

A Word From Some Socialist Democrats

Welcome to Memphis and to the first issues conference the Democratic Party has ever held.

Please understand that our welcome is unofficial. In fact, one of our reasons for addressing you in print is that the rules of this conference may prevent us from addressing you, or speaking to any substantial issue, from the floor.

We've been working with others to change those rules. We took a leading role in putting together the DEMOCRATIC AGENDA coalition which stands for taking the Democratic platform seriously. The DEMOCRATIC AGENDA has submitted resolutions on full employment, inflation, tax policy and health care. Several special DEMOCRATIC AGENDA bulletins, relating to the rules and issues before this conference, have been published and sent out. Across the country, local DEMOCRATIC AGENDA efforts have pulled together coalitions of trade unionists, minority activists, feminists, Democratic Party and community leaders, liberals and radicals to raise these issues.

For six years, this NEWSLETTER has sought to serve that sort of diverse coalition. We who edit and publish this NEWSLETTER are greatly encouraged by the coming together of the various elements of a liberal-left, a labor-left, an environmentalist-left, a black-left into a broad democratic Left. In addition to the DEMOCRATIC AGENDA coalition there have been other significant efforts to coalesce a broad Left such as: UAW President Doug Fraser's coalition meeting on Oct. 17 in Detroit involving more than 100 national organizations; the Citizen-Labor Energy Coalition, under the leadership of William Winpisinger of the Machinists' Union; activity in this last session of Congress around labor law reform, the Transfer Amendment, and the Humphrey-Hawkins full employment bill.

The aggressive political stance of the business com-

munity, often working in alliance with elements of the extreme Right, makes these efforts to unify the Left all the more urgent. As Doug Fraser pointed out in his Labor Day message, the numbers are on our side: "The key to opening the door to a just society is our strength in people — numbers of people. There are more of us than there are of them. More workers. More women. More minorities. More working farmers. More young and old. More progressive, humane people. More middle income, just plain people."

Fraser's analysis is compelling. We who believe in the possibility of a better, more just, more egalitarian society constitute a majority. Yet, as he has noted elsewhere, we are on the losing end of a "one-sided class war" waged by big business and its allies.

Part of the reason for that is that our own Party is letting us down. The 1976 platform remains an unfulfilled series of promises. As Jim Chapin makes clear in his analysis of the elections, you need a scorecard to tell elected Democrats from Ford Republicans. Michael Harrington puts this Memphis Conference in historical perspective and explains the choices we face here about whether or not our Party remains the Party of social change and social hope.

Making these fundamental choices needs to be the first order of business in Memphis. Will we be the Party of social stinginess and Proposition 13, or do we choose to be the Party of tax reform and income redistribution?

Our answer is clear. We stand with the broadest possible coalition for social justice; we stand for making the Democratic Party a consistent voice for that coalition.

But let us go beyond that point for a moment and in doing so explain who "we" are.

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Critical Choices Confront Party

by MICHAEL HARRINGTON

Coming to Memphis for the Mid-Term Conference, the Democratic Party faces a choice it has not had to make for more than 40 years. Will it define a new identity for itself or will it continue its drift to the right and forfeit the role it won a generation ago as the mainstream Party of social justice in the United States.

Until the Seventies the Party moved in a fairly steady path towards social equity. In the Thirties it pioneered in the creation of the welfare state. Social Security, the minimum wage, unemployment compensation, a national policy in favor of collective bargaining and many other progressive measures date from that period. In the Forties, the Rooseveltian thrust was enlarged when Harry Truman came out for the next great advance—a national health system. The Sixties were a time of renewal, tragically aborted by the escalation of the unconscionable American intervention in Vietnam. Nevertheless, the Kennedy-Johnson years gave the country Medicare and Medicaid, increased Social Security benefits and brought a full employment commitment that fueled the longest sustained boom in our history.

Programs Built on Democratic Majority

These innovations had the support of a Democratic majority. In the Thirties the trade union movement entered the Party *en masse*. Blacks who had the vote left the Republican Party of Abraham Lincoln to become the most solid single constituency in the Democratic Party of Franklin Roosevelt.

Paradoxically, during the Sixties the Democrats attracted many from the new, expanding, generation of the college educated young because the Party was the focus of the challenge to a Democratic president.

However, we cannot look at these events through rose-colored (even pink-tinged) glasses. While it is true that organized workers and blacks came into the Party in the Thirties, the Dixiecrats remained, and, as time went on, forgot their populist roots and often added anti-labor "Right-to-Work" and other reactionary elements to their racism.

The Rooseveltian reforms, for all of their progressiveness in their times, accepted the basic corporate infrastructure of the economy as sound. This unwarranted assumption led, more often than not, to a welfare state that did more—much more—for the rich than the poor. That is one of the reasons why there has been no significant shift in the maldistribution of income and wealth in this country since World War II!

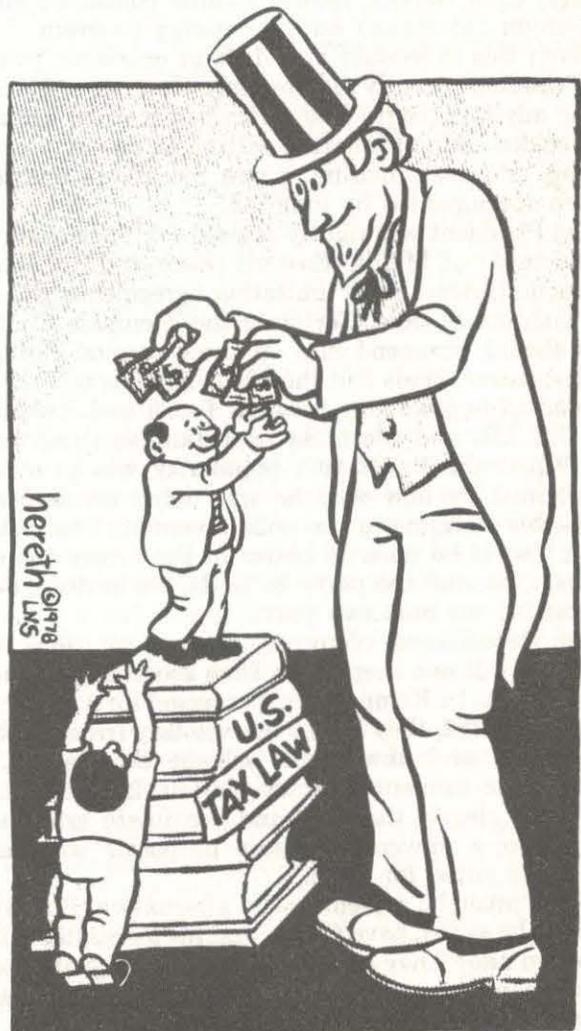
But, with all of these limitations and contradictions, the Democratic Party was, and is, the Party to which people turned when serious domestic problems had to be faced. That fact, more than any other, provided the basis for Jimmy Carter's election in 1976.

Failure to Meet New Crisis

Once again, the country faces a crisis and the Democratic Party must redefine itself in order to be able to respond forcefully. The liberal innovations of the last

generation are now the established system of this generation. The problems of the late Seventies—above all, the phenomenon of simultaneous recession and inflation—cannot be solved by the conventional wisdom of the Thirties, or even that of the Sixties. When one looks at the recent Democratic record in measuring up to this challenge, the results are far from reassuring.

"Democrats Write a Republican Record" was the way a headline in the pro-corporate *The Economist* summed up the 1978 Democratic Congress. Alas, there is much truth to the charge. Congress rejected labor law reform, a moderate proposal to guarantee the right to be a trade unionist. It gave billions of dollars in tax cuts to the affluent and shortchanged the great mass of the people. It deregulated natural gas, thereby soaking the consumer and institutionalizing further inflation. It watered down the Humphrey-Hawkins full employment bill so that it was acceptable to a right winger such as Senator Dole. The list goes on. There were, to be sure, a few victories, such as the ERA deadline extension and a raise in the minimum wage. But on the whole this was a cautious, confused, conservative Congress—under Democratic leadership.



LNS/cpf

[Bureau of the Census figures show] that in 1974, the lowest fifth of the families had 5.4 percent of the income and the top fifth 41 percent. . . . A quick glance back to an early post-World War II year, like 1947, shows that the lowest fifth had 5.1 percent of the income and the top fifth had 43.3 percent. It took the lowest fifth 27 years to pick up .3 of a percentage point.

GUS TYLER

*The Other Economy:
America's Working Poor
The New Leader, May 8, 1978*

On some issues the White House was better than Capitol Hill. For a while Carter fought the tax giveaways and probably moderated the windfalls to the rich. Then he embraced Congress' anti-egalitarian product and, adapting to a Proposition 13 mood, pretended that it was a positive good.

Hollow Support from White House

On critical issues like full employment and labor reform the President often gave formal assent, but never devoted the energy to those questions that he summoned up for the fights on the Panama Canal Treaty, Civil Service reform (which contained some anti-union provisions) and the energy program.

Given this indecision and drift in economic policy, the President recently did precisely what one of his economic advisors, Barry Bosworth, had warned against. He decided to fight inflation with tight money, i.e., by risking, and even inciting, a new recession—one that will be accompanied by inflation.

The President was rightly praised for his persistence in the cause of Middle Eastern peace and his efforts to reach strategic arms limitation agreements (SALT II) with the Soviets. Certainly the Memphis Conference should commend him on those counts. But the 1979 economic crisis and the 1980 elections will not be decided in negotiations between Israel and Egypt or the U.S.S.R. and the U.S., important as those talks are. When the President's popularity was primarily determined by how well he was doing on domestic issues, his standing in the polls plummeted to a sickening low. If he does no better in the future than in the past, he, and the party he leads, are in deep, deep trouble for the next two years.

The Republicans, of course, have no solutions, but that fact will not keep them from mounting a demagogic attack. In Kemp-Roth, a proposal for a one-third tax cut by 1982, they have a marvelously irresponsible, inflationary and unworkable scheme that might attract people tormented by stagflation. In Proposition 13 we see clearly that real and legitimate grievances can power a movement whose proposals will harm those who voted for them.

There must be a Democratic alternative. But why, it might be asked, have Carter and his associates failed to design one? They are shrewd and intelligent people in command of a gigantic governmental apparatus. Why have they failed thus far?

The answer is that the adequate response to recession-inflation requires measures that are, in our day, as structural and seemingly radical as Franklin Roosevelt's measures were in his day.

An anti-inflation program has to deal with the real sources of the price rises. For instance, energy prices have, in real terms, been falling in the last few years. Why do other prices continue to climb? The answer lies in the fact that corporations have the power to fix prices and do not respond to contracting markets by lowering prices. On the contrary, they can raise prices in the middle of a recession. In the same year, General Motors laid off tens of thousands of workers and increased the sticker price of a new car by \$1,000. We live in an economy where the market is rigged by giant corporations. That is the key source of inflation.

Carter Policies Encourage Inflation

Wages, as Mr. Carter's Council of Economic Advisors said earlier this year, have been chasing prices, not the other way around. Government spending as a percentage of a full employment Gross National Product (GNP) has been relatively stable. Thus, an anti-inflation program should focus on corporate power, on profits and prices, and leave wages alone. That is a relatively radical idea and the Administration is doing almost the exact opposite.

Secondly, medical costs have soared more than any other sector. The United States now spends more of

(Continued on page 10)

Two of the most economically disadvantaged groups in our society, women and minorities, illustrate the perpetual problems of structural injustice. Problems that will be compounded by the Administration's anti-inflation policies.

Even if the economy is in relatively good shape, they suffer the most. When official adult (over 20 years of age) unemployment stood at 3.4 percent in 1968, white men were at 1.9 percent and minority men 3.9 percent. White women were at 3.2 percent and minority women 6 percent. Today (October 1978), in a much more hostile climate, adult unemployment is at 5.8 percent. However, for white men the rate is 3.6 percent and minority men 8.4 percent. For white women the figure is 4.9 percent and for minority women 10.1 percent.

The income gaps between men and women and non-whites and whites have changed little in 10 years. In 1968, women who were employed full-time, year round made 58.2 percent of men's earnings.

Non-whites fared worse, going from 59 percent of white income in 1967 up to 61 percent in 1970 and down to 57 percent by 1977.

Full employment can help change these ratios. While we continue to push for income redistribution and an end to racial and sex discrimination, we cannot ignore the misery caused by a fluctuation of a few percentage points in the unemployment figures.

Source: Bureau of Labor Statistics

Humphrey Hawkins: Road to Full Employment

by JOHN CONYERS

Few pieces of legislation have aroused as much skepticism from within the ranks of supporters and as much antagonism as the Humphrey-Hawkins Full Employment Act. Opponents, who oppose full employment, contend that its goals are impossible to reach. Skeptics complain that the legislation lacks the means to achieve its goals because it contains neither an appropriation nor a mandatory jobs program.

Despite the bill's apparent shortcomings, this latter view is short-sighted. The legislation was never designed as a public jobs bill *per se*, as was the Comprehensive Employment and Training Act (CETA). It was intended, and the existing bill is fully supportive, to promote a transformation in the framework of economic policymaking to achieve the goals of full employment and reasonable price stability.

Methods of Fighting Unemployment

Historically, there have been three approaches to combatting unemployment. The one that suits the establishment the most and costs it the least is the trickle-down approach of economic growth, tax cuts and transferring the costs of unemployment and welfare to the public sector. This strategy, a failure from the start, has recently run into the additional problems of lagging growth, inflation and the tax revolt.

Public employment legislation constitutes a second approach, but operates largely in a piecemeal and countercyclical fashion so that expenditures increase as joblessness rises and public employment is phased out as unemployment recedes to acceptable levels. It was never designed to solve chronic unemployment, equalize employment opportunities, or to be permanent.

The third approach, the one least often tried, aims to transform the economic policymaking framework itself. It calls for expansion of the government's role in the economy, strengthening of federal policy and planning capabilities and making overall policy more

accountable to citizens. The Employment Act of 1946, originally a full employment bill, was a first, halting step in this direction. Humphrey-Hawkins continues the thrust of transforming the federal role in economic affairs.

Sets Planning Goals

To this end it mandates a 3 percent interim adult unemployment goal (4 percent overall) within five years. It requires reports by the President and the Federal Reserve Board on the means utilized in, and the progress toward, achieving the goals, which are also subject to Congressional review. It mandates setting priorities for employment legislation, with major emphasis being placed on programs to combat structural unemployment.

In addition, it provides for the coordination of federal policies and programs in relation to the goals as well as to national needs; and for a policy framework for coherent, comprehensive and long-range economic

Its fate depends on the continuation of the citizen action, organizational pressure and coalition building that took place during the struggle for its passage.

planning. Existing programs and new enabling legislation, which can now include "government as employer of last resort" job programs, will be responsible for implementing the goals.

While the anti-inflation goal of 3 percent by 1983 seems to weaken the central focus on full employment, this provision can be turned into an additional advance
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Percentage of Voter Turnout in Off-Year Elections

1962	1966	1970	1974	1978
45.4	45.4	43.5	36.1	35-36 (est.)

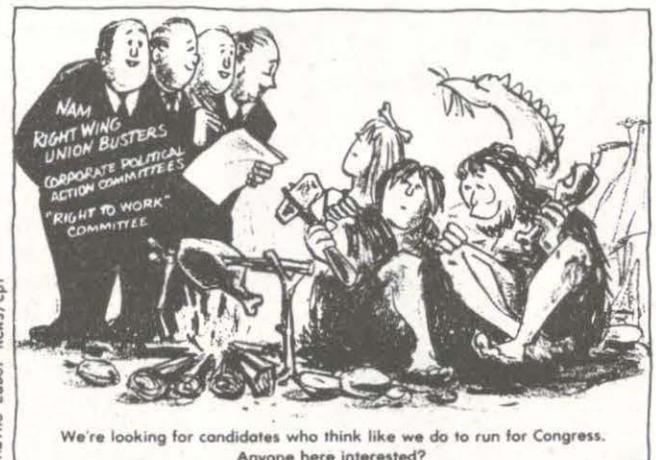
Percentage of Voter Turnout in Presidential Elections

1960	1964	1968	1972	1976
58.5	57.8	55.1	50.9	49.5

Source: Bureau of the Census, Statistical Abstract of the U.S.

if he wanted to be a successful Democratic President, had to use the agenda-setting powers of the Presidency to step to the left and draw a line between himself and the Republicans. This is what both Jackson and Roosevelt did, and they created a new enlarged electorate that kept their party in power for a generation.

In fact, Carter has chosen the opposite course, moving to the right. Turnout continues to drop and the electorate has become smaller, richer, whiter and more economically conservative. In a vicious circle, the resulting mood of political apathy, interspersed with
(Continued on page 11)



Strategy for a New Majority

by ROGER HICKEY

President Carter and the Democrats running for office in this 1978 election year have been struggling desperately to convince a worried electorate that they have a solution to the raging inflation that is rapidly eating away at the American dream. Many Democrats succeeded by stealing the bandwagon of tax-cutting, balanced budgets, tight money and corporate giveaways and riding it harder and faster than the Republicans. The new conservative bandwagon may have bought some politicians some time, but it will probably run smack into the brick wall of recession. *And it won't make inflation go away.*

The politics of the 1980s must focus on an equitable and democratic solution to the problem of inflation. The economic crisis is hitting home with a vengeance in the form of higher prices that all working people have to pay for the necessities of life. In the first nine months of 1978 alone, real spendable weekly earnings for the average wage earner fell by 3½ percent. This erosion of living standards and hopes for the future is generating a profound discontent among middle and lower income Americans. As traditional monetary and fiscal measures continue to fail, this discontent could turn into political dynamite that could shape the political landscape for years to come.

Alternative Anti-inflation Program

A very powerful and serious campaign to advocate a progressive anti-inflation program was announced in Washington the day before President Carter's television speech on his Phase II guidelines. Led by economist Gar Alperovitz, Ralph Nader, Vernon Jordan, William Winpisinger, J. C. Turner and leaders of more than 35 consumer, labor, environmental, senior citizen and minority organizations, *Consumers Opposed to Inflation in the Necessities* (COIN) will demand government action and or-

ganize citizen activism to hold down price increases in four "basic necessity" sectors: food; energy; housing and health care.

At COIN's Washington press conference Alperovitz read telegrams of support from Doug Fraser of the UAW and George Meany of the AFL-CIO, both of whom are backing the effort.

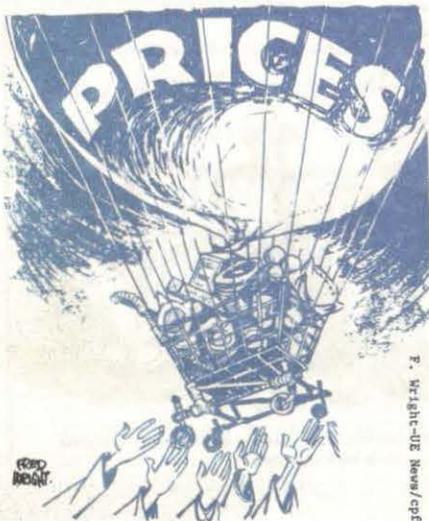
Citing research by the Exploratory Project for Economic Alternatives, which Alperovitz co-directs with Jeff Faux, campaign leaders explained that most families spend 70 percent or more of their incomes on the four non-postponable necessities of life. A new "necessities price index" released jointly by EPEA and the COIN campaign for the first nine months of 1978 shows graphically that, while the government's Cost of Living Index reports prices rising at a 9.3 percent annual rate, prices for the necessities are rising at the double-digit annual rate of 11.6 percent.

Most government economists have underplayed the necessities theme, but there is no contesting that this is where the real inflation is: food (12.8 percent); energy (8.7 percent); housing (12.5 percent); health care (8.3 percent), figured at an annual rate over the first nine months of 1978. The remaining non-necessities are at 6.1 percent—already within the Administration's 6 to 6.5 percent guidelines.

Alperovitz cited analyses by the Administration's own economists that admit that Carter's Phase II wage-price guidelines will have little or no effect on most food and housing price increases, and Machinist president William Winpisinger pointed out that the Schlesinger policy of natural gas deregulation and higher energy prices will hit consumers hard this winter and into the 1980s.

Victims of Inflation to Have Voice

In recent years, discussion of the problem of inflation has been dominated by right wing organizations,



business groups and their research fronts such as the American Enterprise Institute. They have done their job effectively, hammering away at the "high profit" solutions: cut government regulation for environmental clean-up and worker health and safety; slash government spending for full employment; cut corporate taxes as an "incentive" to investment; raise interest rates to "slow down" the economy; hold down workers' wages (including the minimum wage); and stop or postpone government for services like health care, schools, etc. "They have put the burden of fighting inflation on the victims of inflation, rather than the corporate perpetrators," said Ralph Nader. And as inflation has intensified the conservative "anti-inflation" offensive has grown stronger.

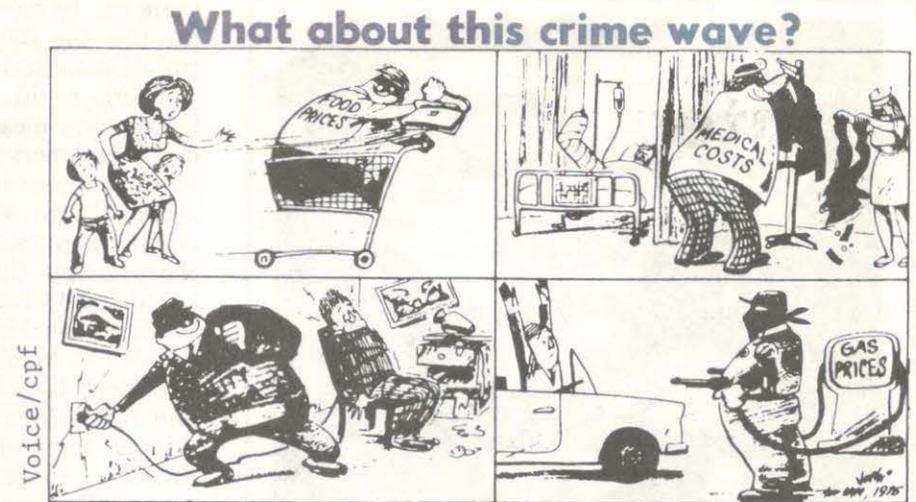
But the seemingly powerful conservative bandwagon has yet to reckon with some equally powerful factors.

One factor is simply economic reality. For the vast majority of American households food, housing, health care and energy costs will continue to go up at double-digit rates no matter how much workers' real wages are cut, no matter when the Federal budget is balanced, no matter how many cases of cancer industry is allowed to cause. The facts of life about the "new inflation" are that the old time conservative religion won't seriously affect inflation in food, energy, housing and health care. The conservative answers don't work, and—since they are now being tried—that fact will become increasingly obvious.

Recession Will Galvanize Public

The conservative solutions *will* very probably cause a recession this year—a likelihood that is greatly heightened by the Carter Administration's dramatic increase of interest rates just before the election in a desperate effort to halt the decline of the dollar. The higher interest rates will raise the price of just about everything we buy, especially housing. And they are bound to choke off economic activity, putting millions of people out of work as involuntary sacrifices in the inflation war.

As conservative "anti-inflation" measures fail, the COIN program



to control prices in the necessity sectors will gain political support.

Consumers, minorities, senior citizens, hard-hit by price increases for natural gas, gasoline and fuel oil, are joining with labor and environmentalists through the new Citizen Labor Energy Coalition to demand controls on energy prices and public investment in a transition to low-cost solar and renewable energy.

The COIN campaign is setting up Task Forces in each necessity sector to propose and fight for programs to stabilize food prices, ensure decent incomes for family farmers and to insulate the domestic food market from the inflationary "jolts" caused by fluctuating international demand. The housing task force will bring together minorities and others who want new and rehabilitated housing at moderate prices with building trades unions and others whose jobs will be wiped out if the high-interest rate policies of the Federal Reserve Board are allowed to continue.

The COIN program will also gain support from the groups in society now being scapegoated as the cause of our current problems. Environmentalists, now battling to protect hard-won public health and environment programs from the long knives of "regulatory review," have realized that they must develop and advocate an anti-inflation program that does not involve repealing progress. Women and minorities—hard-hit by inflation and without adequate incomes—support the COIN program as a way to control necessity prices and to fight infla-

tion without slashing budgets for job creation, city financing and social services. And organized labor is working with the COIN Campaign to develop a program that not only does not erode the real wages of workers, but also offers solutions to serious, pressing social problems in the great tradition of labor leadership.

Behind high energy, housing, food, and health costs are the major oil companies, banks and developers, the agribusiness and health establishments. As old solutions fail to control inflation caused by these powerful interests, the COIN Campaign will be working with progressive politicians, community organizations, consumer, labor and senior citizen groups to propose ways to allow citizens to start voting on food costs, interest rates, hospital charges and energy prices.

The other side of the basic necessities program is the idea of democratic planning of production for real human needs. If we can build a majority political movement around an economic program to provide life's necessities at stable, equitable prices, we will be well on the way to an economic system that Americans can control. □

Roger Hickey is Executive Director of COIN.

COIN's booklet on inflation in the necessities, and information about organizing local COIN campaigns is available for 25¢ from COIN, 2000 P St. NW. #413, Washington, D.C. 20036.

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NOTE TO SUBSCRIBERS

Publication of this issue of the NEWSLETTER was delayed in order to bring you an analysis of the election results. Because of the holiday mail situation it may be even later in reaching your homes. We apologize for the inconvenience.

Humphrey-Hawkins, from page 7

tage. Liberals and progressives cannot remain inactive or reactive on the inflation issue. The fact is that the anti-inflation goal is subordinate in the legislation to the goal of full employment.

This provision moves the President and Congress in the direction of an incomes policy that controls prices and costs and away from the traditional trade-off that sacrificed employment for illusionary inflation control.

Need to Exert Pressure

Humphrey-Hawkins is not perfect. Compromises had to be made in the final hour to assure its passage. Nevertheless, it offers a new economic framework that can provide the basis for a real movement toward full employment. Without it there is no chance of changing national policy. With it, Left and liberal groups can fight for national economic planning.

However, the key ingredient that will determine the Act's success or failure is constant pressure to hold officials accountable for their actions or nonactions. Its fate depends on the continuation of the citizen action, organizational pressure and coalition-building that took place during the struggle for its passage. The Left must now organize solid support behind the legislation and help mobilize public pressure and opinion to make it work.

Representative John Conyers (D-Mich.) chairs the Crime Subcommittee of the House Judiciary Committee and is a leader in the full employment movement.

Elections, from page 7

fevers of single-issue activism, has been used to justify Carter's position.

In my opinion, the results of this election point out the irrelevancy of a Carter Presidency for the Left (a conclusion I apparently share with George Meany). On the issues where Carter is better than the Republicans he either cannot or will not do anything.

This is the Administration that found it possible to break a liberal Senate filibuster against natural gas deregulation, but could do nothing to halt a conservative filibuster against labor law reform.

The two major economic changes legislated this year—a massive cut in the capital gains tax (in contrast to a huge increase in the regressive Social Security tax) and the deregulation of natural gas—have been goals of conservatives for two decades. Carter made it possible for them to achieve these goals.

If labor law reform is dead and SALT depends upon Republican votes: if defense spending is to rise and the social welfare budget fall; if unemployment is to go up along with the price of oil and gas, Carter has still to demonstrate why the Left should prefer him to do it instead of Howard Baker or George Bush.

The biggest winner of this election was the Ford wing of the Republican Party. The events of 1979 are likely to present us with two very important choices: what to do about the 1980 Presidential primaries of the Democratic Party; and what to do in the fall if the choice comes down to a moderately conservative Democrat and a moderately conservative Republican. If I were Jimmy Carter, I would be rooting very hard for Phil Crane and Ronald Reagan.

Jim Chapin is a member of DSOC and Chair of the New York State New Democratic Coalition.

**NATIONAL DSOC YOUTH CONFERENCE
December 28, 29
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Don't miss this exciting educational conference sponsored by DSOC's fastest growing group—the Youth Section. Bring a friend to hear *Michael Harrington, Gloria Steinem, Irving Howe*, and others talk about the socialist response to the economic crisis, the New International Economic Order, feminism, crises of the cities, strategies for attacking corporate power and more.

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Registration Fee . . . \$10 (includes lunch).
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Jimmy Higgins reports . . .

A MILD RECESSION?—There is an emerging consensus among economic forecasters that 1978 will be a recession year. Many business analysts, according to the November 15 *Wall Street Journal*, anticipate a mild recession with a rebound in 1980. Economist Robert Lekachman, whose writings sometimes grace our pages, offers a cogent warning on the Carter "game plan." "Two things should be clear . . . first, that any economist who thinks he can accurately predict the depth and duration of a recession is a ripe candidate for psychiatric evaluation; and second, that no mild recession is at all likely to empty inflationary expectations and behavior out of the economy."

AN INTERESTING SIDELIGHT to the *Journal's* November 15 report was the reason for great optimism among business analysts. Nearly all agree that consumer debt could slow down a recovery and deepen a recession. But the *Journal* notes that "the debt situation would cause more concern were there no women's liberation movement." It seems that the tendency toward two wage-earner families makes the growing indebtedness more manageable; thus consumers are less likely to go slow on purchases while digging out of debt. It's nice to know that women wage-earners are responsible for our continuing prosperity, especially from those who argue that 6 percent unemployment doesn't matter because women make up a disproportionate share of the jobless!

PACing THEM IN—Direct contributions to political parties or candidates by unions or corporations are forbidden under U.S. law (though allowed in many other nations, including Canada). Here both labor and more recently management operate politically through Political Action Committee (PACs) which collect voluntary contributions for disbursement to friendly candidates. Labor has operated that way for years, making plant-wide collections and getting \$1 or \$2 from each member or, in the case of highly paid workers, as much

as \$5. Naturally, each union can organize only one political action committee. Business political action is of an entirely different scale. Highly paid managers and stockholders kick in the money. Besides having a PAC for each corporation, each trade association or group of businesses (such as the Chamber of Commerce) is free to form a PAC. The result has been a boom in direct corporate influence, particularly within the Democratic Party, and has led to a new Washington joke that business already owns one party and now has an option to buy on the other.

DEMOCRATS, NOT REPUBLICANS are the prime beneficiaries of this new corporate generosity. Much to the dismay of conservative ideologues, 54 percent of the corporate PAC money in 1978 went to Democratic candidates. Almost 80 percent went to incumbents from both parties. We're talking about significant amounts here: more than \$36 million from 776 corporate PAC's. (As a point of contrast, the labor movement, with a total of 263 political committees, raised less than \$17 million). In business terms, the PAC money was well invested. As Randall Rothenberg demonstrates in the November 18 *Nation*, the power of corporate giving was felt in Congress on votes affecting national health insurance, labor law reform and on-site picketing. In several cases, previously liberal Democrats have noticed the sources of future campaign funds and tailored their records accordingly. We Democrats have traditionally boasted that we're the Party of the people; maybe instead we're the Party of the corporate PACs.

AHEAD OF THE DEMOCRATS . . . A recent note in the *Wall Street Journal* cited Houston as the likely host for the 1980 Democratic convention. You can beat the crowds by getting there for DSOC's National Convention February 16-19, 1979. Contact your local chapter for more information.

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