises serving the construction force.

Synfuels policy

In 1977, Jimmy Carter called for the development of facilities capable of producing 2.5 million barrels a day of oil substitutes by synthetic means. Recent statements from the DOE have lowered this goal to 1 million barrels a day.

Even this goal would be a huge undertaking. It would cost approximately \$10 billion a year, and under the Carter administration's plans would have been mostly taxpayers' money. This program would require the efforts of 30% of the projected supply of chemical engineers by 1984, and up to 80% of the available pipefitters, boilermakers, and elec-

tricians in Appalachia and the northern great plains. Much of the equipment needed in these plants is not available in the U.S. For example, the thick wall vessels and piping required will have to be purchased from Japan. Achieving 1 million barrels a day would use 7% of the projected available chromium, increasing our dependence on South Africa and Zimbabwe. We may be exchanging an oil dependence for a thick wall vessel and chromium dependence.

Is all this effort worth it? Oil imports during the last year were 5.2 million barrels/day. This huge synfuels program would provide a substitute for less than 20% of that level. In contrast, half the 1 million barrel a day goal of synfuels could be saved by enforcing the 55 mph speed limit. According to the Harvard Business School's *Energy Futures*, a serious commitment to conservation would cut energy usage by 40%. While the stated goal of the synthetic fuels program is to end our dependence on foreign oil, it is the strategic demand for assured supplies of military fuel that stands behind the DOE's synfuels policy.

Beyond the financial and health costs of the synfuels program is a net loss of energy for the country. The fuel oil produced in liquefaction has 60% of the energy value of the coal if it were burned directly. Added to this loss must be the large amounts of energy required to run the synfuel plants. With new pollution control equipment, and methods such as fluidized bed combustion, coal can be burned directly with minimal danger to the environment.

Organizing Against the Plant.

In the Morgantown community, public opinion has slowly shifted from total support of the SRC-II to the point where a majority of persons polled would prefer the plant be built *only* if they can be assured it will be built safely. Sixteen percent of people polled were completely against the plant.

Much of this shift in public opinion has been due to community education carried out by the Monongahela Alliance for Community Protection (MACP) and Citizens Concerned About Synfuels (CCS). MACP is a coalition of community and environmental groups concerned with industrial and resource development in northern West Virginia and southwestern Pennsylvania. It includes Native American groups, groups concerned with industrial park developments, student

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groups, and groups focusing on water and dam projects in the area. While the press has identified MACP as an environmental group, the MACP's major theme has been that the people involved need to be consulted when projects are planned for the area. Its focus has been on the political process by which decisions that affect the community are made.

Within the MACP, Citizens Concerned about Synfuels has concentrated specifically on SRC-II. However, all members of the coalition realize the SRC-II is the largest development effort in the area, that it seeks to break ground for a new type of coal-related, high technology energy industry. At least 2 coke plants have been discussed for Marion and Monongalia Counties in West Virginia, and Fayette and Greene Counties in Pennsylvania.

The strategy of political education around the Fort Martin plant combined solid research and technical criticisms of the plant and its potential hazards, with a community education program centering around small meetings in peoples' houses to raise questions about SRC-II. Speakers have gone to meetings at PTA's and Women's Clubs, to Hadassah, the Rotary—to just about anybody who would listen. The message is that the plant is being imposed upon the community before many questions about its design have a chance to be answered. A safe SRC-II might be conceivable, but it is clear that the plant for Fort Martin would not be that plant. Face to face, the arguments of the local organization have been able to counter a complete blackout of information unfavorable to SRC-II in the local press. NAM members have played an important role in both the research on the plant and in emphasizing and organizing the community campaign.

Despite the appeal of arguments calling for the use of more coal, and the necessity for energy independence, MACP and CCS are optimistic that the plant will not be built. Reagan has eliminated government support for SRC-II from his proposed budget. However, after campaigning against the creation of a Synthetic Fuels Corporation, Reagan has accepted the idea of the Synfuels Corporation providing seed money for a Synfuels industry. If the SRC-II is built it will depend on funds from the Synfuels Corporation, from Japan and Germany, and from a larger contribution of capital from private industry.

At this point the Synfuels Corpora-

tion does not seem to be willing to lend money to SRC-II unless Gulf and private investors agree to make much larger contributions. While Carter made much of the argument of energy independence, Reagan seems inclined to follow a modified free market approach to synfuels development.

Other local events have worked against the SRC-II project. Five local landowners are now in court seeking to



The Mon River could become another Love Canal if the plant is built.

revoke their sales or leases of SRC-II site land to the County Development Authority, because the Authority fraudulently told people it had the power to condemn the land. One of these, a 95 year old woman, received much community publicity when the press reported that she was coerced into leasing the land to Gulf Oil for 99 years for less than the probable taxes that she or her heirs would have to pay on the land.

A damaging column by Jack Anderson also revealed that DOE and Gulf have mismanaged the money they have had so far, and predicted huge overruns on the project. Studies by the Government Accounting Office have supported these charges.

In the context of Reagan's shift of

policy, local opposition (threatening higher costs), and a ballooning budget, the foreign partners have been wavering. Germany in particular is reacting to its own budget problems and a desire to develop synfuels domestically. On April 23, *Energy Daily*, a Washington newsletter, reported that representatives from the U.S., Germany, and Japan had met in Tokyo and decided to kill the project. The U.S. stated that it would not support the project with grants. According to *Energy Daily*, a final announcement of this decision was put off until a meeting to be held in Bonn June 4th and 5th because of "political sensitivities" in Japan. Japan would want such an embarrassing announcement to be made after a scheduled May 7 meeting between the Japanese Prime Minister and President Reagan.

The DOE claims that the project is still going forward. However, they have initiated the cancellation of three environmental permit hearings scheduled for Morgantown in late April. While there is still some apprehension that private money might come forward to build the plant in a scaled down version, MACP and CCS people feel that for now the SRC-II plant is dead.

The group has held one meeting since news of the plant's probable death. People considered two very hard questions. The first and perhaps the most painful was a question of whether in the light of national policy shifts, the hard work done by community activists had any effect. It was a victory, but had we been the ones to win it? The most optimistic answer was that our work had created a demand for a safe and non-polluting plant that would have raised costs either by the necessity for expensive design or by the prospect of our delaying an unsafe plant through our involvement in the permitting process.

Perhaps the most important answer, however, to what the MACP and CCS had accomplished came in a unanimous interest in what the group should do now. SRC-II had crystallized the formation of community organization interest in local development. It appears that the group now has the strength and interest to turn to looking at development in the area in a comprehensive way. Changes will be necessary in the political process of the area. The MACP will have the challenge and opportunity to present its vision of future developments in the region. □

by Bill Barclay

REAGANOMICS. NEWSPAPER REPORTERS, TV commentators, and magazine writers give us a dozen interviews with the new supply side economists, and a hundred profiles of David Stockman (including his brief flirtation with the anti-war movement of the 1960s). Then there is Reagan himself, waving his dollar bill and coins in his February "State of the Economy" speech, challenging those "unwilling to accept this plan for...an economic recovery...have they an alternative?" Finally, of course, there is the disarray of the Democrats in the face of Reagan's budget and tax proposals and their failure to provide an alternative economic policy.

In all of this economic glitter and political symbolism—much of it very well stage managed—it is easy to lose sight of what is actually happening. Yet there are three things to keep in mind. First, Reagan and the Republicans are in a tight place politically. Second, the Reagan administration's economic policies are based on a set of political myths that are essential to selling the program. And third, these economic policies—Reagan's budget and tax proposals—provide an important opening for democratic socialists.

Between the devil and the deep blue sea

What is the political situation facing Reagan and the Republicans? Reagan was supported by only 26% of the eligible voters and failed to win an absolute majority in any significant voting block except white males over 35. While the right wing has a social agenda—abortion, school prayer, the family—these issues did not win the election for Reagan. Instead, it is the economy, inflation and unemployment, that made Reagan president. It is the economy that has the center of the political stage. To consolidate his base among those normally Democratic voters who supported him and to attract the near record numbers who stayed home on election day, Reagan must deliver on the economy. The Reagan administration's own future and perhaps the potential for an enduring Republican majority stand or fall on the economy: "reducing and eliminating inflation, stimulating the creation of jobs, and reducing the tax burden." All of which he and his advisors believe means "balancing the budget."

But the economic agenda of the administration threatens to trap the Republicans between the alternatives of Thatcherism and planning. While the use of recession to "cure" inflation is always difficult in an advanced capitalist democracy, it is particularly difficult for the Republicans, the party of Herbert Hoover and The Great Depression. There are people in the Reagan administration, for example Secretary of Treasury Donald Regan and Federal Reserve Board chair Paul Volcker, who would probably be willing to cure inflation by cutting government spending, raising interest rates, and sharply increasing unemployment. There are certainly influential economists outside the administration such as

Bill Barclay is the Political Secretary of the New American Movement and a member of Lucy Parsons NAM in Chicago.



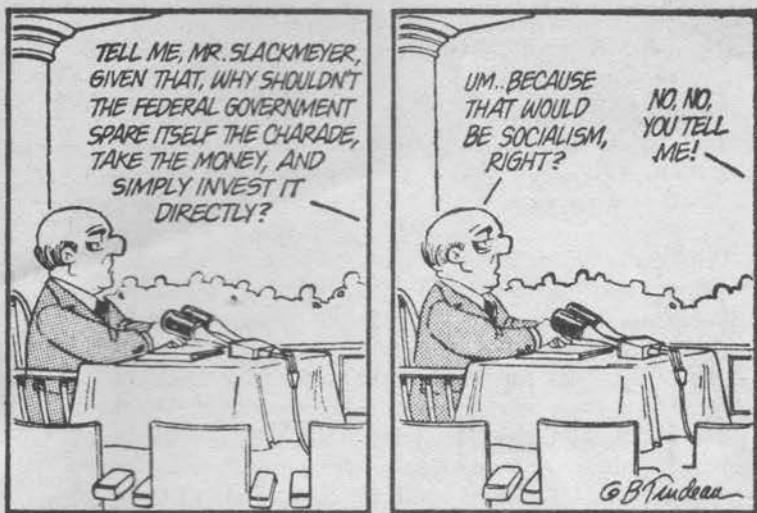
REAGAN

Faith, Hope,

Herbert Stein who believe that this is the only way to wring inflation out of the economy. And, if pursued long enough and intensively enough, such a policy of planned recession/depression would probably work.

But Reagan and the Republicans are not operating in the simple world of an econometric model but rather as political leaders at a time when the Democratic Party's Keynesian coalition (labor, minorities, some portion of corporate capital, much of the urban middle strata) is disintegrating, when a reshuffling of the American political deck seems possible. Economic policies that would cure inflation and damn the social costs would also condemn the Republicans to continued minority party status. If the Republicans have any doubts about this, they have only to look across the Atlantic where the British Labor Party's victory in the recent municipal elections illuminates the dead end road of Thatcherism. Fighting inflation in the absence of economic stimulus produces unemployment and political loss.

Of course, there is a conservative answer to this problem, the corporatist state planning articulated most coherently by New York City investment banker Felix Rohatyn. But this course is anathema to Reagan, Stockman, *et al.* State planning means the end of their version of Republicanism and opens the door—at least in their eyes—to the possibility of democratic control of investment. To break out of this political bind and to preserve free market Republicanism, Reagan has accepted the arguments of supply side economists that large tax reductions will increase investment and output, generating jobs, and, eventually, more government revenues from taxes on the increased business and personal incomes. In the future, then, the federal budget can be in balance even if social service cuts are restored, the defense budget is



ECONOMICS

and No Charity

increased, and taxes are cut.

Myths, faith, and economic policy

At times Reagan's own language seems to recognize the leap of faith involved in his tax and budget proposals. In his "State of the Economy" speech he talked of a "spirit...still there, ready to blaze into life." It was as a keeper of the faith that budget director David Stockman brushed aside the economic doubts presented by congressperson Daniel Rostenkowski during congressional hearings. After all, what mathematical equation can factor in faith, what econometric model can capture a "spirit?" Of course in their more secular moments the supply siders refer to "investor expectations" rather than faith or spirit. But investor expectations are not, in fact, very different from faith. Like faith, expectations need myths to sustain and nourish them. Reagan is at his best when he articulates these myths. Even a glance at the experience of other advanced capitalist societies and at our own history is enough to make any but the converted doubt the promised salvation of Reaganomics, however.

The first myth, the Genesis for Reagan and his supply side advisors, is that government spending absorbs too much of our GNP, hampering our economic growth. The reverse may actually be the case. All levels of government together account for 34% of U.S. GNP. In both the Netherlands and Sweden government accounts for over 50% of GNP, in West Germany for 42%, in France for 40%. Among advanced capitalist societies, the government's role is smaller only in Australia and Japan. The second myth is closely tied to the first: that government deficits cause inflation. Thus inflation should increase as the deficit grows and decrease as the budget comes into balance. However, while the federal deficit as

a percent of GNP was much higher in the 1950s than the 1970s, inflation was lower in the former decade. During the last fifteen years, the total government deficit has averaged less than 1% of GNP, considerably below that of other advanced capitalist societies such as West Germany and Japan whose government deficits were 3% and 6% of their respective GNPs in 1979.

Reagan and the supply siders are interested in more than government budgets and deficits. They also have two myths about taxes. First, personal taxes are said to be so high that individuals have no incentive to work harder or more productively. The lack of studies to support this notion has not prevented the high tax/low work incentive argument from becoming an article of faith. Nor are supply side economists interested in the fact that U.S. taxes on individuals are among the lowest in the advanced capitalist world. While we pay 29% of personal income in taxes, the French pay 31%, the British and West Germans 37%, the Dutch 46% and the Swedes 51%. There seems to be no relationship between tax levels and rates of economic growth. The last myth concerns business taxes which are said to be so high that there is inadequate investment capital. In fact, there are now serious proposals for the repeal of the corporate income tax. All of this at a time when the oil companies are literally awash with cash, much of it going not into investment but into buying other companies: Socal's offer of \$4 billion for mining giant AMAX is only the most spectacular recent example. The comparison of the U.S. situation with Japan, frequently cited as a model of government/business relations, is instructive: taxes on capital in that country come to 43.5%; in the U.S. the figure is 39%.

Of course, these economic myths have an important political function. Each draws upon popular traditions of individual effort and resistance to government control. Each also draws upon political resentment about unfair taxes and inefficient government bureaucracies. Reagan has taken the "common sense" of American political culture and translated this into conservative policy proposals around government budgets and taxes. He has been able to mobilize this "common sense" to generate popular support for his economic policies. The Democrats have been unable to provide an affective counter, either at the legislative or the popular level, to this approach.

Beyond Reaganomics

The theory is questionable but the supply side economists do understand one thing: the political economic reality of the 1980s is vastly different than that of the 1950s or 1960s. By the early 1970s U.S. and world capitalism came to the end of the post World War II period of sustained economic growth. The institutional structure that was the basis for that growth and the political coalition that was organized around that growth are no longer viable. The new reality is evident in many ways: the relative decline of the U.S. in the world capitalist political economy, uneven economic and population growth between snowbelt and sunbelt regions domestically, the stagflation of the last decade. Taken together, these and other changes mean the end of demand as the primary economic problem facing the advanced capitalist countries. Economies that relied upon government to generate, either directly or indirectly, an ever growing demand for goods and services now face a fundamentally different problem, that of supply. Put

another way, the solution to the last great period of capitalist crisis (the Great Depression of the 1930s)—increased demand through the expansion of the social wage—has now become part of the problem. Class and strata demands that were met through increased government spending now compete with the corporation for investment funds. At the same time, environmental regulation, affirmative action, occupational health and safety, etc. cut into the decision making power of corporate management.

The right wing was quick to recognize this new reality. As early as October 1974 *Business Week* called for a shift of resources out of consumption (demand) and into investment (supply). They recognized that the shift would

be politically difficult, that “it will be a bitter pill for Americans to swallow...the idea of doing with less so that big business can have more. A selling job of unprecedented dimensions must now be done...” Reagan’s call for everyone to sacrifice, for all of us to abandon the pursuit of our special interest and to think instead of the future of our country as a whole is part of that selling job.

Given the new reality of supply constraints, Reagan’s tax proposals begin to make sense. After all, tax breaks to households earning less than \$25,000 a year will produce very little in the way of investment. In fact, any additional money for this portion of the population will probably go into rent, food, or other necessities. On the other hand, tax breaks for those in the \$100,000 or more category and for business are much less likely to go into consumption. Of course, in the absence of state planning or targeted tax breaks, the extra money for corporations and the wealthy may not go into investment either. Currency speculation, “collectibles,” and mergers are equally, perhaps even more, likely candidates.

Neither Reagan’s proposals nor the Democratic Party’s response can be particularly encouraging to socialists. While defensive battles over budget cuts are very important, we must go beyond this and seize the opportunity that Reagan has given us. His tax and budget proposals and somber assessment of the economy have made clear the interaction between political policy and economic growth. Ironically, the most visible public advocate of the market is conclusively demonstrating that the operation of the market is determined by politics. Further in asking those who disagree with him to provide an alternative, Reagan has asked our participation.

For an alternative we have to look at the devil that Reagan is afraid to face: economic planning. While the specific policies of that alternative are yet undeveloped, the broad outlines can be specified. First the problems of inflation, unemployment, and economic growth are real, both for the economy and in the lives of the people with whom we work. We need to develop policy proposals that link reduced inflation, job creation, and increased productivity. Second, our alternative must be oriented towards those industries (and regions and cities) that have suffered the most during the last decade, for example steel, autos, and housing. Third, an alternative approach to reindustrialization must move away from the energy intensive pattern of growth that has been part of the U.S. since World War II. We need to consider mass transit and solar energy in their relationship to the idle workers and shuttered factories of the steel and auto industries. Fourth, we need an alternative “common sense” that can be articulated not only in articles and speeches but also at parties and bars. Reagan’s argument for more money to the corporations and the wealthy to insure economic growth makes sense—until we ask: “Do you mean more money to the auto executives who failed to shift to smaller cars? Do you mean more money for the steel executives who failed to modernize their plants? Do you mean more money for the rubber company executives who ignored the steel belted radial tire?” Finally, since all of this involves government money, our tax money, we need to tie our policy proposals to the extension of democracy into the economy at both the planning and workplace level. □

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All the News

NAM National News

“Retreat From Justice” is NAM’s latest pamphlet produced by our Anti-Racism Commission. Two excellent essays cover the history of racial discrimination over the past two decades. The pamphlet suggests the need for a politics which combine class and race perspectives to extend the gains of the Civil Rights movement. Copies are available from the National Office for \$1, bulk discounts available.

NAM’s **Super Literature Sale** won’t last much longer. For a limited time you can get Working Papers on Energy, Socialist Feminism, Gay and Lesbian Liberation, the Basic Marxism Course, and DB’s #22, 30, 32, 34—all for half price plus postage. Write or call the National Office today.

July 19 Mobilization

NAM has endorsed Central American liberation support for regional mobilizations in Boston, Chicago, New York City, San Francisco, Los Angeles and Houston for July 19th. July 19th is the second anniversary of the Sandinistas’ victory in Nicaragua. There is a greater need than ever to link El Salvador support work with liberation struggles throughout Central America, given the increasing possibility of a U.S. financed invasion of Nicaragua. Also, the popular resistance movements in Guatemala have prevented the army of the U.S. supported regime from aiding the junta in El Salvador. The July 19th mobilization will be the first national action jointly initiated and coordinated by the three solidarity networks for El Salvador, Nicaragua and Guatemala. The mobilizations will also be a major step toward building for a national mobilization for mid-October.

DSOC Votes on Merger

The Democratic Socialist Organizing Committee held its national convention on Memorial Day weekend in Philadelphia. At this convention DSOC approv-

ed the political basis for unification with NAM which DSOC and NAM had negotiated in recent months. The vote on the unamended unity document was 163 delegates for and zero opposed, with 26 abstentions. There was a definite atmosphere of excitement and good feelings surrounding the vote.

Among the individuals addressing the DSOC Convention were William Win-



NAM members demonstrate in Washington on May 3.

pisinger, the head of the Machinists, Congressperson John Conyers, Tony Benn of the British Labor Party, Harry Britt, member of the San Francisco Board of Supervisors and key leader of the gay community, Ruth Messinger, member of the New York City Council, and Roberta Lynch of NAM’s Negotiating Committee.

A full report on the DSOC Convention appears in NAM’s Discussion Bulletin #35.

El Salvador Demo.

Despite a series of pre-demonstration organizational disputes, approximately 50,000 people rallied in Washington on May 3 making the event one of the largest mobilizations of the post-Viet-

nam era. The “March on the Pentagon” sponsored by the People’s Antiwar Mobilization (PAM) protested U.S. intervention in El Salvador and government cutbacks in social spending as well as racist violence in the U.S.

The NAM contingent in the march included members from Baltimore (who chartered two buses to the rally), Pittsburgh, Cleveland, Washington, Detroit, New York and Tallahassee. NAMers carried signs reading “FUND HUMAN NEEDS, NOT JUNTA MURDERS IN EL SALVADOR—New American Movement.” A NAM literature table was present at the Pentagon rally site and approximately 6,000 pieces of NAM literature were distributed at the march.

—Gerry Gaeng (Baltimore NAM)

The May 3rd Coalition which organized the **Anti-U.S. Intervention demonstration** was successful in San Francisco as well as in Washington, D.C. The march and rally turned out approximately 10,000 supporters on the west coast. San Francisco NAM’s new Anti-Militarism Committee participated in the planning of the march and successfully organized a Democratic Socialist contingent, 200 strong, in conjunction with San Francisco DSOC, East Bay NAM (DSA), and Santa Cruz NAM.

—Karen V. Hansen
(San Francisco NAM)

Northwest School on Socialist Feminism

On the weekend of April 25 and 26 the Northwest Region of NAM held a school on socialist feminism in Portland, Oregon. There were 60 participants from the Northwest chapters and from the Portland area. There were major presentations on strategy, family and sexuality, and working women. Among the major speakers were Holly Graff (NAM Political Committee), Janice McCourt (Ranier NAM), and Alisa Keddum (Eugene NAM). There were also a number of workshops. Confer-

ence organizers Kay Pollock and Natasha Beck are to be congratulated.

Cadre School

Immediately prior to the NAM Convention and in Milwaukee, NAM will sponsor its annual Summer Cadre School. It will begin Saturday, July 25th and run through Tuesday, July 28th at the University of Wisconsin at Milwaukee (UWM). The major theme of the leadership training school will be developing a contemporary, practical and politically effective approach for the early '80s. Session leaders will be experienced organizers and strategists from both in and out of NAM.

Housing for both the Cadre School and Convention will be in the dorms of the University of Wisconsin at Milwaukee (UWM). Reservations must be made at least 2 weeks in advance accompanied by a check made out to UWM Housing and sent to UWM Housing, 3400 N. Maryland Ave., Milwaukee, WI 53211. Rates are \$8.50 per person per night based on double occupancy or \$11.00 per person per night based on single occupancy. UWM Housing may be reached at 414-963-4065.

Direct Mail Delivers

NAM launched a recruitment drive through the mail this spring, and the re-

sults so far have been terrific. A group of 15,000 persons were selected to receive a package of information aimed at encouraging Associate Memberships. The National Office has received over 100 new members so far, with many more expected to join over the summer. Special thanks to Frank Ackerman, Donna McGrath, and Craig Merrilees for their invaluable help with this project.

NAM Local News

by Craig Merrilees

Blazing Star NAM members have been busy organizing support for a package of gay rights bills being introduced to the state legislature. A coalition effort by the Illinois Gay and Lesbian Task Force succeeded in moving the legislation out of committee several weeks ago—a major victory. The bills would seek to end discrimination in housing and employment matters.

NAM members Martha Fourt and Chris Riddiough have played important leadership roles in the coalition, while other Blazing Star members have joined in for local support work.

Lucy Parsons NAM members are collecting their favorite recipes for a cookbook entitled: "Lucy Parsons' Diet For

a Red Planet." Copies will be available at the NAM convention.

The chapter sponsored an extremely successful fundraiser which took 65 people on a walking tour of the Pullman community on Chicago's South Side. Professor William Adelman provided a fascinating history of this community's struggle to establish union democracy in a town controlled by industrialist George Pullman. Work continues in the chapter's Plant Closings and Housing projects.

Another NAM chapter, **South Jersey NAM**, was approved for membership at the last NIC meeting. The Chapter is beginning to make plans for the summer, which may include work on a statewide electoral campaign led by the New Jersey Tenants Organization. Welcome to NAM! South Jersey NAM can be contacted by writing c/o Bill Sensiba, 11 E. Church Street, Absecon, New Jersey 08201.

News from the South

Austin NAM members helped keep the heat on during a City Council run-off last month. When the results came in, 2 of the 3 progressives had won their seats by a 60/40 margin. Together with the first election, progressives and liberals now hold a majority on the 7 member council.

Issues of growth, development, zoning, and a plan to sell municipal holdings in a nuclear power plant were the major issues in the campaign. NAM members joined the Austin Citizens Action coalition which coordinated the election effort.

Chapter members joined the Urban Council of Churches, Gray Panthers, Texas Women's Political Caucus, ACORN, and other groups to sponsor "Fair Budget Day". A town meeting was called to protest the Reagan budget cuts affecting the local community. Their actions received good media coverage.

NAM members working in the University Employees Union are helping to push through a statewide pay raise with cooperation from the Texas State Employees Union.

DSOC and NAM members co-sponsored a chicken BBQ to raise funds for a new joint newsletter effort. Sixty hungry Texans showed up and gave more than \$100.

Morgantown NAM played host to the Industrial Heartland Region Spring

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The San Francisco Budget Task Force demonstrates in front of the Chamber of Commerce (note gift-wrapped bus in background).

Conference titled: "The 80's—New Challenges, New Possibilities". Political Committee member Holly Graff presented her view on the Role of the Left in the 80's. Other workshops followed on Re-Taking the Moral Initiative, Women Organizing, Energy and Reindustrialization, and Media. The conference was held in a rustic camp in the West Virginia hills. A square dance topped off this successful event.

Osceola NAM continues to be active in El Salvador work. Chapter members helped to organize a contingent of 60 Tallahassee activists who participated in the May 3 demonstration in Washington, DC. Members continue to work with the local branch of CISPES.

Florida NAM members are also working to re-establish the Catfish Alliance anti-nuke group. NAM member Ed Green is providing educationals on energy. Other NAM members are working to insure the new alliance would include an alternative energy focus.

The highly successful **Conference for**

Socialists in the South (see article in this issue) has produced a regular newsletter to maintain the conference network and begin planning for future events.

"Behind the Cotton Curtain" will be published several times this year. The first issue (May-June) includes a list and background of those who attended the conference.

The newsletter is available for \$5/year from NAM member William Johnson: P.O. Box 5479, Moss Point, MS 39563.

Rosa Parks NAM was involved in a large demonstration against racism in Mobile last month. Police estimated the crowd at 5,000 persons. The NAM chapter was responsible for helping to bring out many of the white participants. NAM member Domingo Soto played a key role in organizing for the event.

Only one day earlier, NAM chapter members co-sponsored an Earth Day celebration. The Mayor of Mobile declared April 25 to be "Earth Day," and

1000 persons and over 40 organizations joined in for the celebration. Anti-nuclear activity was a major focus at the event. Special recognition should go to NAM member Daryl Wiley who helped to organize the event.

Los Angeles NAM sponsored a dinner for chapter member Ben Dobbs honoring over half a century of socialist politics. The June 7th event drew 275 people to the Miramar Sheraton in Santa Monica CA. Ruth Goldway, newly elected mayor of Santa Monica, welcomed Ben and his comrades to the city. Guests included members of NAM, DSOC, the Socialist Party, the Communist Party, and the Citizens Party in addition to many LA area activists. Bill Barclay, NAM Political Secretary, expressed NAM's thanks to Ben for his inspiration and political wisdom. The dinner raised over \$4100 for NAM.

San Francisco NAM. What do you do with a gift wrapped MUNI bus? If you happen to be the San Francisco Budget Task Force, you give it to your local Chamber of Commerce! The Budget Task Force, a San Francisco NAM-initiated coalition of over 30 labor and community groups, is engaged in a battle to make downtown business interests pay their fare share of providing commuter service to the downtown.

The Budget Task Force (BTF) pushed the Board of Supervisors to enact "enabling" legislation for the plan which would place a yearly assessment on downtown highrise owners. Immediately afterwards the Chamber "dec'ared a war on the MUNI fee."

To demonstrate community support for the proposal, the BTF packed a lunch time crowd of activists on to a chartered MUNI bus and drove it downtown to the Chamber of Commerce. At the Chamber, a fake registration slip, key, and toy bus were presented to a stuffed dummy standing in for Chamber officials who refused to meet with the Task Force. The demonstration was judged a successful, imaginative, and enjoyable event by all!

In Memoriam

Wally Koppelman
San Diego NAM
1925-1981

Friend and Comrade



**1971-
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