

1979 Forecast: Waiting for Righty

by Robert Lekachman

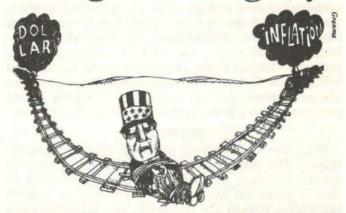
So you thought 1978 was a bad year for liberals and radicals? Just wait for 1979. I take my text from that old radical George Meany, who recently called Jimmy Carter the most conservative president since Calvin Coolidge. That may be a mite unfair to Dwight Eisenhower and Gerald Ford, who have claims of their own to the title of Mr. Right, but George may know more than I do about the Administration's next budget.

However, enough has been deliberately or inadvertently leaked on this topic to imply that if all proceeds according to White House intentions, 1978 will look like a year of revolutionary progress compared to its successor. Let us brood together on the outlook. The Pentagon's budget is slated to rise 3 percent faster than inflation, a plump 12 or 13 percent if prices keep soaring as they have been. Just to prove that nobody bullies our leader, Mr. Carter is asking for a couple of billion dollars to fill the civil defense gap. In the fevered imagination of the Committee on the Present Danger, the Russians have such classy evacuation plans that they just might start a nuclear war and suffer "acceptable" casualties of a mere 50 million souls, give or take 10 million. Don't confuse the Carter project with Nelson Rockefeller's backyard fallout shelters of the 1960s. This is planning money. Perhaps it is a new urban policy: empty the cities; send the citizens upstate; and close New York.

Squeeze on Domestic Programs

Nevertheless, the President, as Ham Jordan likes to say, is "tight as a tick." This highly selective tightness happens to focus on social and environmental spending. Having signed an outrageously inequitable tax bill that will shrink federal revenues by an annual \$20 billion, having caved in to the Pentagon and its

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numerous allies, and having promised to cut the federal deficit to less than \$30 billion, the poor man really has no choice but to extract \$15 billion or so from antipollution projects, job creation programs, income maintenance efforts, and other items of importance to the blacks, Hispanics, unions, and city dwellers who fondly hoped in 1976 that they were doing their bit to install a friend at 1600 Pennsylvania Avenue.

Carter's target appears to be the domestic half of the 1976 Democratic platform. In its last session, Congress trimmed the Comprehensive Employment and Training Act (CETA). It seems likely that the White House will shave another billion, or possibly two, off CETA allocations, maybe enough to finance the civil defense studies. Welfare reform, an \$18 billion entry in last year's budget, will either be postponed to an undetermined date or sharply reduced.

Then there is national health. Remember those notorious 1976 primaries in which at a crucial moment Leonard Woodcock swung the UAW behind Carter on the promise of the candidate's enlistment in the crusade for comprehensive medical care? This pledge, too, recedes toward the horizon. Once again the major item on the Administration's health agenda is a hospital cost containment bill at least as likely to diminish emergency room and outpatient facilities of critical importance to low income families as it is to slow the sickening escalation of hospital room rates and associated charges.

Urban Prospects Gloomy

Last year's urban program was a tattered affair limited funds for "soft" public works, aid to community groups, tax incentives for businessmen who stayed in the cities or moved into them, and a vaguely defined urban bank. Congress ignored the scheme completely. As far as New York City is concerned, this year's urban aid is likely to consist of inadequate support for a dubious housing project on Charlotte Street, the very South Bronx site to which Jimmy Carter

On the odds, Carter will be born yet again as the liberal Democrat whom he briefly impersonated in 1976.

came to be televised. Without rehabilitation of the surrounding area and an array of supporting services, there is little hope that the \$32 million low-rise co-op destined for the neighborhood can do much for anybody. Edward Logue, the man in charge, calls the project a "leap of faith." Translation: where the devil will the rest of the money come from? One anonymous planner remarked, "I'm afraid the Charlotte Street project may be—three years from now—our Vietnam."

Trusting the Banks

Why does our religious president do such dreadful things? The current all-purpose excuse is the crusade against inflation, the very latest moral equivalent of war. Trading on the current popularity of general beastliness toward the powerless, the Administration has all but openly announced its intention of starting a recession, making prices behave, and triumphantly reflating the economy in early 1980 in time to stave off Jerry Brown, Teddy Kennedy, Pat Moynihan, Frank Church, George McGovern, and other saviors of the Republic who might challenge Mr. Carter in the New Hampshire primary.

Now, the best way to start a recession is to take seriously the same bankers who lost a bundle on bad loans to real estate investment trusts, anti-communist dictators, tanker tycoons, and faltering department stores. These are the folks who nearly precipitated bankruptcy in New York City by suddenly refusing to handle the city bonds and notes from which for many years they had cheerfully profited. Bankers, patriotic to the core, know that the way to cool inflation is to raise interest rates which, by fortunate coincidence, happens to be the price of the commodity in which they trade.

Is There a Silver Lining?

I fear that I am sounding like just another middleaged grouch, so I had best turn to the good news. Luckily for the rest of us, bankers and economists, present company naturally excepted, are lousy prophets. I don't for a minute doubt the capacity of a president and the Federal Reserve to cause a recession. What they can't do is control either its duration or depth. Accordingly, it is likely that around Labor Day Congress and the president will note that unemployment rates are continuing to rise and beginning to threaten the welfare of white, middle-class citizens and that, contrary to the hopes of Administration economists, the recession shows no signs of bottoming out, to use the term in vogue. In salutary panic, politicians small and great will abruptly switch the fiscal and monetary signals, and declare the battle against unemployment the next moral equivalent of war.

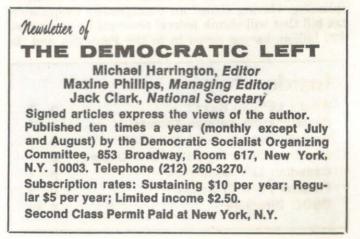
The last president who got himself reelected during bad economic times was Dwight Eisenhower, the most popular president of the last generation. Carter, it is almost cruel to observe, is no Eisenhower. He will no doubt remember that Nixon, a mere vice president in the 1950s, lost to John Kennedy in 1960 because he was unable to avoid implication in the minor recession of that year. On the odds, Carter will be born yet again as the liberal Democrat whom he briefly impersonated in 1976.

I do not advise waiting until unemployment edges up two or three percentage points before joining the resistance to the Carter design. Resistance there will be even in the current national mood. Republican as well as Democratic mayors and county executives have been maintaining public services with the aid of CETA funds. The municipal lobby will mobilize against budget cuts that require layoffs among policemen and firemen as well as mere teachers and social workers. Although the new Congress will be the worse for the loss of Dick Clark, Thomas McIntyre, William Hathaway, and Floyd Haskell, there are some interesting liberal newcomers, among them Carl Levin from Michigan, Paul Tsongas from Massachusetts, and Bill Bradley from New Jersey. In Illinois, Abner Mikva won his biennial cliffhanger by several hundred votes, a vast enough margin so that he now calls himself Avalanche Abner. As the economic news worsens, Congressional liberals will take heart, win allies among the moderates, and substitute some progressive measures for the social sabotage now projected.

None of the above amounts to much more than a silver lining. It's too bad when the best hope for retention of our rickety welfare state, let alone its improvement, is early evidence that bankers' remedies surprise! surprise!—mostly help bankers. My guess is, all the same, that by this time next year Jimmy Carter will have sincerely forgotten all about budget cutting, high interest rates, and the wholesome impact of a small recession.

Remember, you read it here first.

DSOC National Board member Robert Lekachman is Distinguished Professor of Economics at Herbert Lehman College of the City University of New York.



What's LEFT to Read?



by RONALD RADOSH

Cultural criticism on the Left often appears as an afterthought to political and economic analysis. Therefore, it is a pleasure to report on *Cineaste*, a political film magazine, whose stated purpose is to publish film criticism which deals with cinema in its social, political and economic contests.

Its current number, Vol. IV, no. 1 - "The Working Class Goes to Hollywood" (available from 333 Sixth Ave., N.Y., N.Y. 10014, \$1.50)-reflects on the way in which the working class has been treated by Hollywood. Al Auster and Leonard Quart offer a long assessment of the most recent examples, "F.I.S.T." and "Blue Collar." In these films, they write, "one increasingly gets the feeling of images drawn from '30s Warner's social melodramas, harnessed to the ideology of the '50s, and used to explain the malaise of the '70s." In older films, the working class was shown to need charismatic leaders since, on its own, it didn't have the courage to initiate action against the bosses. In the newer films, working class alienation is blamed on union leaders like Johnny Kovak/James Hoffa, who quickly learn that "success and power replace solidarity and justice as ideas to live by."

Of course, the authors are aware that union corruption exists. What they object to is making that corruption the central cause of what destroyed the American Dream for American workers. In contrast, they point favorably to films like the Italian Marxist Eli Petri's "The Working Class Goes to Heaven" and independent documentaries like "Union Maids," both of which show "a working class with a culture and identity that is both alive and able to fight its own battles without organized crime or charismatic heroes to aid them." Arguing that neither exemplary stereotyped working-class heroes nor the boys at the Bay Ridge disco are "authentic" representatives of the real working class, Auster and Quart express the fear that Hollywood will do for the working class what it did in black exploitation films, "use, abuse and betray." Their contemporary appraisal is complemented by a historical survey by Peter Roffman and Jim Purdy that analyzes films of the '30s.

Irving Howe Confronts Leon Trotsky

Irving Howe's Leon Trotsky (Viking Press, 1978, 214 pp., \$10) has been widely reviewed. I will not attempt to duplicate the efforts of the experts on these pages. However, I want to call attention to the work, not for its assessment of Trotsky's role in history, but for its solid critique of the Bolshevik myth.

Peter Clecak recently wrote that no one "ever re-

covers fully from a bout with Trotskyism." Irving Howe, as this book shows, is certainly an exception. Noting candidly in the introduction that as a young socialist he had come under Trotsky's political influence, Howe explains that "even though or perhaps because I have remained a socialist, I have found myself moving farther and farther away from his ideas."

Yet, because Howe maintains his respect for Trotsky as a figure of "heroic magnitude," his critique of what he terms "the overpowering myths" of Bolshevism strike home. Careful scrutiny of the most recent scholarship on the October Revolution leads Howe to reject both schools now dominating Western thought about that event. One school argues that the Bolshevik vanguard led the revolt; the other sees it as the doing of a small conspiratorial minority. Like the new revisionist scholars, Howe treats either explanation as a simplification, and puts the stress instead on error, accident and missed or taken opportunties.

Howe does not shirk from raising alternatives that might have been taken. The masses of workers and soldiers, he argues, sought a Soviet government—a coalition of left wing parties committed to reform and calling of a Constituent Assembly. Clearly sympathizing with left-Mensheviks like Martov, Howe concludes that "as one looks back upon the historical sequel to the Bolshevik seizure of power, it is hard to believe that the fate of Russia would have been worse had the party" followed the moderates.

Howe shows admiration for Trotsky's literary criticism, as well as his cogent and unheeded warnings about the rise of Nazism; he is equally harsh—rightfully so—about the authoritarian bent revealed by Trotsky in *Terrorism and Communism*, which Howe notes "breathes the arrogance of the ruler lodged in power." Even if one accepts the premise that Civil War allows no niceties as to the choice of method, Howe argues that Trotsky does not "stop to ask himself whether these premises must be fully accepted and without question." This is what Howe's book is about. He does not accept them, and he asks precisely those questions which avowed Leninists and uncritical admirers of Bolshevism then and now never pause to ask.

Older democratic socialists and libertarian Marxists are more than familiar with such arguments. But for a generation new to the history of twentieth century radicalism—a generation which sees H. Bruce Franklin's adulatory collection of the edited works of Stalin find a major American publisher—Howe's book is especially meaningful.

Historian Ronald Radosh is a member of the DSOC National Board.

Notes from a Socialist Past Remembering Norman Thomas

The following article is excerpted from remarks made by John Herling at the Eugene Debs-Norman Thomas Award Dinner at the National Press Club November 14, 1978. Herling was given an award by the DC-Maryland DSOC for his achievements during a lifetime of commitment to the socialist cause. Eds.

by JOHN HERLING

Fifty years ago Norman Thomas made his first run for the presidency on the Socialist ticket. Eight years later, in 1936, the Socialist News Bureau was installed on this floor and I was designated chief of the bureau —a heady title. I had become a full-fledged Washington correspondent! The rent money came from comrades and friends. The main cash crop came from my being a stringer for Time, Inc., which did not yet boast a full blown Washington bureau.

Mary Fox, who was soon to become my wife, said, "A loaf of bread, a mimeograph machine and thou," and a philosophy, were enough to go on. All in all, there was considerable uncertainty, but hardly any anxiety. By that time I had already had the unique opportunity of working with Norman Thomas in New York at the League for Industrial Democracy, during what I would call its golden decade.

In fact, Norman Thomas' operating base was the LID, which was separate and apart from the Socialist Party. The latter was growing, attracting students and younger workers (mostly unemployed). It also drew on the traditional support of the socialist garment union in the New York and Chicago areas and a broad scattering of many who had voted for Eugene V. Debs in his presidential campaigns from 1900 to 1920.

Hopeful Campaign, Daring Campaigner

Norman had become one of the country's most popular lecturers. His fees were numerous and were turned back to the LID. He was at home with a wide variety of audiences. He was sought after by labor and college gatherings. His words brought a quiver and a smile to the faces of strikers and unemployed. With Norman up there, they were no longer alone.

In 1932 — in what perhaps was his most hopeful campaign, he shone against a trio of pedestrian opponents: Herbert Hoover, Franklin Roosevelt - FDR had not yet begun to soar - and William Z. Foster, the Communist. Norman was then nearly 48 (his birthday is November 20). He was a handsome presence: six feet four; keen blue eyes; a bold bald head; a smiling thoughtful face; a rousing voice which could boom and cut. He explained things without talking down. His passionate utterance was often relieved by humorous turns of phrase and by the use of ridicule without malice which had the audiences in the aisles. He brought high purpose and daring which his opponents could envy but never match. At a time when the nation foundered in deep unemployment, swamped in its worst depression, Norman Thomas came forth advocating his socialist philosophy.

As a socialist, he was criticized by the Communists for not being Marxist enough and by the cautious as being too idealistic or too far to the left for the average voter. Moreover, he was what is known as an intellectual. He set forth a program for economic and social democracy in which he attempted to cope with issues other candidates shunned.

He was often hailed as the second Eugene Victor Debs—a comparison he accepted as flattering, but which in candid self-appraisal he rejected as inappropriate. Both men had eloquence, but Debs, the magnificent agitator, never questioned the premises of his Socialist faith.

Thomas never ceased to question and expand upon the socialist position. His first full book, America's Way Out, arose, he said, from two desires. First, he said, he aimed to answer his own inner questioning. That questioning, he said, "came nearer to interrupting some of my speeches than any heckler"; and second, he wished to set forth his position more fully and carefully than is ever possible in a speech or article. He also hoped, he said, "to correct some of the absurd misunderstandings of socialism still current among non-socialists, and to start among socialists and nearsocialists a healthy facing of facts and an examination of those stereotyped answers which every great movement develops in lieu of real wisdom." This last sentence struck some of the partisan socialists as presumptuous and arrogant. Here was a comparatively new recruit already questioning orthodoxy.

He sought always to avoid the pitfalls of dogmatic and oracular utterance. Some tended to sneer at his insistence on the importance of immediate demands, and called them "reformist" and "superficial." He replied patiently but sharply: "It is rather dangerous nonsense to conclude that every practical program is merely reformist and to go uttering great generalizations about human affairs as being the whole duty of man. So complex is our life that it is increasingly dubious whether a responsible man or woman has a right to indulge in the most well-merited denunciation of an institution without at least an ouline of a practical alternative program in mind. Wisdom for the future is not *automatically* born of *righteous indignation* or even of *correct* generalizations."

His 1932 campaign gathered almost sensational momentum. His running mate that year was James H. Maurer, president of the Pennsylvania Feedration of Labor, who once said: "Norman came to us during World War I when many were running away."

Norman and his associates thought big. The 1932 platform called for a ten billion dollar program of public works, a six-hour day and a five-day week with no reduction in wages. It proposed free public employment agencies, compulsory unemployment compensation based on contributions by government and employers, old age pensions for all over 60, health and maternity insurance, and a long list of other impossible dreams.

That year the AFL Executive Council issued the traditional non-partisan statement but blasted both the Republican and Democratic platforms. That did not prevent John L. Lewis and the Carpenters' Big Bill Hutcheson from supporting Herbert Hoover. Teamsters' President Dan Tobin and George Berry of the Printing Pressmen supported Roosevelt. When one dissenter noted that the Democratic platform failed to include a plank favoring collective bargaining, FDR labeled it an "oversight" and said he would deal with it in a campaign speech. He didn't—not during the campaign. Mrs. Roosevelt, working with the Women's Trade Union League, would have liked him to, but more practical advisors apparently considered it inexpedient.

Lasting Impact on Many Lives

I must digress a little: Last June, there appeared in the Op-Ed pages of many newspapers, including the *Wall Street Journal*, a quarter page ad inserted by *Reader's Digest*. It displayed a campaign button with the face of Norman Thomas: *Vote Socialist*. *Thomas* for *President*. The text read: "He [Thomas] never got elected. But he altered our government. Norman Thomas—he never scored more than 2.2 per cent of the popular vote—always a candidate, never a President. For years, people thought his Socialist ideas outlandish. Yet the hard luck years of the Thirties saw many of his theories, for better or worse, put to practice. And the role of our government was changed, perhaps forever. Which proves a point: One person *can* move mountains, even from the sidelines."

Nobody made so clear the central issues of our time: civil liberties and civil rights and the development and support of a democratic labor movement

The Reader's Digest didn't go so far as to say that it was not Norman Thomas standing alone, but his socialist philosophy and his socialist following that have made the difference in millions of lives. What the Reader's Digest discovered, somewhat belatedly, was that Norman Thomas lighted up an era. The afterglow is still with us. Norman gave so much of himself to the shaping of the public good, exerting a powerful, intimate, formative influence on the lives of individual human beings who came to him and he to them. Nobody made so clear the central issues-the continuing issues-of our time: civil liberties and civil rights and the development and support of a democratic labor movement in all its ramifications. His words and thoughts were his own. Nobody ever ghosted a line of his many books or his 20,000 speeches, or wrote a scenario for his political and social conduct. He was a vibrant, open and generous warrior.

When the New Deal swept many of the nation's liberals into a mood of self-congratulation, he helped shake up the nation—by dramatizing the plight of

Reaching the Young

On the tenth anniversary of Norman Thomas' death, December 19, 1978 was declared Norman Thomas Day at the New York City high school named for him. This was one of many activities, including poster and quiz contests, special assembly presentations and a scholarship program, that keep Thomas' memory alive for the students.

the Arkansas sharecroppers. But agitation was not enough. For him, it was a natural step to help organize the Southern Tenant Farmers Union, probably the first continuing bi-racial farm workers' organization. Through him, industrial workers identified with the rural and migratory workers. The social and economic exploitation of the city and farm were parts of the same challenge.

With Roger Baldwin of the American Civil Liberties Union, he was co-founder of the Emergency Committee for Strikers' Relief—a "sort of labor Red Cross" as he modestly described it. This began in the 1920s and went on for years until it developed with other groupings into the Workers Defense League. The textile workers in New Jersey and Virginia and in Marion, North Carolina, mine workers in Pennsylvania, in West Virginia and Illinois, the union field workers in Ohio—all came to him. At that time, there seemed nowhere else to turn. Even the International Ladies Garment Workers Union, unable to heat its offices in the dead of winter, sought his help to keep their modest headquarters going. He never exacted or expected a *quid pro quo*.

He was profoundly concerned for the extension of democracy in every part of society, including the trade union movement. When the organization drive in the rubber, auto, and electrical industries got under way, Norman Thomas was a source of financial support and a character credential for the emerging young leadership in various localities. Because his appeals for funds were timely, the effectiveness of the aid he gathered had a multiplying result. The sums were not great; the impact was.

His intellectual energy was the cutting instrument of his compassion. While his constituency was global, it was to the generations of the young that his appeal never lessened. Two months before he died in December, 1968, he was flat on his back dictating and revising chapters for another book. He was most anxious, he said to me, to have the youth of the nation understand that there are worthwhile choices to be made in life, short of the perfect and the ideal. Even to short term goals, he said, one can give oneself utterly.

George Orwell once wrote: "To see what is in front of one's nose needs a constant struggle." I can only say that a good life is worth the struggle. This award you have given me tonight strengthens my resolve as a writer and an individual to help in the struggle. \Box

John Herling is the editor of John Herling's Labor Letter.

Socialist International Reaches Beyond Europe



DSOC National Chair Michael Harrington addresses the Socialist International Congress in Vancouver.

by JACK CLARK

"The Socialist International (SI) is in the process of internationalizing itself."

That was SI President Willy Brandt's comment near the close of the 14th post-war Congress of the SI, which was held November 3-5 in Vancouver, British Columbia. The very location of the meeting was one indication that the world social democratic movement is reaching out beyond its traditional European ghetto. This was the first significant meeting of the International in North America, and, as the Japanese delegates gladly noted, the first Congress "in the Pacific region."

The geography brought its advantages. For the parties in the Pacific region (chiefly the Japanese, New Zealand and Australian parties), it was relatively easier to send full delegations, and they all did. Of course, the greatest advantage accrued to the Canadian New Democratic Party (NDP). Hundreds of Canadian observers attended the three-day Congress and the two-day Conference of the International Council of Social Democratic Women which immediately preceded it. Among the prominent Canadians who addressed the meetings were: NDP Federal Leader Ed Broadbent; former B.C. Premier David Barrett; Canadian Labour Congress (CLC) President Dennis McDermott; and B.C. MLA and defeated candidate for Federal Leader, Rosemary Brown.

Growth of the NDP can help legitimize our political perspective for the U.S. Early in this century, the Canadian socialist movement was even weaker than its American counterpart. As the Canadians advance their socialist cause, some of the North American belief in exceptionalism (socialism is an important movement everywhere except here) will crumble.

Reaching Out to the Third World

In terms of internationalizing the SI, the outreach to the Third World was more significant than the North American angle.

Throughout the Congress, Brandt and other leaders of the International stressed the need for solidarity with the Third World on two general efforts: the overthrow of racist and repressive regimes; and the establishment of a new world economic order.

In closing the Congress, Brandt declared that "1979 must be the year of freedom for Namibia and Zimbabwe." Observers from the major African liberation movements were present at the Congress, and one of them, Neo Mnumzane of the African National Congress in South Africa, received a standing ovation after his Saturday afternoon address.

In the two years since Brandt and SI General Secretary Bernt Carlsson assumed leadership of the International, solidarity with the liberation movements in southern Africa has taken on great importance. The International has called on member parties to step up assistance to the front-line African states resisting South Africa and Zimbabwe (Rhodesia). European socialist governments have cut off arms sales to the South Africans, and the Scandinavian socialists have taken the lead in the United Nations for a complete cutoff of investment in South Africa.

At this Congress, Jose Francisco Pena Gomez of the Dominican Republic could bear witness to SI's solidarity in Latin America (see NDL, September 1978). As Brandt noted in his opening remarks, Pena Gomez came to this Congress as the leader of a party in government. Two years ago, his party, the Dominican Revolutionary Party (PRD) operated as a semilegal entity. The poll-watching operation organized (Continued on page 11)

At the Vancouver Congress the Democratic Socialist Organizing Committee achieved a goal set at its founding convention five years ago. It was admitted as a full member of the Socialist International.

Two years ago, DSOC received consultative member status at the Geneva Congress of the International. That meant that our representatives had voice but no vote at SI Congresses. As full members, we have both voice and vote. Since the International functions as a consensus organization, the vote itself does not matter greatly. Two things do count. One, as full members, we're entitled to representation on the Bureau of the International, which is the governing committee between meetings of the Congress. Second, full member status signifies increased prestige in the international movement and serves as recognition of the organization's progress since its October 1973 founding.

On the vote admitting DSOC, there was only one dissent—in the form of a recorded abstention—by Social Democrats, USA, the other affiliate from the U.S.—J.C.

New Deal Dems Fight Raw Deal Dems

by NANCY LIEBER

Contrary to general expectations, the Democratic Party Mid-Term Conference held in Memphis December 8-10 encountered a strong challenge by the Party's left wing to both the Party leadership and governmental policies of the Carter Administration.

In what Party Chair John White unwisely portrayed as a vote of confidence in the President, 40% of the delegates endorsed a last-minute resolution condemning the Administration's recent austerity pronouncements.

The broad coalition of liberals and progressives from the labor, minority, women's, environmental, farmer and reform constituencies of the Democratic Party mounted its successful effort to "open" the conference via two groups. The DEMOCRATIC CONFERENCE, led by Minnesota Representative Don Fraser, worked to change the originally stifling *conference rules*. The DEMOCRATIC AGENDA, headed by DSOC Chair Michael Harrington and coordinated by Marjorie Phyfe, was able to bring all eight of its *issue-oriented* resolutions to the convention floor.

The Democratic National Committee's (DNC) response to these eight resolutions illustrates the erosion of its control during the course of the mid-term proceedings. A week before the conference, the DNC accepted among the two dozen official resolutions the four DEMOCRATIC AGENDA resolutions on tax reform, full employment, civil rights, and President Carter's Mid-East peace efforts. Then three days prior to the conference, DEMOCRATIC AGENDA organizers assured consideration of their remaining four resolutions by filing petitions bearing the requisite 25% of delegates' signatures. At that point, fearing that the resolutions might have a chance of passage on the floor, the DNC sought to compromise. Through the efforts of UAW President Doug Fraser, the DEMOCRATIC AGENDA won a stunning victory as the final "compromise" resolution on National Health Insurance stipulated that such legislation be enacted in the next Congress (a timetable originally opposed by the White House). Similarly, Minnesota's Democratic Farmer Labor Chair Rick Scott worked out a "compromise" with the

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Canadian Left Stages Comeback

by ERIC LEE

There is no longer any doubt about it. The New Democratic Party, Canada's democratic socialist party is on the move again.

The surge that began in the early 1970s with the NDP's victories in Manitoba and British Columbia came to a crashing end in electoral defeats in BC, Manitoba, Ontario and the last federal elections.

But the party's upswing—predicted in these pages last April—has now been confirmed all across Canada.

For the first time in the history of the NDP, it has succeeded in electing a socialist to the federal Parliament from the maritime province of Newfoundland. The significance of this event lies in the traditional weakness of democratic socialism in eastern Canada. Using 600 volunteers and winning over 12,000 votes, the NDP easily defeated the Conservative and Liberal parties which had dominated Newfoundland politics.

Meanwhile, the NDP in New Brunswick increased its vote in the October provincial elections from 9,200 to 20,950, more than doubling its strength, and receiving, in some districts, 20 percent of the vote.

The NDP took a couple of new seats in the federal Parliament in by-elections in Ontario, where the party is adjusting to a new leadership. The NDP vote increased in every single by-election held in Ontario. In one district, the NDP share rose from 4.6 percent of the vote in 1974 to 43.5 percent—electing a 27year-old candidate who campaigned on the issue of full employment.

Third Term in Saskatchewan

But the final, definitive proof of the NDP's renascence comes from the province where Canadian socialism has always been strongest—Saskatchewan. In the October 18 elections, the NDP crushed the Conservative and Liberal oppositions by capturing almost 225,000 votes, 44 seats in the 61-seat legislature, 47.5 percent of the vote, and a third term in office.

Trudeau's Liberals were decimated in the Saskatchewan election, losing all 15 of their seats in the legislature and more than half of their votes. The muchvaunted right wing attack on the NDP fizzled as the NDP mounted a successful campaign around the issues of provincial control of natural resources and defense of Saskatchewan's model medicare system.

These NDP victories have some important lessons to teach American socialists. The NDP faced a growth of right wing opponents similar in many ways to our own American conservatives. One NDP writer remarked: "In their appeal to small mindedness, to greed, to racism, to those who have gone sour on humanity, to the self-centered 'me' generation, the Conservatives represented the public's Doctor Jekyll personality, the dark underside of the body politic." That description can apply as well to the Bell campaign in New Jersey, the "right to work" campaign in Missouri, or the Younger campaign in California.

Confronted with a resurgent Right, the New Democrats have gone on the offensive and the result, at least in Saskatchewan, was a "great victory for democratic socialism in Canada" (as one NDP legislator put it).

It was, in fact, a victory for us down here as well.

Eric Lee is editor of The New International Review, a democratic socialist quarterly.

Activists Eye Billions in Pension Funds

by DAVID HOFFMAN

"The battle over control of pension capital, and with it the control over parts of the American economy, will be one of the central economic battles of the next decade." Jeremy Rifkin & Randy Barber

Who "owns" pension funds anyway, the trustees or the workers? And should workers have a say in how their funds are invested? Should union and public pension funds from industries and government in the northeast and midwest be spent on regional economic development rather than be sent to finance largely nonunion industry in the Sunbelt?

Finally, how would retirees feel if their benefits were cut because a socially desirable investment turned economically sour?

These are the questions being asked today by a highly diverse collection of interested parties—union members, politicians, and the financial and corporate community.

After delaying a year, the Carter Administration appointed the first presidential blue-ribbon commission to develop a national retirement policy on both social security and pensions. The two-year commission is chaired by Xerox's top executive, C. Peter McColough. Ralph Nader, meanwhile, has founded a Citizens' Commission on Pension Policy to watchdog the McColough commission's work.

The past three decades have witnessed the creation of massive sums in pension fund assets, a remarkable form of social capital now worth hundreds of billions of dollars. In the past several years, a new and fascinating network of American activists has begun to rally support for the social control of pension investments—or what is called "the strategic possibilities of challenging capital with capital."

"Modest proposals are for gentle times," say two "movement" organizers, Jeremy Rifkin and Randy Barber, authors of a powerful new analysis of the political possibilities of pension power. "These are not gentle times for organized labor or for the old industrialized states of the north." Their study chronicles how both unions and local and state governments of the northeast and midwest (which they call the 'Graybelt'') are on the economic skids as runaway capital and production seek a better "business climate" in the Sunbelt and overseas.

"Industrial Ghost Towns"

"The northeast/midwest corridor is fast becoming a strip of giant industrial ghost towns," they declare. "Businesses are leaving, jobs are leaving, the tax base of local and state governments is eroding, and far from true.

A New Propertied Class?

The late Senator Dirksen used to say, a billion here, a billion there, and pretty soon you're talking real money. Pension capital is "real money," and lots of it.

Around \$280 billion is now in theory available to 35 million workers in the private sector. Another \$130 billion resides in state and local pension funds. In fact, public employee pension funds have been the fastest growing segment of the nation's retirement system in the

"The private capital sector—the banks and the corporations—has begun to redline the entire region from Chicago to Boston."

public services are being cut back drastically.

"The private capital sector—the banks and the corporations—has begun to redline the entire region from Chicago to Boston."

"Regional redlining" is simply another term to describe uneven development in a capitalist economy. The industrial and financial heartland of America now hemorrhages both jobs and capital. On the other hand, millions of U.S. workers belong to pension funds which are to a striking degree "owners" of much of American enterprise. The average worker in a pension plan today has a capital stake of about \$8,000.

It is a stunning contradiction. Billions of dollars of deferred wages of American workers are deposited in pension funds which they own but do not control. Most pension funds, under agreements with sponsoring companies or labor unions themselves, are managed by banks and insurance companies. The terms of such agreements vary, but generally they give the managers almost unfettered authority to invest the fund assets in ways calculated to get the most return on the dollar.

In theory, the funds are managed on sound actuarial principles so as to guarantee future retirement benefits. In practice, this often proves past seven years, expanding at nearly 17 percent annually. Also, \$55 billion is held by federal retirement programs outside of social security.

To Rifkin and Barber among others, this new form of wealth makes U.S. workers "a new propertied class." Both as workers and owners of their pension rights, they stand "at a critical crossroads, as were the colonists 200 years ago," add Rifkin and Barber in an echo of their earlier work with the Peoples Bicentennial Commission—now reborn as the Peoples Business Commission.

Their book, The North Will Rise Again: Pensions, Politics and Power in the 1900s (Boston, Mass.: Beacon Paperback, \$4.95), appeared in 1978 and serves as a powerful rallying cry for the movement to bring worker and public control over investment. In October, the two joined a group of nearly 60 public officials, politicians and trade union staff in Washington D.C. at a conference devoted to understanding the potential of pension funds -primarily public funds-for social and economic change. The conference was hosted by the staff of the Conference on Alternative Local and State Public Policies. housed at the democratic leftist think tank, the Institute for Policy

Studies (IPS).

This conference was another link in the chain of events which makes the public control of social capital so troubling a prospect to the guardians of American corporate capitalism. Barron's magazine, in fact, warned its readers in 1976 of the dangers of this "New Left" scheme and identified the IPS as its nerve center. Whether any nerve center seeking the public allocation of capital can truly be identified is beside the point. For the investment community, though, it is an article of faith that to lose control over pension capital would be tantamount to losing control over the entire U.S. economy.

"The funds must be available for capital markets," says an attorney whose firm represents the pension interests of certain giant corporations. The chief of one of the top five U.S. firms states quite bluntly, the main source of capital for the future of his enterprise is pension capital. He says these funds will dominate capital supply for America's industrial and business ma-• chine. Without it, disaster looms in the boardrooms.

Altogether, this pool of nearly \$500 billion already totals about one fifth of the nation's financial securities. Indeed, pension funds today already own between 20 and 25 percent of the stock of companies on the New York and American exchanges. The funds are growing at about 12 percent annually—or a staggering \$60 billion a year. If this growth rate continues, it will double pension assets in all funds to about \$1 trillion in only five years. According to Wall Street estimates, pension capital will provide actual control of the enterprise. Thus, as Rifkin and Barber observe, pension money belongs to workers at the present time, "but in name only."

Economic Catch-22

The real power rests with some 25 giant banks and insurance companies that in 1976 controlled over \$120 billion or one-third of all pri-

For the investment community, though, it is an article of faith that to lose control over pension capital would be tantamount to losing control over the entire U.S. economy.

nearly one-half the \$250 billion in new external funds U.S. corporations expect to raise in the next decade. This amounts to the largest pool of capital in history. If the beneficiaries of these funds, the workers, own their funds, they can own much of American private enterprise. Legal precedent already firmly establishes that pension money belongs to workers and must be considered part of their wages. Several years ago, the author Peter Drucker wrote of "pension fund socialism," while remaining adamant that this ownership remain abstract and never be confused with



vate, state and local pension assets in the entire nation. With this capital, they dominate the stock and bond markets. Without it, the Dow Jones industrial averages would crash.

"For years, the unions and the northern industrial states have been literally chasing after their own funds in what amounts to one of the most massive Catch-22s in contemporary economic history," argue Rifkin and Barber. For the two power blocs—unions and northern politicians—pension assets offer a partial way out of their economic bind. Yet the financial community is hardly likely to give up control over these funds without a fight.

New pension legislation in Congress and a pending Supreme Court decision this year will highlight the terms under which the struggle for control of pension capital will be fought. Meanwhile, public officials and union leaders are challenged to forge an alliance to win popular support for a "Graybelt" pension reinvestment strategy.

"There is no other way out if these regional economies are to be saved from further collapse," conclude the authors of *The North Will Rise Again*. Yet, until respected leaders and planners can present specific plans to make this strategy appear credible, it will remain an idea in search of its blueprints.

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- Hispanic Commission, PO Box 1805, Decatur GA 30031 Labor, c/o Shier, 3106 W. Touhy, Chicago IL 60645

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DNC on the Family Farm resolution, a compromise which called, in effect, for a *Congressional investigation of agribusiness*.

The remaining two DEMOCRATIC AGENDA resolutions —on inflation and energy (particularly pushed by the Machinists Union and its President William Winpisinger)—were clearly beyond the realm of compromise. Both called for structural economic changes, such as a publicly owned energy corporation à la TVA to compete with private companies and to "rip open the curtain of corporate secrecy," as Michael Harrington put it in his motivating speech from the floor. Despite heavy-handed efforts to soundly defeat these two resolutions (such as written claims by White House whips that the proposals called for "nationalizing oil and gas companies"), more than one-third of the delegates stood to endorse the last two DEMOCRATIC AGENDA resolutions.

An almost unnoticed victory for the left coalition occurred in the 24 workshops where elections were held for members of the 1980 Platform Advisory Committee. A majority of the 120 elected are DEMOCRATIC AGENDA supporters, and crucial panels such as Inflation, Defense, Energy, Cities, National Health, Tax Reform, Agriculture, Natural Resources and Environment are overwhelmingly composed of DEMOCRATIC AGENDA signers. (In the case of the Inflation panel, DSOC Vice-Chair Ruth Jordan led the slate to victory even though President Carter, Charles Schultze and Alfred Kahn spoke on behalf of the Administration's program.)

The original idea behind holding a mid-term conference was to permit Party members to discuss major issues and develop strategies and programs. (Many Democrats argue that had there been a mid-term conference in 1966, President Johnson might have listened to his Party on the Vietnam War, thus sparing the country eight years of Nixon-Ford.) As a result of this Memphis conference, the Carter people can no longer claim the Party is united behind the Administration. They have been told clearly and publicly that a sizeable number of organized Party activists reject the drift toward a New Right/Prop 13 mentality, and that the road to victory in 1980 lies instead in implementing the 1976 Democratic Party platform.

DSOC Board Member Nancy Lieber was a conference delegate from Democrats Abroad-Europe.

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SI, from page 6

last spring by the International made it impossible for the previous Dominican government to steal the election that brought Pena Gomez to office.

Unfortunately, some of the other regimes in Latin America don't bother to hold elections which they can steal. In reaction to the cruelty of the Somoza regime in Nicaragua, the resistance has turned to guerrilla fighting to oust the government. When a representative of the Sandinistas, Ernesto Cardenal, spoke Sunday, he was greeted with another standing ovation and pledges of support.

Dennis McDermott . . . warned the delegates not to let the issue of Third World development be posed as one of a threat to the living standards of the western working class.

The other pressing international issue discussed at length was the new world economic order. Delegates to the Congress ranged along the development spectrum, but all were agreed that a global redistribution of wealth must take place and that the advanced economies of the West and Japan have an interest in seeing greater prosperity in the Third World.

Dennis McDermott, speaking near the close of the Congress on Sunday, warned the delegates not to let the issue of Third World development be posed as one of a threat to the living standards of the western working class. Instead, he urged a common struggle against the common enemy—the multinational corporations. The leader of Canadian labor predicted that "concerted trade union action" coordinated with the socialist parties "would become the Achilles' heel of these corporations."

Jack Clark is the National Secretary of DSOC.

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Jimmy Higgins reports . .

THE DEMANDS for democracy in Peking and the release of thousands of political prisoners in Cuba rate as perhaps the most hopeful developments in the gloomy news of recent months. Prognostications about China are notably risky, given the very limited reports that reach the U.S. But the very existence of a group calling itself "the Democratic Forum" is encouraging, and the defense of its "constitutional" rights to expression by the Chinese leadership is also promising. Castro's opening of dialogue with refugee Cubans and release of prisoners offers possibilities for a genuine US-Cuba detente. It's difficult to fathom the response of the Carter Administration, which is stalling on letting the released prisoners into the U.S. More on Cuba next month.

CONSERVATIVE COALITION CONTINUES dominance in Congress. In the November 18 AFL-CIO News, Gus Tyler examines two key votes that occurred last August and September which reveal the continued strength of a conservative coalition in the U.S. House of Representatives. Both bills proposed indexes against inflation. One bill would have indexed the minimum wage; the other would have indexed the capital gains loophole on unearned income. One hundred ninety-one members of Congress voted for relief to the rich and against relief to the working poor. By picking up stray members on one or the other votes, they won on both issues. Of the 191, 125 were Republicans; of the 66 Democrats, 57 came from southern or border states. As Tyler points out, it's the same conservative coalition that's dominated Congress. with rare interruptions, since 1876.

KEEPING BAD COMPANY ON THE WHITE SIDE OF THE TRACKS - In an interview with the West German magazine Der Spiegel, South African Foreign Minister Roelof Botha describes a meeting last year with President Carter, Vice President Mondale, Secretary of State Vance and National Security Advisor Brzezinski. Botha argued that if not pressured by the West, South Africa could improve food production and health care throughout Africa. Botha says of the reaction he received: "When I finished my speech, there was deadly silence for a moment. Then Dr. Brezinski said, 'You have deeply moved us. I want to agree with every one of your words. But I am afraid that you won't have the time to fulfill your plans. The locomotive of history will roll over you.' Then he briefly hesitated and added, 'It is possible that the locomotive of history will roll over you and us!" "

LIMITS TO LIMITS-Jerry Brown, according to a report in the December 11 New Times, may be getting ready for a new political turn, this time to the left. Last spring, the California Governor, who had opposed Proposition 13, executed a perfect somersault on the tax cut issue. A month after Proposition 13 passed, there were those who thought it was the Jarvis-Brown initiative. Now the ambitious young pol senses a potential recession and sees the tax revolt as a hindrance to necessary government stimulation of the economy. As New Times concludes: "Whether Brown will enter the 1980 [Presidential] primaries as a tax crusader or the Zen FDR depends on the political weather report. 'We are never frozen in our positions,' says one key aide to Jerry Brown. 'You know there's a limit to the era of limits.""

DSOC National Convention Houston, February 16-19

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