

*The Washington Socialist*  
Articles from Midsummer 2015 Issue  
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Editor: Woody Woodruff

[DC Metro DSA's Midsummer Newsletter: Nuts and Bolts for Backing a Socialist Candidate](#)

Wednesday, July 15th, 2015



**Welcome to the midsummer edition of the *Washington Socialist***, the monthly email newsletter of the Metro DC Democratic Socialists of America.

As has become traditional (for at least two years!) our midsummer issue, covering July and August, is published on Bastille Day. Though [historians have tagged](#) many of the myths that Bastille Day embodies as just that – myths – it is still a day honoring a singular event in modern history. In fact, by the account of many historians, modernity began in 1789. The enthusiasts who seized power in Europe's largest nation intuited a need for broad, consultative re-definition of the terms of life, exchange and work if this new thing were to be more than just another transfer of power from the old powerful to the new powerful.

The level of industrialization and alienation of labor that would animate Marx, Engels and the First International were decades in the future and already more advanced across the Channel, but the French people's response to the need for change in 1789 was a singularity, premature or not.

**BELLWETHER:** Sometimes the “threat of a good example” (Chomsky) can bring progress instead of pushback. A statewide bill for paid sick leave in Maryland has foundered in the General Assembly for three straight years. But the actions of Montgomery County's council June 23 in [passing a strong county measure](#) on paid sick leave might push the legislators to bring the state bill out of the death panels – er, committees – in next spring's session. Recognizing how Montgomery can be a bellwether for the state, a robust coalition of county and state organizations and unions led by the Baltimore-based [Jobs Opportunity Task Force/Working Matters](#) coalition worked the issue hard and coordinated closely, meeting with council members both friendly and hostile and defusing potential problems as the bill proceeded through committee consideration to a full vote with remarkable speed. Your correspondent, a volunteer peripheral observer to this operation, was stunned and thrilled to watch the pros at work. The good example of Montgomery, which may be replicated later this summer in Prince George's (though it may be a heavier lift) could set a tone for statewide success in the 2016 session.

**ON DC DSA'S PLATE in July and August:** In a summer galvanized by Senator Bernie Sanders' challenge to the Democratic establishment, the Metro DC local is mobilizing with National DSA to support the avowed democratic socialist candidate via an independent expenditure, [We Need Bernie](#). (What's an independent expenditure? A political action for or against a candidate done without coordination with any candidate's committee)

A training session for those wanting to be involved in *We Need Bernie* is scheduled for the local's **August special two-part membership meeting** Sunday, August 9, 2015, 1:30 p.m. to 4 at the [Watha T. Daniel/Shaw Neighborhood Library \(WTD Meeting Room\)](#) 1630 7th St NW, Washington, DC across the street from the Shaw-Howard Metrorail station on the Green Line. A visiting discussant (TBA) on the "Evolving Politics of Climate Change" (1:30 – 2:30), will be followed by a 1-Hour Training Session on "How Local DSAers Can Canvass for Bernie Sanders" (2:30 – 3:30). Check the Meetup site for updates as the date approaches.

The training session is recommended because DSA's enthusiasm for a socialist's campaign within one of the capitalist parties has to be tempered by election law. But trained DSA members can act as organized individuals on behalf of Bernie Sanders' candidacy at public events and the local will actively seek locations where that can happen – tabling, canvassing or leafleting. Watch the [Meetup site](#) for opportunities to engage in these activities, many of them on weekends at farmers' markets and the like.

The **Socialist Salon** in July (July 30) examines the white racist right that is the quasi-organized force behind individual instance of outrage like the mass murder in Charleston's venerable black church. It's 6:30 p.m. at Hunan Dynasty, 215 Pennsylvania Ave SE but (as always) check the [Meetup site](#) for fresh information; note that it is the fifth Thursday this month, not the third Thursday as it typically is.

The **Socialist Happy Hour** at Luna Grill in Dupont Circle takes place the day before the Salon, July 29. Relax and talk about socialism – or not – starting at 6:30 p.m., 1301 Connecticut Ave. NW.

The **Socialist Book Group** meets Sunday, Aug. 16 at 3 p.m. to discuss Steve Fraser's book, [The Age of Acquiescence](#). The group meets at the Kogod Courtyard of the National Portrait Gallery, 8<sup>th</sup> and F. Streets NW right next to Gallery Place Metrorail station on the Yellow/Green and Red lines.

The **August Socialist Salon**, still in formation, will examine the sovereign debt crises of Greece and Puerto Rico, at whatever stage they are at on August 20, when the Salon will take place (likely 6:30 p.m. at Hunan Dynasty, 215 Pennsylvania Ave. SE, but check the Meetup site closer to the date).

Updated information on all these events are found at the Metro DC DSA [Meetup site](#).

### **OTHER UPCOMING EVENTS OF NOTE:**

**IMMEDIATE:** On our publication day, our comrades at DC Jobs with Justice [hold a public hearing](#) on “just hours” – giving more control over work hours and lives to workers who are currently at the mercy of arbitrary scheduling and unilateral management reduction of hours. It’s **today, July 14**, 6 p.m. at Pennsylvania Avenue Baptist Church, 3000 Pennsylvania Avenue SE, Washington, DC 20020

**THIS WEEKEND:** A group of DCDSA members recently got a briefing from staffers at the Venezuelan Embassy about conditions in that country (under considerable economic and rhetorical attack by the US). Those briefed recommend an upcoming public event at the Embassy, a panel discussion on *The Latin American Alternative: 16 Years of Progressive Transformations in Venezuela and Latin America* **Saturday, July 18th**, 3:00, at the Bolivarian Hall at the Venezuelan Embassy (2445 Massachusetts Ave. NW.). Confirmed discussants are George Ciccariello-Maher, an assistant professor of political science at Drexel University in Philadelphia and author of *We Created Chávez: A People’s History of the Venezuelan Revolution*, and Mark Weisbrot, co-director of the Center for Economic and Policy Research, in Washington, DC.

**AUGUST:** [Progressive Maryland](#), long a solid coalition group in Maryland but known mostly as being based in Montgomery County until recently, is working to set up a companion chapter in Prince George’s County. An organizing committee has met several times in the past month and a date for an interest meeting has just been set: **Thursday, August 13**, 6:30-8:30 p.m. The location is TBA; check the site (above) for updates. South county Pastor Delman Coates, Heather Mizeur’s running mate in last year’s gubernatorial primary, is confirmed as keynoter.

**RESOURCE RECOVERY:** Here’s a link to where to donate to rebuild those black churches in the South that have burned: <https://cccathedralstl.dntly.com/campaign/2571#/donate>

### **IN THIS ISSUE:**

Then there’s the other debt problem – the singular situation of **Puerto Rico**, also staggered by overhanging debt but unable to seek bankruptcy like US cities and counties because it’s considered a state. Not in the important ways, but in the ways that Congress decreed to help big banks lavish loans on the quasi-colony without risk of loss. The DSA National Political Committee, on the initiative of our co-chair and NPC member Jose Gutierrez, issued a statement calling for the US government (and a reluctant GOP Congressional majority) to restructure the commonwealth’s public debt. [Read complete article](#)

DSA’s July general meeting heard the veteran public power manager Dave Freeman upbraid his fellow managers in public power for forgetting their mandate and choosing safe, legacy fossil fuels over the clear necessity for renewables. The cowboy-hatted octogenarian set a clear vision

of **the public-ness of public power** and its future. Andy Feeney and Woody Woodruff provide this account with a flavor of Freeman's witty, acerbic perspective. [Read complete article.](#)

There is a clear path for Sen. Bernie Sanders to win not only the Democratic nomination but the presidency, says Bill Mosley – because his agenda is that of the country's hard-pressed voters. Mosley traces the admittedly difficult threading of obstacles that could result in a **President Sanders**, and urges socialists and other progressives to act resolutely, with analogies to the storied California gubernatorial campaign of Upton Sinclair. [Read complete article](#)

Left orthodoxy holds that reducing taxes to free the invisible hand of growth and innovation is a blind alley, a mask for accumulation by elites. Kameron Burt argues a contrarian position, suggesting that **accumulation can help enable “the innovative potential of the working class.”** He invokes Piketty and others to suggest that the suffocating debt that can result stifles working-class opportunities to create, for instance, worker co-ops. Public action to fuel these worker-based enterprises is needed, he argues. [Read complete article](#)

Every new revelation about the **Trans Pacific Partnership** points to incipient corporate victories and worker oppression, Andy Feeney observes in this account of how the trade deal could cripple the US Postal Service's ability to broaden its revenue streams to stay alive in the age of the mature Internet. Innovative plans such as banking services, backed by the postal unions if not by Congress or USPS leadership, would be stifled under the TPP. [Read complete article](#)

Nobody knows right now what the endgame will be at next year's Democratic National Convention – or if there will be one. Undeterred, Woody Woodruff unveils a dream vision about **Bernie Sanders' news conference** as the convention opens and where he might stand at that point in the campaign. [Read complete article](#)

There are plenty of ways to help the children of poverty avoid marginalization as they grow to youth and then adulthood. A panel at the Economic Policy Institute made it clear that **early childhood education**, in its broadest sense, is a key strategy. Andy Feeney presents the arguments of the expert panel, including some who would be considered conservative in other respects. [Read complete article](#)

**Good Reads** – This rather extensive edition of Good Reads probably should be called the Bernie Edition because the socialist candidate has been so much in the news and left commentary. But there are takes on the Greek crisis, the passivity of the oppressed, an historical contextualization of the Charleston church massacre, and the role of violence in maintaining global order as well. [Read complete article](#)

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**You can read past articles in the *Washington Socialist* on this website where they are archived, [dsadc.org](http://dsadc.org)**

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**Our readers are our best writers.** Join that group and submit an article about activism you are

doing or someone else is doing; reviews of important books you have read; think-pieces contributing to the left's perennial search for a better way to explain our crisis to its victims. ***You are part of this conversation. Submit contributions to The Washington Socialist at a number of levels — send us nominee for “Good Reads” (they should be available online so send links); send news and notices of activism; submit articles. Send to [woodlanham@gmail.com](mailto:woodlanham@gmail.com).***

### [“The Effect of Debt and Risk isn’t Only about Big Banks”](#)

Monday, July 13th, 2015

## ***The Washington Socialist <> Summer 2015***

*By Kameron Burt*

“Is it not true that wealth accumulation enables wealthy individuals to take risks?” asked a young audience member during a recent [Intelligence Squared](#) conversation with economist Thomas Piketty, of [Capital in the Twenty-First Century](#) fame.

Any conversation in which one speaks about limiting (through taxes, regulations, or expropriation) the ability of the rich to accumulate vast wealth, inevitably evokes the accusation of attacking “Job Creators.” Although the left political line generally rejects the notion that capital accumulation is a good thing, I am going to take a surprising position: that limiting accumulation *does* inhibit innovation that creates jobs.

However, the common discourse narrows the debate on job creation to focus only on the wealthy. Pundits generally ignore the innovative potential of the working class, who are more and more incentivized to take any [mentally suffocating job](#) to pay down increasing debt.



## *The Heavy Chains of Debt*

The Intelligence Squared audience member's question echoes a general train of economic thought that seems to run through academia and business discourse: that [the accumulation of wealth in the hands of a few](#) allows them to take risks and innovate. These entrepreneurial endeavors lead to new methods to combine capital and labor, creating new employment opportunities, or so the story goes.

This is the justification given for the illustrious title "Job Creator" that is bestowed upon the heads of the richest Americans. However, a 2011 report by the Institute for Competitiveness and Prosperity showed that most jobs in the U.S. and Canada come from businesses under [five-years old](#). Which means that older firms with the most money and capital aren't offering many new employment opportunities.

However, to start a new firm requires a certain tolerance for risk. There is a plethora of academic studies that investigate the relation between firm debt levels and innovative risk taking. Indeed, a study by Andreas Milidonis and Konstantinos Stathopoulos in the Journal of Finance and Quantitative Analysis found that higher debt levels lowered the willingness of upper management to take risks.

Unsurprisingly, this debt logic extends beyond existing capitalist firms to would-be firms. The Consumer Financial Protection Bureau [reported](#) that many university graduates cite student loan debt as a significant deterrent to starting new businesses. Even if someone is willing to take the risk, student loan debt may make it harder to get a lower-interest business loan. And as student loan debt exploded to over [\\$1.2 trillion](#) in May 2013, this problem is not likely to dissipate.

Debt is also compounding the socioeconomic immobility of the poorest workers. As traditional banks withhold loan services in low-income communities, payday lenders with annual interest rates of anywhere from [391 to 521 percent](#) have inserted themselves into these communities. Although the Federal Reserve finds effect of payday loan on borrower bankruptcy [ambiguous](#), 90 percent of borrowers have to take out repeated payday loans at an annual cost of [\\$3.5 billion](#) in fees.

It should come as no surprise that as the ability to start new businesses decreases for the working class – an ability that allows them greater control of the wealth of society – inequality will deepen.

However, "creating jobs" is a political ploy, used by absentee shareholders to justify their wealth. From the socialist perspective, job creation should not be a societal goal. What is important is labor-saving innovations that *lessen* the aggregate *necessity* to work.

## *Less Debt, More Democracy*

Exploitative and unnecessary work continue if we allow a few indebted proletarians to become capitalists and begin the cycle over again. The typical "American Dream" rewards the successful small businessman/woman with the right to exploit their fellow citizens with underpaid

employment. One may say this is a net gain – the business owner makes a profit and the worker receives a job – but it must be weighed against the alternative: a democratic business model.

Injecting democracy into the grinding machinery of the workplace would allow the working class to take advantage of the entrepreneurial spirit of capitalism, while retaining the benefits for the workers themselves. Call it a worker-owned [coop](#). Call it a [WSDE](#).

I call it the seed of a new, [more productive](#) and just economic system: a socialistic economic system.

A national policy is needed to ease the debt burden *and* promote innovation. One solution would be to provide full or partial loan forgiveness to new graduates and debt-encumbered workers who decide to start new cooperatives. Debt could be forgiven after a certain period of time, similar to the Public Service Loan Forgiveness program which forgives your federal student loan balance after 10 years of full-time government or non-profit employment.

Another solution could be to refinance excess debt with a low-interest public loan to new worker-owned cooperatives, with the option to convert the new loan into a grant after five years of successful business. This policy would incentivize people to create new value in society to lessen their debt burden, rather merely taking a job for the paycheck.

However, policy theorizing doesn't mean that we can forget the political battle for working class power. Democracy is a difficult concept to attack politically. So if the capitalist elite attack the worker-owner concept, they also attack the idea of democracy itself. And if they bellow with hollow claims of “anti-freedom” and “anti-democracy” – against the rich, no doubt – we can respond like Piketty:

“I like accumulation; I like capital. I like it so much, I would like more people to own more capital.”

[Bernie Sanders Can Win](#)

Monday, July 13th, 2015

***The Washington Socialist* <> Summer 2015**

*By Bill Mosley*

You read the headline correctly. I believe Bernie Sanders can be elected President.



Or at least that's how those of us who support Sanders should approach his campaign. Not as a protest candidacy, nor as an exercise to burn off our activist energy and feel good about the country for a few months before becoming grumpy again once Hillary Clinton locks up the nomination. We need to envision Sanders and his explicitly socialist message resonating with Democrats participating in the party primaries and caucuses, and then appealing to the majority of voters in the general election.

This is not to deny that Sanders is running an extremely long-shot campaign, or that the Koch-led big-money political cartel will stop at nothing to bury him. Hillary Clinton will surely out-fundraise Sanders many times over, even in the event a few millionaire radicals join the Sanders cause. Sanders will always be disadvantaged when it comes to money. His advantage is ideas and, potentially, numbers of people.

While money today is the biggest factor in who gets elected to office, it is not the only factor. If politics were merely a contest of who could compile the largest war chest, students today might be studying the presidencies of Nelson Rockefeller, John Connally and Steve Forbes. Ideas, and the voters' perceptions of ideas, matter.

Political analysts have studied presidential campaigns (and those for lower office) in minute detail, and their conclusions differ widely about why particular candidates won, lost, or fared better or worse than expected. However, there is plenty of evidence that a progressive-populist message resonates with a wide swath of voters.

In fact, even many politicians whose past records in office show little fealty to true progressive or populist ideas feel the need to pretend to be men or women of the people when running for the Democratic nomination. Hillary Clinton, she of the fat-cat contributors, first lady of the administration that "ended welfare as we knew it" and tacked to the right at every opportunity, [recently launched her 2016 presidential campaign on a firmly populist note](#). "Prosperity can't be just for CEOs and hedge fund managers. Democracy can't be just for billionaires and corporations," she declared to her supporters, emphasizing her support for a higher minimum wage, paid family leave, equal pay legislation and banning workplace discrimination against gays and lesbians.

That should surprise no one, since all Democratic presidential candidates must appeal to a significant bloc of voters on the left to win the nomination. Some progressives have defected to the Green party or become too disillusioned to vote, but to win in the Democratic primaries a candidates still must appeal to, or at least appease, the mass of left-leaning voters still in the party. Frequently this is more rhetoric than substance, as candidates from Jimmy Carter to Bill Clinton to Barack Obama cast themselves in their campaigns as men of the people, belying their past centrist histories and thrall to wealthy donors that were more accurate predictors of their future actions. Hillary Clinton, to paraphrase the late Robert Young, isn't a progressive but she plays one on TV.

Jesse Jackson's campaigns of 1984 and 1988 demonstrate the potential of a prominent progressive running unapologetically on the left, not only rhetorically but substantively as well, in the Democratic primaries. In both campaigns, but especially the latter one, he built a coalition



of people of color, union members, antiwar activists and others that made him a serious, if ultimately unsuccessful, challenger for the Democratic nomination. Some voters who might have been attracted to his message didn't support him because he'd never held elective office and others because of his race – not that they were necessarily hostile to having an African American president, but that they felt the country wasn't "ready" for such a momentous step. There were also efforts by Jackson's opponents to box him in as the "black" candidate, although his Rainbow message was pitched to a far broader audience. Even so, he was able to mount a serious run for the nomination. (Twenty years later, Obama attracted some of the constituencies that shunned Jackson – not only was he a senator and not as easily pigeonholed as a race candidate, but the result showed the United States was now indeed "ready" for an African American president, whether or not it had been in 1988).

Just a few cycles earlier, in 1972, George McGovern's message of economic equality and his strident opposition to the war in Vietnam propelled him to the Democratic nomination against Hubert Humphrey, an architect of both the Great Society and U.S. entanglement in the war. Unfortunately, a combination of corporate money for the Republicans and Richard Nixon's dog-whistle racial appeals (McGovern wants to give your money to minorities, etc.) swamped McGovern in the general election.

The McGovern debacle notwithstanding, even in the general election Democrats have often found that taking a populist line plays to their advantage, in spite of the conventional wisdom that a Democrat must move to the right after the convention in order to woo undecided centrists. Humphrey in 1968 nearly defeated Nixon when he adopted an unabashedly progressive line in the campaign's homestretch. Likewise, Al Gore fared best when he dropped his cautious talk about a Social Security "lockbox" and challenged George W. Bush with more populist rhetoric – and Gore won at the ballot box. Michael Dukakis should have beaten George H.W. Bush in 1988, but his almost issue-free campaign and emphasis on his competence turned voters off like a faucet.

But perhaps the best precedent for a potential Sanders victory is not a presidential election, but the 1934 race for governor in California, in which outspoken socialist and muckraker Upton Sinclair – perhaps the Bernie Sanders of his day, if Sanders were to take up writing novels – made a successful run for the Democratic nomination. There are parallels aplenty between 1934 and today. Sinclair was running during the depths of the Great Depression, and he made the state's widespread poverty the centerpiece of his platform – he called his campaign the "End Poverty in California" (EPIC) movement. Likewise, Sanders is running at a time when the economic meltdown of 2008 continues to inflict pain on the majority of Americans, notwithstanding that the wealthiest Americans are doing better than ever. At least in Sinclair's California, nearly everyone was suffering the effects of the Depression; after 2008 the wealthiest Americans kept on getting richer.

Sinclair, like Sanders, was castigated by many on the far left for running as a Democrat. Sinclair had been a member of the Socialist Party up to 1934, when he switched to the Democrats in order seek the nomination. In 1934 the SP had much more vitality than today. The party was past its Debs-era electoral heyday, but it still was a force at the local level, [with socialist mayors in several cities](#). At the national level, the charismatic Norman Thomas was the party's regular

presidential candidate. Although Thomas' vote total was never more than a blip in the electoral standings, his 1932 platform included a number of planks that were adopted as part of Franklin Roosevelt's New Deal. So it was a great disappointment to many socialists when Sinclair ran as a Democrat, just as Greens and others who fixate today on the failings of Democratic officeholders expressed their dismay when Sanders did the same on the presidential level, rather than run as an independent (or a Green) in the general election.

According to [Sinclair scholar James Gregory](#), Sinclair took advantage of the weakness of the Democratic Party in a state in which Republicans outnumbered Democrats three to one, and he coasted to victory in the primary by appealing to working-class voters who had previously exercised little influence in the state's politics. But in the general election, a united front of corporate interests – led by the *Los Angeles Times* and Hollywood moguls – poured an influx of corporate cash into GOP candidate Frank Merriam's coffers and coordinated a campaign of red-baiting and disinformation that led to Sinclair's defeat, with 1.1 million votes for Merriam to just under 900,000 for Sinclair (see also Lauren Cooley's *Upton Sinclair: California Socialist, Celebrity Intellectual*).

However, to a great extent, the EPIC campaign was a success, even if it failed to elect Sinclair. Gregory notes that

California voters ...elected thirty-eight Democrats to the eighty seat Assembly, twenty-four of them EPIC nominees. Several EPIC endorsed state senators and U.S. Congressmen would also be taking office. In addition EPIC candidates had captured Democratic central committee posts around the state, giving the movement effective control of the party machinery. . .Sinclair's campaign marked the beginning of a powerful left presence in the party. Though EPIC itself melted away, veterans of that campaign formed the nucleus of a Democratic party faction that was ideologically very liberal and soon closely tied to organized labor, especially the left-wing CIO.

So a Socialist can win a Democratic nomination if the timing is right and he (or she) can light a fire in the electorate. But could Sanders, operating on a national stage, emulate Sinclair in winning the nomination, and then do him one better by winning the election? Or are socialists doomed to be relegated to winning local council seats in crunchy-granola towns like Seattle?

The odds are long. Even getting past Clinton, who will try to co-opt Sanders on the issues while quietly accepting corporate contributions, is a steep hill to climb. If he succeeds, corporations and their mouthpieces will declare all-out war in the general election. Money and red-bait invective will fly at Sanders like artillery fire. And if he is elected, Republicans in Congress will be no more likely to help advance his agenda than they were for Obama. It will require the building of an impressive coalition – of union members, ideological leftists, disillusioned Democrats, minorities, the poor and near-poor, and many others – as well as a savvy and well-organized campaign to push Sanders to victory. Sanders' platform speaks to the needs of a majority of Americans, and it will be the job of Sanders' supporters to break through right-wing disinformation to bring this fact home.

However, like Sinclair, Sanders can accomplish much even if he fails to win, or even be nominated. Sanders is already attracting many liberal-to-left voters to his campaign, voters tired of the mainstream Democratic Party's sellout to corporate interests who now see an alternative to lesser-evilm, quixotic third-party campaigns or dropping out altogether. Like EPIC, a Sanders campaign could leave behind a reinvigorated left electoral movement, one that could move the Democratic Party and the national political conversation to the left. To make that happen, of course, depends on organizations of the left such as DSA recruiting Sanders supporters and keeping them engaged after the election.

We shouldn't regard Sanders as a "protest" candidate, running to make a point or pull Clinton to the left. If political action means anything in today's America, then we have to enter the Sanders campaign with the confidence that if his message reaches enough Americans loudly and clearly, they will respond. There is a path to victory for Sanders, albeit a steep, rocky one studded with landmines. But more fundamentally, the stronger a candidate Sanders is, the better are the chances of building a left political movement for the long term.

#### [Bernie Sanders's News Conference At the 2016 Democratic Convention: A Dream Vision](#)

Monday, July 13th, 2015

#### ***The Washington Socialist* <> Summer 2015**

*By Woody Woodruff*

[A transcript of Sen. Bernie Sanders's news conference as the Democratic National Convention opened in Philadelphia, July 2016]

Let me say, before I take questions, that I am pleased to be here with the significant amount of support that has grown throughout the primaries. We expect to be competitive through more than one ballot of the convention, given the delegates we have won. Gov. O'Malley and I have largely fought for the same advanced progressive issues and policies and there are only a few where we differ; we are providing a pretty solid front for that program. Both my campaign and Gov. O'Malley's are well represented on the Platform Committee and we are expecting to see some changes in the final version put forward by the Platform Committee tomorrow.

Our campaign continues to insist that this party, the party of working people, offer a very different vision of the future to the voters than the Republican plan for more wars, more corporate dominance, and more oppression of those now coming under the thumb of the billionaire class in this country.

We call for significant new constraints on financial commerce and a recapturing of its fraudulent gains through a financial transactions tax; a reversal of the Citizens United decision that has turned our electoral system into a casino; a move from the Affordable Care Act forward toward single-payer health care; a path toward free public higher education along with K-12 schools that bring all American youngsters to parity in readiness for college or work; improved prospects for manufacturing at home through industrial policy with opportunities for collective action by workers in the US as well as in all nations included in our trade agreements AND a \$15 federal minimum wage; passing a real infrastructure bill to keep the national substance from crumbling any further and provide good jobs; raising the cap on the payroll tax to keep Social Security sound for the next century. Now that the President has had the Trans Pacific Partnership treaty turned down by Congress, we can begin to fashion a trade agreement that is good for workers, not for corporate lobbyists. And our criminal justice system has made baby steps toward reforms that can eliminate police terror in minority communities and end the selective arrest, prosecution and incarceration of minorities; we will pursue those goals vigorously.

Those demands as a package can restore the health and political power of the American middle class, which has been crushed by the catastrophic recession caused by financial interests who paid no price for their criminal negligence but instead profited from the misery of the majority. Without a middle class that has that vigor and power, American politics will remain the dismal, gridlocked thing that it has become. Democrats must clearly state that those are our goals. Republicans simply cannot do the same, given the premises of their party.

Our campaign has not only been about advancing all those policies and programs, but about clarifying for the voters that there is essentially a single reason that we need to address all those areas – the economic system in this country, which is stacked for the billionaires and against working people. Only by tackling all those factors comprehensively can we alter the economic arrangements so that we avoid the Whack-A-Mole dilemma of fixing one problem only to find that another problem has become aggravated as the capitalist system adjusts itself to maintain its advantage. The system must be reformed to benefit people, not corporate profits. And our increasing number of supporters indicates that that message is getting across as never before in recent history.

We recognize that Secretary Clinton leads all of us in delegate strength at this point but that no one has the delegates for the nomination. Whoever is the nominee, the solid progressive perspective is now firmly established as the stance of the Democratic Party, something it has been missing for decades.

Now I'll take questions. Yes, in the second row...

BABINGTON, AP: Senator, by this time in the campaign most candidates have settled on one, or at most two, major issues on which to run or campaign. You persist in going with this ... ah... laundry list. Why?

SANDERS: You need to be systematic when you are taking on a system. The collapse of our infrastructure, our manufacturing economy, our educational system, our labor market and unions, our system of social support, our system for choosing our leaders – all those are tightly linked to

the dominance of corporate finance. Most of these corporate people are not evil – this is the way the system behaves and they want it to continue to work to their advantage. To free them from their own bondage we have to change the system.

Look, the arrangements that have developed over the years in our legislatures create the false impression that you can only do one or two big things at a time. This is false, but it is no accident. It plays into the hands of corporate bosses and the millionaire class because while you are trying to fix those one or two things, they are busy in the back rooms further corrupting and distorting – to their advantage — the rest of these factors that make up our everyday lives. If you want to make genuine gains for the American people, you have to push on all these fronts simultaneously.

The argument that the American people are not ready for change of this magnitude is easily accepted by many, including you folks in the media – but it has never been tried, not since the desperate years of the Depression. When you try to do those sorts of things when you are on your knees, you can change your perspective quickly. The real experiment is to accomplish these things when we are at least halfway still on our feet. I argue it can be done, and that the people will respond – they are responding.

Yes, in the back there...

MOBERG, IN THESE TIMES: Senator, you ran as an independent and you call yourself a socialist. Why are you engaged with the Democratic Party right now? And a follow-up question.

As I have said, the Democrats have been responding a little too readily to Wall Street and corporate money in recent decades. This is not strange. When electoral politics gets this corrupted by big money, the corporations are the only game in town. If the Democrats hadn't played the game, if they had unilaterally disarmed, we probably wouldn't have had a two-term Democratic president. Things haven't been great, politically, but I can imagine them worse without that.

Nevertheless, the Democrats have traditionally been the party of working people, the party fighting big money, and they can be that again – are becoming that, right now, in this campaign. That's what my campaign has been about – not only fighting against the Wall Street influence but keeping those issues on the table and changing the Democratic Party, bringing back some of the spirit of the New Deal.

MOBERG, IN THESE TIMES: my followup – if you don't secure the Democratic nomination, will you run as an independent or seek the Green Party nomination?

I support Ralph Nader on most of the issues and I don't blame him for Bush v. Gore. Jill Stein would make a fine president, almost as good as me. But there's no sense in giving this Supreme Court the option to appoint another Bush. I will support the Democratic nominee, but I will continue to support the issue positions I have been supporting – all of them.

Thank you.

[EPI Forum Addresses Class, Race, Social Inequalities In Kindergarten, And How Pre-K Programs Can Lessen Them](#)

Monday, July 13th, 2015

***The Washington Socialist* <> Summer 2015**

*By Andy Feeney*

Even as they enter kindergarten, young children in the United States face different chances of success that vary by race, ethnicity and language background and socio-economic class. Of these factors affecting the intellectual and emotional readiness of kindergarten students to learn, the most important is class, according to a recent research paper by Emma Garcia and Elaine Weiss of the Economic Policy Institute (EPI).

A summary of their study, *Inequalities at the Starting Gate*, was presented to attendees at a June 17 forum and panel discussion on Capitol Hill sponsored by the Broader, Bolder Approach to Education (BBA), an educational reform group funded by the Annie E. Casey Foundation and other philanthropies and based on a public policy task force originally organized by EPI president Larry Mishel in 2008.

In the summary of *Inequalities at the Starting Gate*, Garcia and Weiss conclude: “social class is the single factor with the most influence on how ready to learn a child is when she first walks through the school’s kindergarten door. Low social class puts children far behind from the start. Race and ethnicity compound that disadvantage, largely due to factors also related to social class.”

The implications for U.S. public schools and the children who attend them are daunting, judging from Garcia and Weiss’s research and related materials distributed at the June 17 event. Some 46 percent of black children and 63 percent of non-English-speaking Hispanic children are currently living in poverty. Some 65 percent of black children are living in single-parent families, a factor that aggravates the educational drawbacks relating to poverty alone, and approximately 53 percent of Hispanic children lack access to the kinds of preschool programs that can help to counteract the effects of poverty.

According to a brochure prepared under BBA’s auspices and distributed at the forum, *Building High Quality Early Support Systems for Children and Families: A Guide for State Policy*, the demands by American politicians and prominent business leaders for “educational reform” are being voiced today “in the wake of a record number of children living in poverty and a rapidly changing student population” – factors that make educational progress hard to achieve for many students, regardless of whether the ‘reforms’ succeed. (Most progressives see the alleged

reforms as thinly disguised attempts to break public school teacher unions, an issue the EPI discussion materials on preschool preparation did not explore one way or another.)

The incidence of premature births happening in the U.S. today compares with the incidence of premature births in the Sudan, *Building High Quality Early Support Systems* notes in passing. Uneven prenatal care regimes related to poverty therefore affect childrens' preparedness in tandem with other factors. Only half of the young children in the U.S. today are attending publicly supported preschool programs, vs. 84 percent in other developed capitalist nations.

Meanwhile, the brochure charges, "relative child poverty is higher in the U.S. than in every other developed country but Romania," making it hard to imagine how the U.S. will raise a future work force that helps this country to compete internationally.

On the other hand, participants in the EPI forum indicated that the good news is that some prominent U.S. business leaders and economists, as well as even a few Republicans, are increasingly willing to support national or (more commonly) state-level early childhood intervention programs that attempt to tackle the educational disadvantages of the least-prepared children, if only in the name of "human capital" development and economic efficiency.

For example, one participant in the panel discussion that accompanied the June 17 was Rob Grunewald, an economist with the Federal Reserve Bank of Minneapolis, who has coauthored research on the economic costs to the wider society of poorly prepared, disadvantaged children being unready for kindergarten, and who has tried to calculate the economic benefits of programs promoting early childhood education.

The BBA's *Guide for State Policy*, in a similar vein, includes thumbnail sketches of promising early childhood education and childhood health care support programs that have been underway for years in some rather surprising states with reputations for otherwise very conservative politics.

Oklahoma, for example, boasts one of the nation's most extensive programs for providing free, voluntary, pre-kindergarten education to 4-year-olds, both from disadvantaged and from relatively middle-class families. During the 2011-2012 school year, the *Guide for State Policy* indicates, some 74 percent of Oklahoma 4-year-olds were enrolled in such programs. However, Oklahoma is only the second state to have established such pre-K programs; the first was Georgia.

Another childhood intervention program recommended by many early childhood education advocates, "Smart Start," endeavors to provide high quality health care and childcare services to young children and their parents from disadvantaged backgrounds. North Carolina, another generally conservative state, has had a "well regarded" Smart Start initiative in place since the early 1990s, according to the BBA state policy guide, and now provides services to disadvantaged children from birth through the age of 5.

In 2002, North Carolina also supplemented its Smart Start initiative with a program called More at Four, which provides funds to counties to pay for pre-K educational services to 4-year-olds in



“a variety of settings,” ranging from public schools and Head Start programs to for-profit community centers.

Arkansas, similarly, established a program in 1991 called Arkansas Better Chance or ABC, which by the 2011-2012 school year was providing pre-K educational programs to 37 percent of the state’s 4-year-olds and some 10-percent of its 3-year-olds. Kentucky too now has a “high quality pre-kindergarten program,” thanks in large part to support from a “broad leadership” in favor of educational reform, “including that of the business community” and state philanthropic leaders.

In fact by late 2013, the *Guide for State Policy* relates, “all but ten states and Washington, D.C., funded pre-K programs, though few three-year-olds were served and access and quality still varied widely.”

Another briefing material handed out with the packets at the EPI forum makes an argument that well designed preschool educational programs and health care and parenting assistance programs for disadvantaged young mothers will more than pay for themselves over time. The short book by Timothy J. Bartik, a senior economist with the privately funded Upjohn Institute for Employment Research, advocates enhancing the social, emotional and professional skills of future adult workers, generating better health outcomes for children and future parents and reducing the chances that disadvantaged kids will end up in the criminal justice system.

Bartik’s research, summarized in *From Preschool to Prosperity: The Economic Payoff to Early Childhood Education*, emphasizes the potential economic benefits of better childhood support and educational programs even to childless people who have no direct involvement with the public schools except as taxpayers.

Bartik also identifies three preferred forms of early childhood intervention programs that he says are of proven cost-effectiveness: “universal” pre-K programs for 4-year-olds; so-called Educare services for disadvantaged children, from birth through age 5; and Nurse Family Partnership (NFP) services for disadvantaged first-time mothers, to teach them parenting skills that will help them raise both their first-born children and all their children who follow.

If the best mix of these three programs were implemented nationwide at an estimated net cost of about \$79 billion annually, Bartik’s book argues, this investment would increase the present value of future earnings of affected children by “a multiple of two and three times” total program costs. What’s more, positive “spillover effects” from the programs might be more than double the economic benefits to future adult wage earners in terms of higher incomes, and “anticrime benefits might be at least as valuable as the earnings benefits.”

Despite the potential benefits of pre-K programs and growing support for such programs among state legislators and a part of the capitalist business community, however, federal funding support for good state programs faces an uncertain future at best given the current Republican control over both houses of Congress. And in their study, Garcia and Weiss argue that really effective cures for the adverse educational effects of poverty need to extend beyond the schools to addressing the problem of poverty itself.

In addition to funding and supporting good pre-K programs, they conclude, Congress and the White House should take several other steps.

Their recommendations include (a) raising the minimum wage; (b) supporting new job creation, both through Federal Reserve Board policies affecting interest rates and through government investments in infrastructure repair and upgrading; (c) sustaining and extending federal “safety net” programs such as unemployment insurance and food stamps to make sure they reach everyone in need; (d) reforming corrections policies so that fewer disadvantaged children suffer from having parents in prison; (e) reforming immigration policies that limit the life chances of Hispanic children; and (f) fixing “societal and structural biases” — notably including continuing residential racial segregation — “that compound the effects of poverty for children of color.”

Democratic socialists and other readers who are concerned about the future of American children, whether we are operating from an explicitly anti-capitalist perspective or not, may want to read more deeply in *Inequalities at the Starting Gate*, which can be accessed through the BBA web addresses here:

A brief overview of the BBA can be found online at <http://www.boldapproach.org/about>. An agenda for the June 17 forum and links to various background materials presented at the forum, along with brief bios of the participants, are available at <http://www.boldapproach.org/isg-release-rfk-screening>. An overview of BBA’s general stance on early childhood education programs can be found at <http://www.boldapproach.org/early-childhood-education>.

*The Guide for State Policy on Building High Quality Early Support Systems for Children and Families* is available at <http://bit.ly/eceguide>. Tim Bartik maintains a blog on early childhood programs and the economy at <http://investinginkids.net/>.

Rob Grunewald has authored and coauthored a number of articles on the economic merits of educational programs, including early childhood education programs, which are listed on his web page profile at the Minneapolis Federal Reserve Bank.

One of Grunewald’s more pivotal studies was titled “Early Childhood Development: Economic Development with a High Public Return,” and was coauthored with Arthur J. Rolnick, senior vice president and director of research at the Minneapolis Fed through 2010. It can be accessed at <https://www.minneapolisfed.org/publications/fedgazette/early-childhood-development-economic-development-with-a-high-public-return>.

#### [GOOD READS FOR MIDSUMMER SOCIALISTS](#)

Monday, July 13th, 2015

## ***The Washington Socialist* <> Summer 2015**

The great Adolph Reed kicks out a few jam(b)s on the parsing of racism, privilege and some other recent fancy terms. From Doug Henwood's *Left Business Observer*...

<http://www.leftbusinessobserver.com/Antiracism.html>

From *People's World*, a long view by a CP veteran, Sam Webb, on the Charleston murders, their roots in the visceral right-wing reaction to Obama's election, and the perspective offered by MLK's fluid strategy for recovering society's human potential.

<http://peoplesworld.org/charleston-the-republican-right-and-the-lessons-of-martin-luther-king/>

A call from an analytical left group, the Left Strategy Collective, for full understanding of what a left strategy would look like and some notes on how to get there, from *Portside*:

<http://portside.org/2015-06-09/audacity-win-call-strategy-us-left>

Another from *Portside*, suggesting that a new NLRB rule is aiding union organizing by preventing employers from being able to delay union vote – a practice that allows employers a freer hand to fire dissidents or conduct captive-audience brainwashing sessions.

<http://portside.org/2015-06-23/new-rule-speeds-unionization-votes-say-organizers>

A writer in the *Atlantic* magazine suggests that the independent arbitration sections of the Trans-Pacific Partnership violate the US Constitution... a provocative view first noted on Jonathan Shurberg's blog, the *Maryland Scramble*.

<http://www.theatlantic.com/politics/archive/2015/06/tpp-isds-constitution/396389/>

Tom Edsall's lengthy analyses in the *New York Times* make frequent appearances here in Good Reads – perhaps because his accounts imply, if not state, socialist conclusions. Here he asks what factors are preventing the poorest in the US from engaging in widespread protest against their state.

[http://www.nytimes.com/2015/06/24/opinion/why-dont-the-poor-rise-up.html?action=click&pgtype=Homepage&module=opinion-c-col-left-region&region=opinion-c-col-left-region&WT.nav=opinion-c-col-left-region&\\_r=0](http://www.nytimes.com/2015/06/24/opinion/why-dont-the-poor-rise-up.html?action=click&pgtype=Homepage&module=opinion-c-col-left-region&region=opinion-c-col-left-region&WT.nav=opinion-c-col-left-region&_r=0)

In a piece stemming from Edsall's column, Helaine Olen argues in *Slate* that Edsall doesn't sufficiently weigh the power of the US "civil religion" of individualism and the reflexive way it shames the poor about their status...

[http://www.slate.com/articles/business/the\\_bills/2015/06/new\\_york\\_times\\_op\\_ed\\_on\\_why\\_the\\_poor\\_won\\_t\\_rise\\_up\\_give\\_credit\\_to\\_our\\_culture.html](http://www.slate.com/articles/business/the_bills/2015/06/new_york_times_op_ed_on_why_the_poor_won_t_rise_up_give_credit_to_our_culture.html)

A review of a new book on the roots of pervasive global violence: "Widespread violence, [the authors] argue, is in fact an expression of the underlying social order, and whether it is carried out by military forces or by patterns of investment, the aim is to strengthen that order for the benefit of the powerful." From *Monthly Review* via *Portside*...

<http://portside.org/2015-06-28/hidden-structure-violence-who-benefits-global-violence-and-war>

Michael Albert, in a very conversational piece in *Telesur*, puts the pros and cons of the Sanders campaign into the widest possible framework in terms of individual action, suggesting that one cannot know for sure how it will play out, so immediate dismissal or total embrace have equal risks: <http://www.telesur.tv/english/opinion/-Support-Bernie-Sanders—But-How-20150622-0004.html>

Also from *Telesur*, our own Joe Schwartz lays out a framework for understanding the dynamic of the Sanders campaign in US politics and how it can build toward a left hegemony that has real power in the polity. <http://www.telesur.tv/english/opinion/The-Sanders-Campaign-and-the-Revival-of-Socialism-in-the-US-20150708-0028.html>

And Joe's piece in the latest Democratic Left is a companion to that framework, focusing on the counter-radical design features of the US electoral system.  
[http://www.dsau.org/socialists\\_and\\_the\\_us\\_political\\_system\\_dl](http://www.dsau.org/socialists_and_the_us_political_system_dl)

Still more views on the Sanders campaign have been coming from *Portside*, notably these paired essays from significant veterans of the left, the Socialist Party's David McReynolds and the Green Party's Ted Glick. McReynolds' column originated as an e-mail from his [Edge Left](#) site (but it's not posted there); Glick's originated at [his personal website](#)

<https://mail.google.com/mail/u/0/?tab=cm#inbox/14e7732a5878f3e5>

And for a Maryland perspective by (again) Jon Shurberg of the blog *Maryland Scramble*, here's his hilarious send-up of *Politico* ("Tiger Beat on the Potomac) and its effort to find Democrats who will trash Bernie and help re-draw the unsettled line between "Good Democrats" and those who are "out there."

<http://marylandscramble.com/2015/07/13/pssst-didja-hear-sanders-is-a-socialist/>

As this newsletter goes "to press" the fate of Greece at the hands of the Protestant Ethic is still undetermined. But in a fine piece in the *New York Times*, columnist Eduardo Porter reminds the Germans of some debt relief they have sought and received – including from Greece – in the past they are so busy forgetting. "The recurring, historical pattern? Major debt overhangs are only solved after deep write-downs of the debt's face value," Porter observes. The longer it takes to realize that, the bigger the write-down. <http://www.nytimes.com/2015/07/08/business/economy/germanys-debt-history-echoed-in-greece.html>

[How the TPP Could Damage the U.S. Postal Service](#)

Monday, July 13th, 2015

## ***The Washington Socialist <> Summer 2015***

*By Andy Feeney*

U.S. adoption of the proposed Trans Pacific Partnership (TPP) treaty, in addition to eliminating or threatening American jobs and overriding the democratic decisions of state, local and national government, could also frustrate plans by the four postal workers' unions to protect and expand the U.S. Postal Service, union representatives told participants in a June 28 conference call for anti-TPP activists.

Under the auspices of the American Postal Workers Union (APWU), consultants with a recently formed economic policy group called Commonomics have been exploring a recent proposal by the Postal Service's Office of Inspector General to establish postal banking services in the U.S., with local post offices serving as banking offices. Similar systems of postal banking exist in [some other advanced industrial societies.](#)

Marc Armstrong, a cofounder of Commonomics, is one of the consultants working on a project to make U.S. postal banking a reality. Armstrong told anti-TPP activists participating in the conference call that the Postal Service, through its existing system for sending and receiving money orders, already has the capacity to provide banking services. However, its system for handling money orders is outdated technologically compared to that of Pay Pal, as an example, and it lacks a Federal Reserve bank-routing number such as those that commercial U.S. banks have. Under existing laws, the Postal Service is also forbidden from embarking on new business lines or offering new products without congressional authorization.

If these stumbling blocks were overcome, Armstrong said, the Postal Service could provide postal banking services that would provide a much-needed alternative to the payday loan companies that currently serve some 34 million Americans, at ruinously high interest rates.

People with low incomes currently accept the burdensome terms offered by the payday lenders because they fear incurring extremely high overdraft fees at the hands of commercial banks. A national system of postal banking could help low-income workers and consumers to avoid both the banking industry's high overdraft fees and the high interest rates of the payday lenders, thus providing significant benefits to millions of households.

There are provisions in the draft version of the TPP, however, that would make the establishment of postal banking services and/or the establishment of publicly funded and operated banks more vulnerable to lawsuits than they are today. Such publicly operated banks could be deemed unfair competition with private enterprises and thus subject to TPP sanctions, Armstrong indicated.

The TPP also could limit how much the Postal Service can compete with private package carriers such as FedEx and UPS, Katherine Isaac, a special assistant to APWU president Mark Dimondstein, told conference call participants. Package delivery is an increasingly crucial part of the Postal Service's business, Isaac indicated.

Although volumes of first class mail delivery in the U.S. have dropped significantly as people turn increasingly to email over the Internet, cutting into Postal Service revenues, the Postal Service today is delivering some 2.2 million packages daily for FedEx, its competitor. A significant fraction of UPS packages also are delivered by the Postal Service, for UPS and FedEx would prefer not to make deliveries in certain neighborhoods.

Under the Constitution, however, the Postal Service is obligated to provide service to the entire country. Its revenues from package delivery therefore are quite significant, and it would operate at an annual profit were it not for provisions in the so-called Postal Accountability and Enhancement Act of 2006, passed by a lame-duck Republican Congress, that require it to pre-fund the projected health care benefits of its retirees some 75 years into the future.

One section of the proposed TPP, to the extent it has been revealed to the public, is designed to expand the ability of private enterprise to compete with government entities, Isaac told conference call participants. This might be interpreted as limiting the Postal Service's ability to compete with private package carriers. In addition, an annex to a separate trade agreement now before the World Trade Organization (WTO) would specifically restrict the Postal Service's ability to compete with private carriers on the basis of price.

Arguably, then, Postal Service employees and millions of Postal Service customers are potential recruits to the growing coalition aimed at blocking TPP's approval by Congress. Despite cuts in service and closings of mail processing centers that have been forced on the agency, the Postal Service still operates some 30,000 local post offices around the country and is the "most liked" of all federal agencies according to polling data. If a significant fraction of those served by the Post Office enter the political fight to block TPP's adoption, this could be a significant gain for the progressive anti-TPP coalition.

The APWU has launched a "Grand Alliance" to save the Postal Service from further cuts. *Washington Socialist* readers who would like to support the Grand Alliance, either by joining it as individuals or by urging organizations in which we are members to join it, can find more information about the Alliance at <http://agrandalliance.org/>. Readers interested in learning more about the postal banking campaign and about Commonomics, whose organizers hope for it to play a pivotal role in protecting the public commons and exposing efforts by corporate interests to privatize the commons, can do so at <http://www.commonomicsusa.org/> and <http://www.commonomicsusa.org/solutions>.

[The United States Must Not Turn Puerto Rico into the Next Greece](#)

Monday, July 13th, 2015

***The Washington Socialist* <> Summer 2015**

*This statement on the debt crisis in Puerto Rico was issued by the DSA National Political Committee July 3, 2015*

Once again the U.S. government is neglecting the fate of the people of Puerto Rico when it suits the interests of the powerful, the wealthy bondholders who own Puerto Rico's debt obligations. Puerto Rico's governor, Alejandro Garcia Padilla, contends that to pull the island out of a "death spiral," the Commonwealth must be able to renegotiate payment on its roughly \$72 billion in debts.

Democratic Socialists of America (DSA) calls on all political parties in Puerto Rico, the U. S. Congress, and the Obama Administration to join together to develop a long-term plan that addresses the root causes of this crisis.

The U.S. government should provide economic aid to help restructure Puerto Rico's government and public corporate debt so as to lower its debt burden and the costs of repayment. By refusing to consider such policies, political elites in Washington are guaranteeing that severe austerity programs will lead to brutal cuts in ordinary people's living standards. This lowering of the quality of life for ordinary Puerto Ricans aims to ensure that the wealthy holders of Puerto Rican debt are repaid. The repayment crisis is in large part due to a long-term economic crisis caused by corporate disinvestment from the island. Thus, the costs of restoring economic health to the island should be borne primarily by those who continued to profit during the crisis.

DSA urges the broad social justice movement to work to ensure that our brothers and sisters in Puerto Rico receive the federal aid that would allow them to emerge from this long-standing economic crisis in a humane and equitable manner. This can be done, but only if the federal government does not treat Puerto Rico in a manner analogous to how the European elites are treating Greece. The economic crisis has forced many Puerto Ricans to leave their homeland, with recent migration meaning Puerto Ricans will soon surpass people of Cuban descent as the largest Hispanic group in Florida.

Puerto Rico is a U.S. territory with Commonwealth status whose residents, since 1917, are U.S. citizens by birth. Although its 3.6 million residents are U.S. citizens, Puerto Ricans cannot vote in the U.S. general presidential elections because Puerto Rico is not a state.

The island's economy has been shrinking or stagnant for a decade, and the official unemployment rate sits at nearly 12 percent. Lawmakers in Washington and San Juan need to come up with a plan that addresses the financial and economic problems of the territory, which must include a lowering of the debt burden borne by Puerto Rico. The federal government failed to bail out a Detroit devastated by disinvestment by the auto industry; Puerto Rico must not be allowed to suffer due to disinvestment by biopharmaceuticals and other industries that have moved abroad in search of even cheaper production costs.

Because Puerto Rico is a territory, government-owned companies such as the electric utility are not allowed to restructure their debt in Chapter 9 bankruptcies. Twenty-five percent of Puerto Rican debt is held by these state-owned enterprises. Congress should approve a new bill that would allow these and other Puerto Rican government-owned companies, as well as



municipalities, to use Chapter 9. Most Democrats support this legislation, but Republicans are steadfastly opposed. If need be, the entire government of Puerto Rico should be able to file for bankruptcy. States cannot file under Chapter 9, but Puerto Rico is not a state.

In short, the present crisis is the culmination of decades of U.S. policies that distorted Puerto Rico's political and economic development.

After the United States conquered the island in 1898 as the result of the Spanish-American war, Puerto Rico's economy, which had been based on a mix of small landowners and subsistence farmers, was transformed into an agro-industrial economy dominated by U.S. companies. Later, in the 1940s, in Operation Bootstrap, U.S. policy promoted a manufacturing sector (combined with the forced sterilization of many Puerto Rican women) but one limited to manufacturing industries that benefitted U.S. transnational corporations. Puerto Rico was never allowed to define its own economic destiny by, for example, negotiating bilateral trade agreements; Puerto Rico also has had to adhere to fiscal policy directed by the United States. External control and extraction of profits stunted the country's productive base. Recent changes in the U.S. tax code have caused the loss of thousands of manufacturing jobs and have been one of the factors leading to the current crisis.

Sixty percent of the island's population – over 2 million patients – receives their care through Medicare, Medicare Advantage or Medicaid. Puerto Ricans pay the same Social Security and Medicare taxes as the fifty states, yet Puerto Rico's Medicaid program receives a 70 percent lower reimbursement rate compared to mainland states. This low rate is being temporarily supplemented by a federal grant that will soon expire. As democratic socialists, we believe access to quality health care is a right, not a privilege; it is time to restore federal Medicaid reimbursement parity for Puerto Ricans.

In addition, the federal government has not adequately addressed the serious environmental legacy problems stemming from U.S. military exercises in Puerto Rico. There has been a decades-long pattern of delay and inaction when it comes to remediating the environmental problems that were left behind by the U.S. Navy on the island of Vieques and elsewhere.

Democratic Socialists of America calls on Congress to support the right of the people of Puerto Rico to self-determination, including the right to define their relationship with the United States in accordance with international law. The people of Puerto Rico must have a democratic voice in all issues and policies that directly affect them. We also urge Congress to grant Puerto Rico the forms of debt relief, debt rescheduling, and federal aid that will allow Puerto Rico to grow its way out of the long-term depression in a manner that enhances the quality of life of all residents of the island, not just its elite.

Passed by the DSA National Political Committee: July 2, 2015.

