

Paul Booth

A step or two towards a proper urban policy

The first organization to seize the opportunities of the new sectional politics was the American Federation of State, County and Municipal Employees, which guided a Countercyclical Revenue Sharing bill to enactment, over a series of Gerald Ford vetoes. This grant-in-aid program dispenses several hundred million dollars each quarter to states and localities according to their respective levels of unemployment. It is the only grant-in-aid program—of several hundred that redistribute \$60 billion per year—that reverses the market flow of money.

Nixon's "new federalism" basically took all the LBJ Great Society programs that doled out grants at the discretion of politicians and bureaucrats and substituted mathematical formulas. Not surprisingly, the formulas favor places that normally elect Republicans and Dixiecrats.

But some victims of the new federalism have been getting wise to the game, and a struggle for the money between regions has begun. This is nothing new: we once had a War Between the States. As the Supreme Court reminded us when it nullified the law extending the minimum wage to municipal employees (in *National League of Cities v. Usery*), we have a federal system called the *United States*.

Big-city mayors are doing the most talking about regional discrimination. They would have you believe that the urban crisis is its result. A term as vague as urban crisis can mean just about anything, of course. In the '60s it was a code phrase meaning we recognize the existence of racial oppression. After the race riots stopped, you didn't see pictures of Henry Ford II holding hands with Jackie Robinson singing "We Shall Overcome" in those urban coalition ads in *Business Week*. There were some results—Great

Society programs, black representation in politics—but the underlying social problems of the cities (which leftists thought were the urban crisis) persisted.

Since the budget crisis in New York City, the phrase is back in currency, now referring to a financial-economic crisis of declining manufacturing areas, affecting whites as well as blacks and browns. Service cutbacks, plant relocations and neighborhood housing deterioration are all interlocked aspects of the crisis.

The left doesn't have a proper urban program, but only some pieces. Let's look at them to see how they might be advanced by recognizing the politics of sectional rivalry. Some items of the intermediate political agenda are:

1. Full employment—enactment of the Humphrey-Hawkins bill and providing public service jobs to the unemployed to meet the targets.

2. Fighting runaway shops—NLRA reform to facilitate organizing the plants where they relocate, laws imposing severance penalties on companies that move, and repeal of foreign tax credits used by multinational companies.

3. Welfare reform—federalizing the costs and raising the benefits.

4. Anti-redlining—regulation of savings and loans, banks, and insurance companies, and focusing economic development incentives on declining areas.

It should be evident that these issues cause polarization along different lines. Anti-redlining proposals have a fairly narrow base—city residents only. Redlining helps suburbs, hurts cities. Even the Catholic church, whose urban dioceses are the mainstay of the redlining movement, also has parishes in the suburbs it can't offend. Most unions (except AFSCME, AFT, the mailhandlers, and a few others)

are as suburban as they are urban. On the other hand, the black community is stuck. So are big-city politicians.

Anti-runaway proposals pit state against states, instead of cities against everyone else. The NLRA reform that is not in the package before the Senate is repeal of the Right-to-Work section allowing states to ban the union shop. In a state like New York, Illinois or Michigan, which will never ban the union shop, even small town Chambers of Commerce can see their interest in not letting South Carolina ban it. Accordingly, many conservative snowbelt Republicans would vote to repeal 14B, just as Rep. Dan Rostenkowski of Chicago opposes extension of the Investment Tax Credit to new plant construction (although he tends to support business tax breaks) because this one favors new construction against refitting older plants.

Both welfare reform and public jobs are budget issues, exciting the enthusiasm of all governments, with the Youngtowns and Buffalos only slightly more avid than the rest.

For the labor movement, the Democratic Agenda, the networks of community organizations, and the Congressional Black Caucus, these are the bare beginnings of their strategic discussions. The left should take up the responsibility of pursuing these subjects.

Such strategic discussions should also focus on the following considerations that have short-term implications:

1. The President, a Democrat who got electoral votes from South and North, is going to avoid taking sides in these disputes, as he did at the White House conference on Regionalism in late January. Nonetheless, within the bureaucracies that are more influential than Congress



on sewage disposal and transportation planning, pollution standards, energy technology development, and regulation of savings bank investment, these struggles rage, although our movements have rarely succeeded in applying pressure in those arenas.

2. Because the Democrats are more or less the permanent majority in Congress, power in that branch depends more on the balance within their caucuses than between the Democrats and the GOP. Therefore if the number of rural and suburban Democrats from marginal districts is reduced in November as is anticipated, big-city members will be able to act more unhesitatingly on behalf of specifically urban interests.

3. Control of the census is vital in view of the billions of grant-in-aid dollars and the seats in the House that depend on its results. It remains to be seen if efforts will be made to count the millions of blacks and Chicanos who were missed in 1970. If they are, they would more than offset the sun-ward migration in the final numbers. Legalizing of the status of undocumented aliens would also have major impact on census results.

4. The hopes for full employment and all other issues that basically divide along class lines depend on reversing the deep apathy reflected in low voter turnouts. Most of the non-voters are working class. The apathy has to be attacked by a program that appeals to and mobilizes the dropouts. But it would be facilitated by legislation removing barriers to voting participation, such as instant registration and making election day a half-day holiday.

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Richard B. Du Boff

Capitalism, not just the military, is depleting our economy and society

A widely promoted view about military spending is that it "depletes" our civilian economy. The Pentagon, we are told, has drawn scientific talent and critical raw materials away from the "free market," and shunted them toward war industries. It has channeled research and development into corporate and university projects geared to short run military payoffs, thereby weakening the "basic research" that advances our knowledge and improves civilian know-how. Its "parasitic growth" has shackled the economic vitality of the private sector. Urban decay, public-sector squalor, environmental deterioration, and even technological backwardness in key industries are all said to be the result of excessively high military expenditures—and not, presumably, capitalist priorities in American society itself.

This thesis, it seems to me, is based on two false assumptions. First, it assumes that in the absence of heavy military spending, or in the wake of sharp cutbacks in it, the resources it employs would flow—or could be easily redirected into—"humane" civilian spending and into industries whose subsequent expansion would help us solve our social problems. This is why advocates of this view have been hard at work on plans, and congressional bills, for the "conversion" of military facilities to "competitive civilian industry."

Second, it supposes that the lower our military spending the stronger our industrial technology. From this it would follow that our international trade perform-

ance would improve, too.

For economists, "opportunity costs" represent alternatives forgone: the moment our society uses resources to turn out weapons, for instance, those resources cannot go to produce shoes or apples or housing or medical services. To be sure, the Pentagon gobbles up labor, capital, and materials that *could* be used to rebuild our cities—but the same bundles of labor, capital, and materials might just as readily be transferred from the Pentagon to General Motors, Exxon, McDonald's, or Disneyland. Simply denying resources to the military does not guarantee that they will be shifted towards satisfying critical social needs. On the contrary, given the continued domination of private capital over resource allocation, investment, pricing, and income creation, we should assume that such resources probably would flow to other equally wasteful (though possibly less lethal) ends.

In fact, military spending was cut in 1954, 1960, and 1970—with no noticeable increase in our commitments to our cities, our poor, or our public transportation. Instead the result was "transitional"; the resources simply went unemployed for a time as the economy promptly sank into recession. Eventually some of them were re-employed, by the resurgent corporate sector of the "free" economy.

Technological obsolescence is a trickier subject. There appear to be relatively few civilian spillovers from military technology. Political scientist Bruce Russett

has found that "the scarcity of important commercial applications becomes astonishing when one recalls the magnitude of defense R&D." Many of the labor skills are not transferable either; Boston's Route 128 engineers have had rough times finding civilian work after they lost their military-related jobs with the slowdown of Vietnam war spending after 1969. In general, though, despite (and in some small degree because of) the huge allocation of resources to weapons and space, I doubt that the American economy as a whole can be called "backward" or "obsolescent" compared with other capitalist nations. Nor can it be shown that our technologically progressive industries are those that are closely tied to military R&D—that technological advances have been concentrated in military-oriented firms.

The acid test is international trade. Do we enjoy any "comparative advantage" export success, and if so, in what commodities? Are our exports primarily those that embody heavy "military" inputs? The answers appear to be: yes, our exports do fare well in international competition; and no, they are not especially linked to military research, contracts, or spillover.

In the 1970s the U.S. has run trade deficits (merchandise imports surpassing merchandise exports) in every year except 1970, 1973, and 1975. Yet throughout the decade petroleum imports alone have amounted to much more than the trade deficits. Without our oil imports, our export surplus would still be very large; in 1976-77 it would have come to \$16 to \$25

billion (against actual trade deficits of \$9 billion in 1976 and \$26 billion in 1977).

Our successful export industries are principally science-based and skill-intensive—electronics, aircraft, chemicals, pharmaceuticals, agricultural and electrical machinery, engines and turbines, primary fabricated metals and agriculture. Of these, only the first two have benefited from substantial spillover of military technology. Conversely, our backward industries—the ones that are technological laggards and are being assailed by foreign competition—do not suffer because they are "starved" by the military. Steel, automobiles, textiles, shoes, the railroads owe their dismal records to their own complacency and their insistence on higher profit margins than their foreign counterparts (steel and autos in particular)—or to the unimpeded mobility of capital on a multinational plane, where lower labor costs are a prime goal. Railroads represent, along with the urban sector, a case study in the social devastation wrought by the unrestrained proliferation of Detroit's gas guzzlers since World War II.

The swollen military budget must remain a target for the left. It does many things for big corporations, and helps keep federal income tax revenues away from social welfare programs. But military spending is only one reflection of capitalist priorities in American society. The fight over those priorities is the key to shifting resources toward people rather than profits.

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PERSPECTIVES

A reckless gamble disrupts French left

By Bogdan Denitch

Now that the French left has snatched defeat from the jaws of victory, it is clear that it did not take two to start its internal fight. Yet we can be grateful to Marchais and the French CP for having made it clear that if the French left stays out of power for the next decade, the narrow organizational interests and the sectarian politics of French Communism are mainly to blame.

A reckless gamble with the prospect of a major left-wing breakthrough was undertaken during the last year by the French Communists, a gamble all the more reckless because it cannot be blamed on orders from Moscow or the needs of the Soviet state. The French communists have won their independence and asserted it often and harshly enough for observers to be able to assign the responsibility for this fallback to the French party itself, to its internal needs and to the parochial vision of socialism and its prospects that dominate it.

Two issues were overwhelmingly important. The French CP still has a narrow, overcentralist vision of socialist strategy that seems superbly designed to frighten hesitant middle class voters back into the center-right fold. They have learned nothing and forgotten nothing. This is particularly painful in the framework of French politics where their major partner, the French Socialist party, was willing to propose a program far to the left of all other social democratic parties. The PSF's renaissance offers the possibility of shifting the balance within the Socialist International to the left. Victory in coalition would have had an enormous positive effect on the prospects of the left throughout the continent. A decisive victory for the left in France would have helped the Italian Communists enormously and accelerated the possibilities of unification in the Spanish left. A victory with a stable left coalition would also have settled the argument about the need and feasibility of a socialist/communist coalition and, thus, integrated the development of Eurocommunism into the mainstream of working class politics by making a European socialism possible. For that, self-restraint on the part of the CP was required. But it was absent.

Competition for working class support.

The second issue, of course, affected the relation of forces between the two working class parties. In order to maintain its crumbling organizational hegemony on the left, the CP not only prevented a left coalition victory but concentrated most of its effective fire on its socialist partners. It is a near miracle that the French socialist movement was led by a politician as stable as Mitterand who throughout this Donnybrook firmly kept restating his commitment to a common program of the left and an electoral alliance with the Communists. The Socialist party resisted its two temptations: to enter into a counteroffensive against the CP and exacerbate the divisions on the left by responding in the tone the CP used throughout the debate, or to be pushed into a destructive and sterile left-center strategy.

Given the major inducements dangled before the SP, both domestically and internationally, to settle for a left-center strategy, and given the heterogeneous nature of the Socialist party, where a substantive section of the rank-and-file and socialist voters would probably prefer

such a strategy, it took a major commitment to a common program on the part of the SP leadership to resist being pushed in that direction. We must be clear on this. The CP willingly undertook this risk—the risk of breaking up the coalition and forcing the socialists into a left-center strategy—in order to win a few percentage points in the election, away from other left parties, and to retain its organizational stability.

Lesson to be drawn.

It is not too early to draw some lessons from the French events. Some are relevant to the massive left in Europe, and some to American socialists. The first general strategic question lies in the definition of the clientele, status groups and voters that have to be won over to create a left majority. Clearly, those groups lie to the right of the organized parties of the left. It is not by coalescing with the microscopic ultra-left groups that the left majority can be constructed. On the contrary, a majority can only be created by winning over masses that have not yet committed themselves to socialism or that have been voting for the centrist parties. This lesson, already painfully learned by the Italian and Spanish communists, has clearly eluded the French. The absence of a large left majority cannot be attributed to the moderation of the common program. Uncertainties in the minds of the voters focus on the dramatic breakthroughs that are proposed by that program, on the massive increase of minimum wages, the nationalization of the commanding heights of the economy, and the obvious determination of the left coalition to go beyond welfare state tinkering with the social order.

To leap into such a risk-laden and uncertain course, the voters not already committed to the left needed to be convinced of several things, probably the most important of which is that the left is capable of governing. Therefore, the inquisitorial tone of the CP in dealing with its partners, while reassuring to party cadres, must have been frightening to potential left voters.

If the CP was willing to risk a defeat in order to push its partners beyond what they were willing to do, what were the prospects of a left government? In a situation where the president could call an election any time the polls indicated a weakening of the left, and where major stresses would be created by the flight of capital and a strike of the capitalist class, disunity on the left seemed to guarantee disaster. This explains the sharp drop in popular support for the unified left, just as the unity of the left explained the previous increase of support.

There is a distinction between a protest vote and an affirmative vote. The voters were not asked to protest against the obvious injustices of the existing social order, but to give a mandate to change. And with a blank check to a left that remained disunited until the eve of the vote. That was asking a great deal.

It is not fruitful to go into the substance of the quarrel because even if the CP were right, it is clear that it could not be right alone. The inevitability of coalition politics made the party apparat rebel against the possibility of beginning the social transformation of France with itself as a junior partner. But no observers, left, right or center, had even hinted that the French electorate would support a united left with the CP as a senior partner. France is not Italy. The French communists have not earned the trust that the Ital-

ian party has. Therefore, in its emergence from political isolation and the ghetto into which the Cold War placed it, it was essential that the coalition be dominated by the Socialists. And it was a piece of major good fortune that France had a Socialist party that understood the indispensability of a coalition and was willing to shed its Cold War roots to go into such a coalition. This was not easy. It involved major arguments with other mass socialist parties and, therefore, a victory of the left in France would have also been a victory for the left-wings within the Socialist International.

If the first lesson is that the parties must address themselves to their right if they are to win substantial majorities, the second lesson probably is that nationalization is not the most attractive part of the appeal of the Left. It is an instrument and not an end, and the masses of new left voters tend to be far less taken with the dogma of rigid centralized planning than are the old-timers in both the Socialist and Communist parties. When the Communists contemptuously stated that all that the common program would do was to create in France a society resembling that of Sweden, they missed the point entirely. That would be a major advance in France and one hailed by groups currently uninvolved in left politics. An egalitarian France, more committed to social justice, more modern, was not something to be sneered at except by ideologues.

But the common program went far beyond that proposed by the Swedish social democrats.

The strategy of a left government in Europe can either be European or autarchic. For the flight of capital to be made more difficult and for the French economy to avoid being blockaded, the European arena provides a framework for coalitions in which a social democratic majority can be used to absorb the shock of transition. That majority that exists within the common market obviously would find it easier to relate to a government, the dominant force of which was the French SP. The alternative, an autarchic France, would have probably created stresses and cleavages in which a major left-right clash would create a near civil war situation. My argument, and it is the same argument that is used by the Italian and Spanish communists, is that such a cleavage at this stage in Europe works for the right, not for the left. Europe is on the eve of a swing to the left, but not in revolutionary ferment. That is not a matter of choice; it's a matter of analysis. A radical left or revolutionary program in that context means isolation and not victory. Left versus right politics within the workers' movement obviously hinged on what are the alternatives as perceived by the mass base of the left. In a context where revolutionary transformations are on the agenda, a social democratic line is a betrayal of the revolution. But in a context where wide-scale structural reforms are on the agenda, to play with revolutionary strategy dooms a left party to isolation and may well make such struc-

tural changes impossible by destroying the broad base for a left victory.

That part of the lesson is one that has a reference to the American left, particularly in how it relates to the events in Europe. It is ironic that much of the left in the U.S.—weak, divided and sectarian as it is—instinctively appears to back the more radical currents within the European left. In some cases the focus is on the extra-parliamentary micro-groupings in Italy and Spain that spend the bulk of their time polemicizing against the CPs where they are right. They attack the communists when they begin to present themselves as serious, political alternatives to the existing social order. This ultra-left, at least in my vision, can have two possible roles. One is that of acting as ginger groups, helping keep the mass left honest; the other is to attempt to block the breakout of isolation required to build majorities. It is impossible for a revolutionary left, at this stage, to obtain a majority even within the working class, let alone within society. Therefore, support for the ultra-left is support of the existing status quo. Unless, of course, one seriously proposes a revolutionary strategy based on a minority within industrial politics of Europe. How such a strategy could lead to a democratic social order and a pluralist socialism escapes me.

Parts of the American left that do not support the ultras seem to support the more sectarian groups within the Eurocommunist milieu. For example, the French versus the Italian CP. It would seem appropriate that the support, if it is to be based on more than an antipathy towards social democracy and even to left socialist parties, should also state its affirmative program. IN THESE TIMES has been at least ambivalent on this matter. What is the real meaning of siding with the CP? Are we saying by this that we think that there is no prospect of a left majority? That there should not be such a majority because it would not go far enough? What is an alternative strategy?

This, in turn, ties to one's view of American socialist politics. Is it the purity of faith that is our problem, or the absence of a mass base? Does a mass base for socialism exist to the left of the existing socialist organizations—miniscule as they are—or is the problem of building a socialist movement one of winning the millions of American working class, radical and progressive-minded voters to even the most moderate socialist alternative?

I believe it is the latter, and it is therefore that coalition politics are imposed on the socialist left in America, not as a matter of choice but as a question of the circumstances within which we live, where the majority without which a mass left is inconceivable, today is to be found voting for the Democrats. But that is a different argument and one that may be well worth pursuing at greater length. ■

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RAPID TRANSIT

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