Newsletter of
THE DEMOCRATIC LEFT

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Arms race imperils peace, social progress

by MICHAEL HARRINGTON

The current debate over defense policy may well be a critical battle for the heart and mind of the Carter Administration. If there is a new escalation of the arms race, that fact will permeate every aspect of the Carter Presidency, and not just its military posture.

Shortly before he became Chairman of the Council of Economic Advisors, Charles Schultze wrote that a "modest" increase in defense spending would wipe out the possibility of expanding domestic programs or initiating new ones *during the next five years.* Moreover, the Brookings defense intellectuals with whom Schultze worked did not have the apocalyptic vision of Soviet strategic superiority which is urged by the more vociferous hawks, like the Committee on the Present Danger (CPD). The CPD is an alliance of architects of the Vietnam catastrophe who have learned nothing from the disasters they promoted (Eugene Rostow and Dean Rusk, for instance), AFL-CIO hard-line anti-communists (Lane Kirkland), neo-conservative intellectuals (Norman Podhoretz) and old-fashioned reactionaries (John Connally). They are talking about a much more comprehensive retooling than Schultze and company, which could potentially involve an even greater setback to domestic reform.

The CPD, of course, argues that the nation can have both guns and butter. Most of its sponsors know this thesis inside-out since they were its chief proponents while the Vietnam war was destroying the Great Society. Leaving aside Schultze's analysis in which there are simply not the resources for guns and butter, the CPDers do not choose to admit that a nation cannot simultaneously mobilize for internal and external struggle. Given the choice, they would prefer to see the U.S. united against an alien enemy rather than attempting to redress injustice through major domestic change. Even if that were econometrically possible, it is politically and psychologically impossible. And when the enemy presents itself as a revolutionary socialist society (even though it is really a conservative, bureaucratic dictatorship), patriotism becomes a weapon turned against radical critics on the home front. Under such conditions, Joe McCarthyism is in the wings.

Secondly, if the United States turns back to the Cold War, there will be no hope for ending the outrageous economic gap between the North and the South. World military expenditure, Alva Myrdal points out in a brilliant new book, *The Game of Disarmament,* is greater than world expenditure on either education or health and 15 times larger than all the official aid to the underdeveloped economies. Worse, the Third World is being dragged into the arms race itself, often persuaded by American government salesmen who hustle on behalf of the defense sector's kept corporations. The non-oil producing poor countries paid for 24% of the United States' military exports in 1976 and in one year Ethiopia, Zaire and Kenya

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Electoral 'movement' at Hartford conference

by LINDA DAVIDOFF

In Hartford, Conn. on December 10-12, about 400 people from the Northeast states—local office-holders, administrative agency professionals and public interest advocates—met in a two-day Conference on Alternative State and Local Policies for Northeast cities. The gathering was in part a reunion of what is loosely called "the movement"—the people and organizations from the civil rights, anti-war, populist, women's and public interest battles. More important, it was a step forward in development for that loose grouping—a step from the organizing of protest to the political tasks of building a majority and governing.

We of that "movement" have achieved quite a bit, but we have never attained a national majority or won national political power. Even the McGovern nomination had more to do with the absolute collapse of the Democratic Center and Right and confusion over new party rules than with the forging of a majority coalition. But on the local level in many places, movement veterans have built up a base and won some offices. As a national constituency, this loose network represents perhaps a third of the Democratic Party.

That's a real achievement, and it gives us some place to start from. We still aim for winning a national majority while realizing that such power is not in our hands for the short-range future. In the meantime, the next

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Can OSHA work for workers?

by FRANK WALLICK

Can the Occupational Safety and Health Administration (OSHA) be saved? Is OSHA worth saving?

Seven years after passage of what was properly billed as the new workers' magna charta, these are serious questions, seriously raised.

OSHA is in deep trouble. It has few outspoken friends in Congress. The extremist John Birch Society has won several court battles which stymie OSHA's ability to inspect workplaces—the latest a federal injunction in Idaho to halt any "warrantless inspections."

Capital quotes

"Still, there is a movement in our society toward individuals looking more closely at what they're doing here and why.

That's all fine, rejoins Korn, but companies still expect rising managers to be in tune with corporate goals. They want people who are socially aware and in tune with social responsibility concepts, 'but they've got to believe in the business system and what the corporation stands for. Otherwise they're in the wrong place.

'Their objectives and the corporation's objectives must be close together, and the corporation's objective is to make money.'"

Sundancer, Hughes Airwest inflight magazine

Yet if it has done nothing else, the Occupational Safety and Health Act of 1970 has raised the expectations of millions of workers and stirred some public consciousness about the workplace environment.

What is sad about all this is that very few members of Congress have picked up the gauntlet. The Nixon and Ford years at OSHA were frustrating years for the true believers in occupational health and safety—much of the new law became bogged down in excessive legalisms, contempt for trade unions and workers, and a preoccupation with getting every worker in America to wear hardhats, safety glasses and ear muffs instead of transforming the workplace into a humane environment. Corporate America under Nixon and Ford successfully bought time while thousands of workers were killed by injury and disease acquired on their jobs. This is the grisly legacy of OSHA's shortcomings under Nixon and Ford.

President Carter can change much of this. The new Labor Secretary, Ray Marshall, is determined to get OSHA back on the track. He intends to infuse new blood into the creaky OSHA bureaucracy, and his accent will be on occupational health, making bold moves to reduce noise, fumes, unsafe chemicals and bad ventilation.

There is today—partly as a result of the upsurge in occupational health awareness—almost a shadow government of concerned trade unionists, academics, public interest groups and government officials who care about the workplace environment with the same intensity of Sweden's labor movement and Social Democratic Party—where "arbetsmiljo" or "work environment" is the new religion of the Swedish working class. Many of these U.S. occupational health enthusiasts can and will be mobilized by President Carter and his people to undo the damage done by the Nixon and Ford types in the Labor Department where OSHA languishes with few friends.

The kepone disaster this past year found workers sickened by a hazardous pesticide and fish and water poisoned in a nearby river. It was a classic example of how the public ire was stirred when a tiny worker health episode spilled over into national television as community health standards were threatened. Too many workers suffer early death completely isolated from the public. The kepone case undoubtedly led to passage of the Toxic Substances Act of 1976—another landmark bit of legislation which needs all-out public backing or it will prove a dismal disappointment.

OSHA's political problem was illustrated last summer by the 231 to 161 vote in the House of Representatives to ban first instance citations against employers with less than 10 workers. This was a test of labor's friends in the predominantly Democratic House. It was a raw working-class vote which found only 128 northern Democrats, 13 southern Democrats, and 20 Republicans willing to stand up for workers; against them were 50 northern Democrats, 67 southern Democrats and 114 Republicans. Eventually this vital vote led to a weakening of the basic OSHA law. Other assaults will be made with increasing ease unless OSHA can get back on the track, fulfill its true mission, and win back both worker and public confidence.

Frustration with OSHA's mickey-mouse ways led the UAW in 1973 to approve sweeping mini-OSHA procedures inside the union's collective bargaining machinery. Fulltime UAW health and safety representatives on the shop floor tend to noise and ventilation problems with the ultimate right to strike. Other unions

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Job hazards: dimensions of the problem

If prevention of disease is a new frontier for the improvement of our nation's health, then occupational health and safety is unexplored territory.

- Health hazards such as dust, fumes, chemicals, and noise are the worst problems because little is known about their dangers.
- Occupational diseases are poorly recognized, rarely diagnosed and seldom made known to the victim.
- Little scientific research has been done to identify safe exposure levels to workplace chemicals, if indeed any safe levels exist.
- Most occupationally-related diseases are slow and painful, such as black lung disease, asbestosis, and cancer.
- The incubation periods for many occupational poisons are long. Asbestos workers are dying today from exposure they had twenty years ago. Other asbestos workers will die in the year 2000 from exposure they have today.
- Some poisons known since antiquity such as lead still plague workers. Almost all lead storage battery plants and lead smelters are in violation of the current federal OSHA lead standard, which in itself is considered inadequate by many scientists and occupational physicians.
- New chemicals which have never been researched for toxicity are introduced every day.
- Some chemicals such as vinyl chloride in the plastics industry have been found to be extremely dangerous at exposure levels previously thought safe.
- New technology sometimes worsens problems. For example, new plasma jet welding increases many times over the hazards of ordinary welding.
- Some industrial hazards such as noise in manufacturing operations have become worse because of modern high speed machinery and mass production techniques.
- Whole industries are affected by health hazards, some of the worst being foundries, coke ovens, smelting and mining.
- Safety problems in fact may be increasing because of the faster pace of work.
- Major catastrophes continue to occur, such as mine disasters, refinery fires, tunnel explosions, and grain elevator explosions.

Estimates of the Extent of the Problem

Various crude attempts have been made to quantify the extent of occupational health and safety problems in the United States.

- About 100,000 American workers die each year from job-related disease, according to the President's Report on Safety and Health in 1972.
- About 390,000 new cases of occupational disease develop each year, according to this same report.
- One out of four workers suffered an occupational disease in a survey of small plants conducted by the National Institute of Occupational Safety and Health (NIOSH).
- Eighty percent of all cancers are caused by environmental factors (including occupational hazards, food contaminants, air and water pollution, and cigarette smoking) according to the National Cancer Institute.
- About 14,000 workers die from job-related injuries yearly according to National Safety Council records.
- The recorded injury rate increased by 29% between 1961 and 1971, again according to the National Safety Council.
- At present, one out of ten working Americans is injured on the job each year according to OSHA statistics.
- In high hazard jobs, such as foundries, one out of every three workers is injured each year, OSHA figures show.

—from a 1976 UAW position paper

have stepped up their internal procedures, and every major trade union now has sophisticated experts on tap for special problems that arise.

It is a mistake to think that OSHA's woes are based merely on the lack of money or lack of inspectors. It's the whole "workers should be more careful" syndrome approach, plus the stalling on life-and-death health standards, that has bred worker and trade unionist mistrust of and dismay with OSHA. This can be turned around—and it must be under the Carter Administration—or the working people of America will have suffered a major betrayal.

There are few laws which directly protect or even influence workers at their jobs. Only 20 percent of our workforce has any union protection. Thus OSHA—and the entire workplace environment movement—is a rallying point for a new resurgence of dignity for working people at the workplace.

The political cynicism and skepticism which still pervade much of the U.S. working class can be greatly modified, if not transformed, if we take a leaf from our political allies in trade union and socialist movements around the world. We need a sustained and full commitment to make the workplace, both for manufacturing and service occupations, a safe and healthful place in which to earn a living. We have the basic framework in law, however tattered it has become. Now we need its fulfillment. □

Why we oppose Charles Schultze

by ROBERT LEKACHMAN and MICHAEL HARRINGTON

Following is a statement submitted for the record on the nomination of Charles Schultze as chairman of the President's Council of Economic Advisors. Both Robert Lekachman and Michael Harrington had requested time to testify against Schultze at the January 11 hearings. Marjorie Gellermann, who placed the call to the Senate Banking Committee staff, was told that Senator William Proxmire, the chair of the committee, was "definitely not interested" in testimony by Harrington, Lekachman or any other adverse witnesses on the proposed nomination. In a statement to the press, Lekachman and Harrington said: "We decry a procedure which simply rubber stamps nominations and muzzles quiet voices of reasoned opposition. In this instance, with unemployment levelling off at a rate which the most conservative estimates place at 8 percent, with minority unemployment stalled at more than twice that rate and joblessness among black youth at Depression levels, we are particularly appalled that no channel for raising questions about Schultze's record and views on full employment was allowed."

Charles Schultze is an economist of excellent reputation, a public servant of extensive experience, and an individual of high personal character. We, nevertheless, oppose his confirmation as Chairman of the Council of Economic Advisers.

Inventor's incentive

A TV commercial for General Electric portrays Thomas Edison talking about Charles Steinmetz, who developed alternating current for electricity, without which we would need power stations every two miles. Reflects Edison in the commercial, "Steinmetz was almost turned away at Ellis Island as an unfit immigrant who would never be able to support himself."

What the commercial doesn't say is that Steinmetz was not motivated to create his many inventions by hope of profit. His personal demands were slight. All he wanted was enough to keep going and freedom to concentrate on some of the intricate electrical problems which were still baffling him and his profession.

Nor did the commercial mention that when socialist Harry Laidler asked Steinmetz if he would have as great an incentive to work under socialism, Steinmetz replied, "Under socialism I would have even greater incentive than at present. If I invent anything now, the invention accrues immediately to the advantage of General Electric, and its full benefits reach society only after a long period of time. Under socialism, anything invented could be used immediately by the entire industry and sold to the public at cost."

The most important domestic issue of this decade is the cure of unemployment. Jobs are of overwhelming importance particularly to young workers, minorities, and women. Present unemployment rates have eliminated opportunities for new entrants to the labor force, eroded the gains made during the 1960s by women, blacks, and other traditional American losers, and turned affirmative action into a mockery.

On this key issue Dr. Schultze' record is unsatisfactory. Last summer his testimony against the Humphrey-Hawkins Full Employment Bill is generally credited—blamed is the better word—for blocking passage of a measure which did no more than equip the Employment Act of 1946 with a few teeth. Instead of addressing himself to improvement of this measure, Dr. Schultze warned apprehensive members of Congress in an election year that full employment guarantees were inflationary.

This fear of inflation clearly operated to limit the Carter economic expansion package to an utterly inadequate $12-16 billion for the current year. One evaluation of that program was grumblingly uttered by the *Wall Street Journal*: "A $15 billion increase in the budget deficit in each of the next two years will do more harm than good, but $15 billion can only do so much harm in a $1.7 trillion economy." But the sharpest criticism of his own recommendations was implied by Dr. Schultze himself in his January 12, 1977 testimony before the Senate Banking Committee. He predicted that Congressional acceptance of the administration program would reduce unemployment to 7.0 to 7.5 percent by the end of 1977, to 6.5 percent to 7 percent by the end of 1978, and "well down below 6 percent" by the end of 1979.

Evidently Dr. Schultze is prepared to accept a whole decade of extraordinarily severe unemployment. For our part we endorse the AFL-CIO's $30 billion combination of direct expenditure upon public works, public employment, youth programs, and financial aid to communities afflicted by unemployment even higher than the national average. We point out that $30 billion of stimulus bears approximately the same relation to 1977 GNP as President Kennedy's $10 billion tax slash at the end of 1962 did to the smaller economy of that period. Mr. Kennedy made his proposal in a year when unemployment averaged a mere 5.6 percent—a place where Dr. Schultze hopes to arrive by 1979.

Our nation urgently needs in the new administration men and women who believe that jobs are more important than the fears of the business community. On his record Dr. Schultze is not one of these individuals. Therefore, we reiterate, with all respect to his professional qualities, our opposition to his confirmation. □

Structural economic change or job training?

by JACK CLARK

When Charles Schultze testified before the Senate Banking Committee on his nomination for the post of chair of the President's Council of Economic Advisors, he was widely quoted as calling for "structural change." Sounds quite radical, that Schultze. Calling for the program of the democratic socialists—structural change in the economy. But, what does it mean?

When we talk about structural change, it's fairly clear. We want a radical redistribution of wealth and income, genuine full employment, more democratic control over institutions which shape our everyday lives. Ultimately, of course, we're talking about a transformation of the entire society through the abolition of private ownership of productive property, quite literally a restructuring of class relations as they presently exist. And Schultze—what does he mean? Well, he means making labor markets work more effectively. That sounds all right, but let's get to the specifics. Schultze, as he explained many times, believes thare is a shortage of skilled labor when the economy reaches 5-5½ percent unemployment. That is a rate of joblessness he's confident we can reach with ordinary fiscal stimulus, government spending, tax policies and so forth. Beyond that, Schultze says, we cannot go without his structural change in the operation of labor markets. And that structural change boils down to nothing more than government-supported job training for the unskilled.

Job training was one of the much-touted Great Society efforts to abolish poverty. The reasoning went that since many people lacked requisite skills, the government would take responsibility for giving them the skills. Often, such government-sponsored job training would take the form of subsidies to businesses for hiring "unemployables." When social responsibility becomes profitable, powerful arguments are advanced for worthy causes.

The only trouble was, job training did not work. When the economy faced a downturn, we simply had a better-skilled—sometimes only better-credentialed—reserve army of the unemployed. The problem is painfully simple: job training does no good without a sustained, political commitment to full employment.

To illustrate the point with an example from another decade, let's look at the early 1940's. Faced with a labor shortage for our World War II mobilization, American industry quickly trained housewives to be riveters, sharecroppers to be skilled machinists. The pressure of a labor shortage, combined with a political will to produce at maximum capacity, proved to be the most effective racial and sexual equality employment program in our history. And all without "structural change in the operation of labor markets," as currently proposed by Charles L. Schultze. □

Defense . . .

(Continued from page 1)

bought three times the number of weapons that had been shipped to Africa in its entire previous history.

Ultimately, this could lead to a nuclear proliferation in the Third World with the attendant possibilities of atomic terrorism or, in Robert Heilbroner's chilling phrase, nuclear "wars of redistribution." And this danger points toward a more general problem of reescalation: that it increases the danger of global holocaust.

As Henry Kissinger told the National Press Club last month, "the essence of the contemporary problem in the military field is that the term 'supremacy,' when casualties will be in the tens of millions, has practically no operational significance as long as we do what is necessary to maintain a balance." But the hawks' drive for reescalation involves precisely a "destabilization" of the balance which invites reckless and paranoid responses. So it is that the Russian hawks must also be avid proponents of the CPD theses, since the American Cold War case is the best argument for buying more Soviet firepower. And reciprocally the London *Economist* tells us that the head of Raytheon, the 12th ranked American defense contractor, recently said, "The Soviets are the defense industry's greatest ally."

As the stockpiles grow, the uncertainties multiply and the technological complexities increase, the problem of control within the United States becomes more and more difficult. I am not talking about some psychotic captain starting World War III by accident (although that potential is one of the "instabilities" in the balance of terror). I mean something like the situation which Graham Allison described in *Essence of Decision*, a scholarly, documented account of the Cuban missile crisis. At one point in that tense drama, Defense Secretary McNamara had to struggle with the Navy chiefs to get them to obey President Kennedy's orders. Indeed, the Navy proceeded to ignore the White House command, establishing the blockade further out in the ocean than Kennedy wanted and forcing Soviet submarines to the surface without Presidential approval.

But what about the factual arguments put forward by the Cold Warriors? Some of their points are admitted by everyone. The Soviet Union has indeed increased its military outlays, while the American percentage of GNP devoted to defense has stagnated or declined slightly. As a result the Russians have achieved rough parity in strategic arms. But a number of points should be immediately added. GNP measures of military capacity can be very misleading since they give a positive value to waste and inefficiency. According to balance of terror doctrine, even as it has been articulated by James Schlesinger, Russia's march to a strategic balance should be welcomed since it makes for stability. It was America which, under Schlesinger, revised its position on counterforce weapons in a way which might have reasonably disturbed the Soviets.

I could go on, adding more qualifications. However, I think that the Left should focus on political, rather

than econometric, arguments, particularly since the escalators, like George Bush, dive into a bomb shelter marked Top Secret every time a point is scored against them. There is one complex of facts which convinces me that the CPD and its friends are exaggerating when they claim that all the data point to a Soviet push toward a pre-emptive first strike (Paul Nitze, one of the leading hawk theorists, argues that the Russians have been moving in that direction since 1962).

The fraudulent con job which has been pulled on the American public in this area makes me reject the case it makes. If the facts were as plain as the Cold Warriors claim, there was no reason to phony them up, as has been done.

First, the CIA estimates of Russian strength were analyzed by two "outside" committees. Only, as Joseph Kraft has pointed out, those committees were stacked with hawks. The conclusions were programmed in advance, not the least because Lieutenant General Daniel Graham, the former director of the Pentagon intelligence agency and a chief advocate of the theory that Soviet civil defense and military spending efforts mark a new militant turn, played a critical role in this "independent" review. The preordained findings were then leaked to the press, but when Bush or anyone else was questioned, they rushed down into the Top Secret shelter. Then, while every serious publication in the United States was featuring the hawk case, Major General George J. Keegan, who retired last month as Air Force intelligence chief, claimed that high ranking officers could not speak out when they differed with the Administration. Defense Secretary Brown labeled that charge "almost laughable."

The very fact that all this was done in such an artful and deceitful way persuades me that the hawk case rests more on an obsessive and hysterical anti-Communism than upon a sober assessment of the Soviet threat. But even if I did not feel this way, I would still advocate a three point program for the democratic Left. We should favor a political drive by the Carter Administration to reach a breakthrough in the SALT talks (most of the European leaders at the Geneva Congress of the Socialist International felt this was a good possibility); vigorous attempts to negotiate the reduction of conventional arms in the Vienna talks; passage of George McGovern's Defense Economic Adjustment Act which provides practical measures to reconvert arms jobs to civilian production.

This analysis suggests, I think, the basis of the democratic Left opposition to the re-escalation drive. We oppose this threat to national security, falsely posed as national protection. Therefore we propose a vigorous push for negotiated disarmament—of conventional weapons as well as the instruments of strategic terror. That, we should argue, is in the real national security interest of the United States—and, it should be added, of the Soviet Union. In saying these things, the democratic Left is neither pacifist nor committed to unilateral disarmament (though there are pacifists among us). The CPD and those of similar opinions will certainly contend that such is our position not the least because they feel that they can tear such a straw man to pieces in front of the American public.

The CPD and others who share its opinions, we should say, are the ones who are playing fast and loose with national security. We want reciprocal concessions from the Russians; we respect political commitments like America's pledge to guarantee Israel's right to exist; we understand that we live in a manifestly imperfect world of often malevolent power. It is precisely for these reasons that we see negotiated disarmament as in the American interest. As the American Committee on U.S.-Soviet Relations (George Kennan, Leonard Woodcock, Rev. Theodore Hesburgh and others) ably put it, "The security of our country, as well as of our friends and allies, must always be a prime motivation in our relations with the Soviet Union. But security today cannot be achieved by expanding armaments."

There are reasons to be hopeful. Jimmy Carter himself has resisted the hawk thesis and the second echelon in the State Department is staffed with people fairly sympathetic to disarmament. Here again, however, the point is not to have "faith" in Carter but to mobilize the democratic Left against a revival of the Cold War that could blast all of our hopes, domestic and international, and menace the very existence of mankind. □

Hartford conference . . .

(Continued from page 1)

eight to sixteen years present the movement constituency and its leaders with new opportunities to organize, to educate, and to increase our strength, and to learn how to govern effectively as we move into elected and appointed positions on the state and local level.

The Conference on Alternative State and Local Policies is a serious-minded, well-organized and, for a change, decently-financed effort to enable the electoral Left to share its experiences in using the government as a vehicle for social change. Its organizers and leaders include: Lee Webb, one of the founders of Students for a Democratic Society who is now a professor at Goddard College and an activist in the Vermont Democratic Party; Barbara Bick, a veteran of the women's, civil rights and peace movements; Sam Brown, the organizer of the 1969 Moratorium against the war in Vietnam and currently the State Treasurer in Colorado; and radical elected officials like Paul Soglin, the mayor of Madison, Wisconsin, and Ilona Hancock, a leader of the radical caucus in the Berkeley City Council. The Conference, which has met previously in Austin, Madison and Berkeley, is run out of the Institute for Policy Studies in Washington and financed in part by foundation grants.

The details of the conference were impressive. Printing and mailing were done professionally; registrants received a 280-page spiral-bound notebook with reprints of articles relevant to the conference discussions. The setting was the Sonesta Hotel, chandeliers and carpeting; suits and dresses mingled with jeans.

Dozens of organizations from all over the Northeast were there. Jim Rosapepe, the fellow who raised the

Tax Justice plank at the 1972 Democratic Convention, now runs a public-interest polling firm. CPPAX, the Massachusetts reform organization which grew out of the earliest peace politics in that state, now has a staff of five full-time organizers, fundraisers and lobbyists. Hall tables were stacked with literature from environmentalists, public interest lobbies, community groups, organizations ranging from the People's Business Commission, to the Suburban Action Institute to the Democratic Socialist Organizing Committee.

There were blacks and whites, without the posturing and without the harshness of tone that characterized so many interracial meetings just a few years ago. Women were represented on the planning bodies for the meeting and on the panels (though usually as moderators rather than as principal speakers).

It was a thoughtful, even-tempered, knowledgeable group. Sam Brown, the most visible and highest office holder present, posed some questions which set the tone. How can we use political power to achieve measurable progress toward our redistributive social goals? How can we make progress on those goals and stay in office? Given the Left's general position as a minority in the ruling coalitions in cities and states around the country, Brown seeks a lever and a place to stand to effect the social change we all desire.

Further, Brown offered a succinct set of questions combining ideology and pragmatism in evaluating public policy:

1) Does it (a proposed policy) lead to democratization of control over the process? I.e. does it avoid elitism, including the exchanging of one set of elites for another?

2) Is the action being carried out at the lowest level at which it can be done? Can we decentralize?

3) Does it avoid "beggar thy neighbor" competition with other cities, with other states?

4) Is it redistributive? Does it meet the acid test of redistribution not just allocating the surplus but digging into the core?

Banks and pension funds were a particular focus for dealing with the problems of the Northeast. The stress was on managing capital in the interests of the entire community. Paul DuBrul suggested some ways to use current statutory power to force the New York banks to serve the interests of their depositors. Legislative limits written into their charters could be made to require savings banks to invest in their home communities instead of exporting capital to Western ski resorts. Massachusetts state legislator Chet Atkins pointed to a dilemma. There's a vacant seat on his state's pension board. He could nominate someone for the position, but he had no social change advocate to propose. No one had the requisite skills and technical knowledge. All our people, he mused, went to law school; maybe it's time for movement types to consider graduate training in business and finance.

The tax reform panel started out with an a-b-c seminar on sources of state and local government revenue and moved to a detailed, technical discussion of the political obstacles to tax reform.

An element of the Conference's tone was reflected in the titles of the two panel sessions that dealt with race "Affirmative Action and Residency," and "Public Response to Racial Crisis" (such as the Boston school riots). The people who met at Hartford have to learn both how to make long term progress on racial issues and how to keep the problems from washing away the political institutions they now control.

The attitude toward private capital was cautious (avoiding the possibility of killing the goose that lays the golden eggs of employment and tax ratables) and daring (developing alternative and competitive community and state institutions) at the same time. Public enterprise on the state and local levels was emphasized, partially because that reflected the jurisdiction of the officials at the conference and partially because people apparently feared the federal government as a bureaucratic monstrosity. The national government seemed very far away from Hartford and from our concerns. The final session did focus on an appeal to the Carter Administration, though, urging federal aid directly to people and communities rather than subsidies to private capital institutions.

Many of the substantive issues discussed at Hartford were anything but new; our society has been debating them for decades. "A new generation of progressives has rediscovered the banks," said Bob Kuttner, a staffer for the Senate Banking Committee, reading aloud from Louis Brandeis' 1911 classic, *Other People's Money*. But if the issues were familiar, the spirit was fresh, strong and healthily irreverent. Imparting advice to his activist audience, newly-elected Hartford state legislator Boyd Hinds opined that "one real pain in the ass is worth a hundred headaches." □

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Jimmy Higgins reports . . .

ABC SENSE ON THE SIXTIES—Howard K. Smith of ABC-TV is not usually our favorite commentator. But in one of his pre-Inaugural nightly spots, he offered the Carter Administration some sound advice. If the new President reads only one book before assuming office, Smith said, it should be the excellent volume, *The Promise of Greatness* by Sar Levitan and Robert Taggart. Subtitled, "The Social Programs of the Last Decade and Their Major Achievements," the book, as Smith correctly noted, challenges the smug conventional wisdom that the Great Society programs were a failure. Levitan and Taggart marshall hard evidence to demonstrate that real progress was achieved in increasing employment, providing medical care to the aged and the poor, in reducing poverty and in enhancing the welfare of the general population. As we've pointed out all along, the problem was not that those programs were too daring and radical (as the conventional wisdom among even many liberals asserts). Quite the contrary. Johnson's efforts were undermined by his commitment to Vietnam escalation, to be sure. But just as surely, the effort to abolish the boom-and-bust business cycle, which Johnson hailed as an achievement of his Administration, was undermined by his Administration's commitment to the very corporate priorities the Great Society rhetoric sought to transcend. Howard K. Smith might not go that far; still, it's a welcome relief to have a major newscaster challenging the reactionary myth that we tried to do too much in the last decade.

APPOINTMENTS TO WATCH—Decisions may be made by the time this NEWSLETTER reaches you on some very promising government service candidates. Esteban Torres, co-director of the UAW International Affairs Department is being considered for a post as Under Secretary of State for Latin American affairs. He'd be the highest Spanish-surnamed individual in the Administration if he gets the job, and he's shown great sensitivity over the years to the workers' movements in Latin America. As of this writing, the career bureaucrats at State are resisting, while the UAW, Latino groups and liberal-left Latin American scholars and activists are backing him. Of course, Bella Abzug has been mentioned as a possible chair of the Federal Trade Commission; she'd be a magnificent public advocate, and she's encountering predictable business resistance. Consumers would also be well represented by Carol Tucker Foreman, currently of the Consumer Federation of America, who's being considered for appointment as Assistant Secretary of Agriculture for Marketing and Consumer Services. Labor and consumer groups are behind her, and the *Wall Street Journal* reports that Secretary Bob Bergland backs her. Ernest Green, one of the blacks who integrated Little Rock High School in 1957 and a civil rights activist with close ties to the labor movement now, may get a high Labor Department manpower and training post. Conservative forces already succeeded in stopping another promising possibility: Gar Alperovitz, co-director of the Exploratory Project on Economic Alternatives, was turned down for a post on the Council of Economic Advisors, despite support from 47 members of Congress.

A CONSERVATIVE HAS ADVICE for his comrades. George F. Will, perhaps the most thoughtful and serious of the conservative syndicated columnists, last month presented the thesis that "the Republican Party's principal problem may be that its principal idea is increasingly dubious." Quoting extensively from an Eli Ginzberg article in the December *Scientific American,* Will challenged the dominant Republican model of an economy with a strong independent private sector sapped by a growing government bureaucracy. Lockheed was recognized as "quasi-public" when the government bailed it out, and "certainly 'private enterprise' is not an illuminating description of what Litton does for the Navy," Will says. He concludes: "There is an artificial clarity in conventional talk about the U.S. 'private enterprise' system. If the GOP presents itself as the defender of a pure 'private enterprise system,' the conservative party will be trying to conserve something that no longer exists." Republicans moving beyond that rhetoric would give us a shot at serious debate about *how* the power of the government will be used and to whose benefit. Those have been the real issues for a long time, anyway.

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