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Editor: Woody Woodruff

Welcome to the Midsummer edition of the Washington Socialist

Tuesday, July 15th, 2014



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

You may think that politics does not happen in the summer in Washington, D.C. and its adjacencies in Maryland and Virginia. We will try to show you there is more than meets the eye, and that serious politics in summer can have its fun aspects – even picnicking.

THE NEAR-TERM AGENDA:

The plight of the long-term unemployed remains acute, new legislation may be moving and, as you'll see, you can find out much more on the topic in this issue. A number of progressive groups and members of Congress have been participating in "Witness Wednesdays," a midday event that happens next this Wednesday, July 16 at 12:30 p.m. on the Hill. The theme there, too, is long-term unemployment and the effort backs renewal of that lifeline to jobless workers, which was cut off at the end of 2013 (see more in the articles below). The witness event also takes place July 23 and July 30. Location details are at the link above.

This Friday, July 18: the local sponsors a discussion on the Cecily McMillan case. Cecily, DSA member and Occupy Wall Street activist, was released from some 60 days' incarceration at Rikers Island in New York a few weeks ago after a show trial and conviction in May on trumped-up charges of assaulting a police officer. The injustice of her treatment and the clear evidence of a wider campaign to suppress the Occupy movement through police and the courts have galvanized many progressives, even several years after the Occupy movement went off the MSM radar. "After Rikers: What's Next For Cecily McMillan" is 6-8 p.m., 1133 19th St. NW (Audio Visual Room, first floor). Scheduled speakers include one of Cecily's support principals, Lucy Parks. The location is between L and M Streets, best access from Farragut North or Dupont Circle stations on Metro's Red Line. Updates at the Metro DC DSA Meetup site.

AUGUST 9 – Metro DC DSA summer picnic, Saturday afternoon, The National Mall (site TBA). Best probability now is in the shady areas toward the Lincoln Memorial end of the Reflecting Pool. Candidates for the at-large seats in the DC Council Elections will be invited.

Note that DSA will discuss possible endorsement of progressive candidates in that race and others in the region at its September meeting; all paid-up members of the local can vote on endorsements at that time. The picnic will not only afford a chance to hear and meet with candidates or their representatives; it will also be a real picnic, with food and drink. Watch the Meetup site and Metro DC DSA website for more information – location, transportation and time – as the picnic's date approaches.

Would YOU Like to Serve on the Metro DC Chapter's Cultural & Event Planning Committee? Here's How...

A new-old committee will have an **organizing meeting Sunday**, **July 27** in a museum courtyard. *Details*... The local steering committee has voted to reestablish a local DSA committee that worked very well in the past: a local Cultural and Event Planning Committee to do the planning and preparatory work for major DC-DSA events of potential interest to members, supporters and the progressive public.

Steering committee member Andy Feeney has been delegated to chair the first meeting of this committee; however, the hope is that other members and supporters of our local chapter with interest and/or experience in planning public events will turn up for the first organizing meeting, and that someone else will emerge to serve as permanent chair person who has the desire and skills needed to make the committee a success.

If you have an interest in serving on or chairing this local DSA committee, and if you have creative ideas about the kinds of cultural and public education events that the Metro DC chapter should be holding, please plan on attending the first organizing meeting.

It is tentatively scheduled for the inner courtyard at the Gallery of American Art near the Gallery Place/China Town stop on the Red Line at 3:30 p.m. – 5:30 p.m. on Sunday, July 27. If you want to participate in cultural affairs and event planning but this date and time are not good for you, please contact Andy Feeney at ajfeeney48@yahoo.com to see if we can make other arrangements, or to suggest event ideas.

IN THE NEWSLETTER

Gains in meaningful employment are a national priority of DSA of course, reflected in its support for renewal of long-term unemployment compensation (lapsed at the end of last year) and for Rep. John Conyers' HR1000, which would use a financial transactions tax to fund infrastructure job spending and job training activity. We begin with some articles dealing with, or related to, job creation.

Conyers was a sponsor of a June conference and panel on the Hill to examine the causes and effects of long-term unemployment. *Andy Feeney* and *Woody Woodruff* examine that progressive-leaning event, which had panelists from the White House, Economic Policy Institute and National Employment Law Project. Read complete article

One of the more effective strategies for combating unemployment swings and their damage is managing available work and available workers as a coherent system. In Germany the strategy is called *kurzarbeit*, or short work, and its success there in smoothing the impact of the Great Recession has led to congressional legislation and action at the state level. *Cecilio Morales* examines the prospects of the US version. <u>Read complete article</u>

As federal (and hence state) infrastructure and other employment stimulus activities have waned, **the notion that the private sector can pick up the slack** and construct or operate public goods for profit has gained currency. That *echt*-Thatcherite notion is of course boosted by think tanks and other public-relations mouthpieces funded by big business. *Andy Feeney*'s article examines the many pitfalls and meager benefits in the public-private partnership fad. Read complete article

The on-site **complexities of the Ukraine situation** are compounded by the US tilt toward the EU and consequent inability to grasp some important facts about Russia, Ukraine and their political cultures. *Dan Adkins* traces some of the fault lines of misunderstanding. <u>Read complete</u> article

Recent, **outrageous decisions by John Roberts's Supreme Court** have had a collective impact on working women that is only beginning to be realized. *Kurt Stand* explores some of the impacts and the way they tie in with the longer threads of history of oppression of women in the workplace. <u>Read complete article</u>

Had enough Piketty? Whether you have or not, there's a related trend that sees headline writers striving for new variants in making the French economist's sometimes-difficult last name a part of the story. *Bill Mosley* examines the trends and imagines the worst. Read complete article

LOCAL:

In a trio of **news briefs**, *Dan Adkins* reports on a demo in Virginia against corporate-tilted trade agreements like the Trans-Pacific Partnership; *Andy Feeney* touts Progressive Democrats of America's website-based tools for pushing "jobs for all" legislation and *Adkins* discusses a promising new wrinkle in Virginia Democrats' caucus process for choosing candidates – instant runoff voting. Read all three articles

The affordability of the District of Columbia's housing stock is tough at the best of times, but it is not the best of times for **the city's "broken" rent control program**. *Andy Feeney* reports on a meeting that explained and rallied support for two City Council bills that could tilt the system back toward the hard-pressed renters it is supposed to benefit. <u>Read complete article</u>

BOOKS:

Ben Ross, who has been with or in DSA earlier in his career, has for several decades fought for the light-rail Purple Line in the Maryland suburbs against corporate and elite interests that try to dilute its usefulness. Now he has written a book – *Dead End: Suburban Sprawl and the Rebirth of American Urbanism*—that recounts that struggle in (as the subtitle suggests) a broader context. *Bill Mosley* reviews this significant book about a paradigmatic struggle for a new public good that will link many of our neighborhoods. Read complete article.

GOOD READS

We help you link up to **the best in progressive reads** (and an AV treat or two). Read complete article

As you enjoy them, don't forget that you are invited, nay urged, to contribute your own findings and treasures to the next list. Email the links, with commentary if you are so moved, to woodlanham@gmail.com

All newsletter articles in full are available on the local's website at <u>dsadc.org</u> including archives of past issues from September 2012.

DCDSA's *The Washington Socialist* can be in your inbox the first of every month. Ask for it at dsadcxchange@gmail.com or woodlanham@gmail.com

'Nothing Up My Sleeve ...' The Tricky Corporate Magic of Public-Private Partnerships

Sunday, July 13th, 2014

The Washington Socialist <> Summer 2014

By Andy Feeney

To political cynics, it may seem like the classic demonstration of the surprising but well-known tendency, under some circumstances, of powerless people who are being abused to look to their victimizers for salvation, especially when no other help seems available. To some of the rest of us, it might be simpler to think of it as just a rational response to armed robbery. In any case, the facts seem clear.

For decades now, free-market or "neoliberal" ideologues opposed to Big Government have been working to make social democracy unaffordable in the U.S. by slashing government revenues and increasing government debts. At the urging of free market fundamentalists and corporate lobbyists alike, politicians from both major parties have cut taxes for corporations and the rich, committed the government to trillions of dollars of legal liability to bail out failing capitalist banks and large capitalist automobile companies, allowed George Bush and Dick Cheney to launch a costly and badly bungled invasion of Iraq, and supported Pentagon budgets even larger and padded with pork than those the Pentagon claims to need.

Thanks to corporate-backed efforts to increase the government's expenses while reducing its revenues, many state, federal and local agencies funding the nation's infrastructure requirements and meeting the needs of the jobless and the economically insecure now are on the chopping block. The U.S. government itself is roughly \$17 trillion in debt, and under a budget deal reached between the Obama administration and hostile House Republicans, most federal agencies face the threat of "sequestration" cuts for years to come. So how are some of our political leaders proposing to save endangered programs from chronic government budget crisis? By funding them in the future through "public-private partnerships" – through agreements to turn over essential public functions to the same capitalist private sector that has worked so hard to create a government budget crisis in the first place.

Public-private partnerships (sometimes abbreviated as P3s, or as PPPs) have become increasingly popular in recent years, as writer Darwin Bondgraham reported recently in the leftwing economics journal *Dollars & Sense*. When his article on P3s as "highway robbery" appeared in late 2012, at least 30 state legislatures around the country had passed laws specifically designed to facilitate P3 or PPP deals. But judging from a visit this year to the web site of the libertarian Reason Foundation (a major promoter of PPPs), the number of states favorable to these alternate financing arrangements has now grown to 33. Some financially stressed local governments, and D.C. region governments, have begun turning to P3 financing as well.

Virginia has become a significant user of P3 or PPP financing to fund new infrastructure projects, and the District of Columbia may soon be joining the trend. Last December, Council members Muriel Bowser and David Grosso jointly introduced a "Public Private Partnership Act of 2013" to establish a separate agency within D.C. government with extensive powers to review proposed P3 projects and negotiate deals with developers, albeit with some oversight from the elected Council.

Judging from recent comments at a June 24 panel discussion on long-term unemployment called by DSA ally Rep. John Conyers, the Obama administration also is apparently looking to P3s in some form to promote new private sector job creation. The progressive nonprofit organization the National Employment Law Center is doing so as well (see related story, this issue of the *Washington Socialist*).

Similarly, in an April discussion of the nation's unfunded infrastructure needs on the liberal *Diane Rehm Show*, Rehm's guests essentially agreed that P3s offer the only realistic option for whittling the huge U.S. infrastructure backlog down to size. (For a transcript, see http://thedianerehmshow.org/shows/2014-04-29/aging-infrastructure-and-need-new-era-transportation-policy/transcript.)

In the District, where Muriel Bowser is currently the Democratic candidate for mayor, Bowser has said that she wants her P3 bill passed to "provide security to private investors" so they will plow more money into Washington-area development. Bowser has indicated on previous occasions that she sees P3s as an essential tool in tackling homelessness in the District, and for meeting other social needs as well, such as aging schools, new public transit construction and water infrastructure funding.

As her office put it in a press release last December, "This city's needs are growing at a rate that we can't sustain with our constrained capital budget and unpredictable federal funding ... Cities and states across the country and world have been using P3s for years. Now it's the District's turn. We'll use this funding tool in a smart, responsible way, take some of the politics and dysfunction out of procurement, and make the private sector work with us to build critical infrastructure."

Other P3 advocates may not be as focused on the alleged social benefits of this alternative financial mechanism as Bowser is, however. They undoubtedly have private interests in mind. As Bondgraham reported in his *Dollars & Sense* article, "The handful of global construction

companies, investment banks, and private equity firms that dominate the P3 market today spend millions each year lobbying lawmakers in key U.S. states." These business lobbying groups are proposing to use P3s not just to finance highway infrastructure projects, but also "expanding into the privatization of public building projects (like court buildings), parking garages and metering systems, and other so-called 'social infrastructure.".

The highly conservative and corporate-funded American Legislative Exchange Council or ALEC has drawn up a model state P3 law, Bondgraham notes, although the Reason Foundation has been more active than ALEC in promoting this concept. Clearly, both the libertarian intellectuals and the major corporations involved in existing P3 deals are looking to this form of financing as a source of private profit.

As Bondgraham indicates, many right wingers also see P3 financing as a form of privatization, and thus as advancing a libertarian agenda. On the Reason Foundation web site, for example, yearly reports on the progress of P3 legislation are included in larger reports on state and local privatization efforts.

et at the same time, it seems likely that the Obama White House and Council member Bowser also are sincerely interested in seeing P3s used for public purposes, notably including new job creation. Is this a rare occasion on which the interests of conservatives and progressives neatly converge, and corporate investors and left wing advocates for the dispossessed can find a common cause in marrying the capitalist profit motive to the public good? Or in this particular marriage of the profit motive to the public interest, will one of the partners inevitably end up being abused?

The issue is becoming an urgently important one nationwide, given the growth of government deficits and the size of unmet infrastructure and social spending needs. Yet so far, it seems to be flying beneath the public's radar screen.

Worryingly, many political progressives seem to have been ignoring both the potentially positive and potentially negative implications of P3s for years now, as we have focused on other, seemingly more urgent issues ranging from the minimum wage to war in Iraq. Meanwhile the Reason Foundation and ALEC have been shaping proposed P3 laws to their liking. Therefore relatively few Americans on the left today seem to have anything but a superficial knowledge of what proposed P3 deals might signify.

For most DSA members, it's probably safe to say that P3s in many ways represent the very opposite of the "socialist" or even mildly social-democratic reforms we hope to see adopted in this country. P3s are being promoted by activists on the right, during the same era in which Republicans are trying to dismantle or at least hamstring the U.S. Postal Service and get many of its unionized employees fired. Praise for P3s is being voiced by some of the same people who are trying to privatize state prisons, public university facilities and public schools, not to mention supporting Pentagon "outsourcing" to the private sector of military support functions once performed by members of the U.S. Armed Services.

In terms of ideological debate, the rhetoric of "public private partnerships" appears to be a continuation of a corporate crusade against government social programs that has been underway since the mid-1970s, at the least, and that progressive historian Kim Phillips-Fein traces back to the elitist revolt against Roosevelt's New Deal in the 1930s. In the words of Marxist geographer David Harvey, author of *The Enigma of Capital*, corporate enthusiasm for P3s can probably be thought of in terms of a stagnant global capitalism trying to find new investment outlets through new assaults on the "commons."

In a more pragmatic, short-term sense, what about the costs of P3s to the taxpayer? On a purely economic level, *Dollars & Sense* reports, P3 projects initially appear to save the public money, since they reduce or eliminate the need for state, local and federal units of government to fund large capital investment projects directly, though increased taxation or borrowing on private bond markets. However, the total lifetime costs of projects financed through P3s, as opposed to the more traditional "design-bid" process, are generally larger.

This is partly because when a large investment bank finances a P3 through borrowing on the private market, its interest rates are often higher than a government agency with a good credit rating might pay, Bondgraham notes. The added interest costs ultimately get passed through to the public, either in the form of taxpayer support for the P3 partners, or through higher tolls and user fees on the project, or both.

Also, large P3 projects are often bid as package deals, and in a successful bid, the private companies involved might agree to do work on the later stages of a big project without putting the work out for competitive bidding. This streamlines getting the project completed, but may result in the public paying a higher overall price than a competitive bidding process would generate.

Private companies that enter into P3 arrangements pay the upfront costs of, say, large scale infrastructure construction, but they recoup their expenses by charging tolls to infrastructure users. In some cases where revenues from tolls have proven inadequate to meet the P3 companies' profit goals, fine-print contract clauses have required taxpayers to make up the difference through so-called "availability payments," which boost the projected costs of a project overall. And in a few cases, Bondgraham reports, governments have bought back failed P3 projects from private partners under the threat of lawsuits – facing taxpayers with yet another unexpected expense.

Some genuine cost savings that private companies involved in P3s have been able to achieve have come at the cost of construction workers, Bondgraham adds, since P3 developers sometimes can avoid paying union wages on construction projects where public agencies would need to follow the rules of the federal Davis-Bacon Act.

All these are excellent reasons for democratic socialists and other progressives to look on proposed P3 laws and proposed P3 projects with skepticism, to say the least. But in fairness to DC Council member Bowser and the economic planners of the Obama administration, the enormous public needs that they are apparently hoping to finance by enlisting private corporations in the process are real, and indeed are urgently pressing. It is understandable that

some generally progressive politicians, along with others who may be a bit more conservative and wedded to capitalism at all costs, may feel an urge to meet these needs "by any means necessary," to quote Malcolm X out of context.

DSA and some other progressive groups – notably the National Nurses Association and other advocates of the so-called "Robin Hood Tax" – have long advocated the financing of government job-creation programs through a small financial transaction tax (FTT) on Wall Street speculators. This is one key reason, among others, why DSA supports Rep. Conyer's H.R. 1000, the proposed "Humphrey Hawkins Full Employment and Training Act," which would raise hundreds of billions in added government revenues through a small FTT, then employ the money to fund public job creation by financially strapped municipalities and states.

But if progressives can't get the Conyers bill or comparable legislation through Congress, should we collectively surrender to the PPP seduction? If no other help for the poor and unemployed is available, if there is no other likely way to fix the aging infrastructure of the United States, do we need to acquiesce in the private sector controlling a growing portion of the public sector through higher cost P3s — and at the cost, it appears, of making a social democratic safety net increasingly hard to achieve in this country? To answer this question, democratic socialists need a remedial crash course on P3s, and soon.

Briefs: Virginia elections, trade pact protest, web lobbying

Sunday, July 13th, 2014

Protest Against Fast Track Trade Treaties

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The Sierra Club, Communications Workers of America, Moveon.org, European activists, National Family Farm Coalition, and others demonstrated against the potential damage of fast-tracking dangerous trade deals (5/21/2014). The trade deals include the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP). The Sierra Club opposes fast track—an outdated and inappropriate mechanism for trade pacts as expansive as the TPP and TTIP. As Michael Brune, Executive Director of the Sierra Club said of the

Camp-Baucus bill that would allow fast-tracking: "This legislation strips Congress of its defining democratic characteristic – its check-and-balance structure. If Congress is not able to fully debate and, if necessary, amend the language of these all-encompassing trade pacts, the environment, our climate, and our families could suffer as a result." Among the dubious trade objectives is one that would allow foreign investors to sue over local laws that would reduce their profits! The Camp-Baucus bill limits transparency to the public and maybe even to the Congress.

In the rush to do away with trade barriers, these treaties eviscerate hard won gains of workingand middle-class Americans, Europeans, and the rest of the world. The trade bills would also undermine unions internationally and sharply diminish our allies by stopping at borders the right to information and consultations.

— Dan Adkins

PDA Launches New Web Page Lobbying for H.R 1000

The Washington Socialist <> Summer 2014

Progressive Democrats of America (PDA) has created a web site to facilitate citizen lobbying for the Conyers jobs bill H.R. 1000, according to PDA's indominable organizer Andrea Miller. Miller outlined the workings of the site at a recent meeting held at Conyers' office on the Hill. Among the features of the site are state-by-state lists of elected officials and their office telephone numbers as well as their Facebook and Twitter pages. The site also lists contact information for major media outlets in each state and includes mix-and-match versions of projobs legislation letters to the editor that individuals can tailor to whatever is appropriate for a given legislator or media contact. Through "Twitter storms" and personal Facebook pages, Miller explains, it is possible to reach most legislators even when you don't live in their districts, even when their official web sites are designed to screen out letters from outsiders. To sample the web site and determine how best to use it, Miller suggests that supporters of "jobs for all" legislation contact PDA at www.pdamerica.org.

- Andy Feeney

Instant Runoff Voting in Arlington

The Washington Socialist <> Summer 2014

Parts of Arlington and McLean had a Democratic primary July 6 to replace a 17-year veteran of Virginia's House of Delegates. The House leadership gave the 48th District less than a week to organize the primary, which was won by Richard "Rip" Sullivan. The vote was held in a caucus

with the new provision of using Instant Runoff Voting that had been adopted by Arlington and Fairfax Democrats in the last year.

Instant runoff voting is a method for ranking candidates in case no candidate gets over 50% of the vote. Each voter ranks all or some of the candidates (1st choice, 2nd choice, and onward). The candidate with the least votes is dropped and the sums are recalculated until a majority winner is found. See this link for more details http://www.fairvote.org/reforms/instant-runoff-voting-works/ This form of voting ensures majority rule but eliminates old caucus methods where voting proceeds long into the night.

On July 5, a candidate debate was organized and six of the seven candidates characterized themselves as progressives. The seventh characterized herself as a liberal centrist and received the least votes in the primary. The most contentious difference concerned the effort to build a streetcar line in South Arlington. Many are concerned about the possible increase in the cost of living and short-term costs. Another issue could be the increasing lack of affordable housing. Although some candidates were open to public private partnerships, others were concerned that such partnerships are used to privatize government and turn local government into a private profit center.

The special election for the 48th District of Virginia's House will be August 19, 2014. Sullivan and Republican David Foster will vie for delegate in this heavily Democratic district. The new photo ID requirements will not be in force at this time.

– Dan Adkins

<u>DC Faces "Crisis in Affordable Housing" Tenants' Group Warns: Residents Urged to Support 2 Rent Control Reform Bills</u>

Sunday, July 13th, 2014

The Washington Socialist <> Summer 2014

By Andy Feeney

Low and moderate-income Washington D.C. residents face a "crisis in affordable housing," according to a panel of experts who addressed a June 26 special board meeting of TENAC, the D.C. Tenants Advocacy Coalition. The District's existing rent-control law is badly broken, housing costs are soaring to levels that many Washingtonians can't afford, and many low-income people are being pushed out of the city.

To address the crisis, TENAC chair Jim McGrath and TENAC legislative affairs coordinators Tom Gregory and Cynthia Pols, Esq. urged tenants at the meeting to support two rent control

reform bills introduced in mid-June by departing D.C. Council member Jim Graham (Democrat-Ward 1).

TENAC board members and attendees also heard from Jenny Reed, policy director of the D.C. Fiscal Policy Institute, Elina Bravve, research analyst of the National Low Income Housing Coalition, and Drew Gossett of the Episcopalian-run Friendship House in far northwest D.C. on the depth and scope of the District's low-income housing dilemmas. Also speaking at the event were representatives of several D.C. government agencies charged with assisting low-income and middle-income residents, a representative of at-large Council member Anita Bonds, and former Council member and one-time liberal Republican candidate for mayor Carol Schwartz.

Schwartz, who was warmly greeted by TENAC chair McGrath and hailed as a long-time friend of low income housing, said that she retired from politics a few years ago after a group of wealthy local business owners organized a PAC to defeat her in the Republican primary, apparently because of her support for legislation to provide paid sick leave for all D.C. workers. The changes the Republican Party has undergone in recent years mean she can no longer call herself Republican, Schwartz said, but she is returning to run for mayor as an independent out of concern for the District's "property and its people. We are giving our property away and pushing our people out," Schwartz said.

Schwartz vowed to make low-income housing and the rights of tenants one of her priority issues if elected, adding: "I hope you'll pick me (for mayor[BM1]). After all, you've picked everyone else, tried everyone else." Laughter and some applause greeted this remark.

TENAC legislative affairs coordinators Gregory and Pols, in discussing Council member Graham's two rent control reform bills, noted that D.C.'s existing rent control laws allows landlords to raise rents on most tenants by an amount equal to the official rise in the cost of living each year, plus an added 2 percent. Thanks to the magic of compound interest, Gregory said, the extra 2 percent essentially blows a hole through rent control in the District. In addition, landlords can raise rents by up to 10 percent in a year when renting out empty units, can apply for "hardship" exemptions from rent control with relatively little oversight from the city, and can exceed the rent control rules by persuading enough of their tenants to sign "voluntary" agreements allowing this.

Graham's proposed Rent Control Amendment Act of 2014 (B20-830) and his Rent Control Improvement and Protection Amendment Act of 2014 (B20-837) have somewhat overlapping provisions that would at least partly fix these flaws in the rent control law, according to Pols.

Each bill has the support of Council chair Phil Mendelson and a number of cosponsors on the Council; however, B2-830 is bottled up in an Economic Development Committee chaired by Council member and mayoral candidate Muriel Bowser, who seems disinclined to release it for a vote before the full Council. B20-837 is now before another committee chaired by Council member Vincent Orange, who so far has not indicated whether he supports it.

To get the Council to act on rent control reform this year, TENAC's leadership is urging all D.C. residents in favor to contact their own Council members asking them to cosponsor both bills. To

read the details of the bills, Washingtonians can go to the D.C. Council's legislative website at http://lims.dccouncil.us/ and type the number of the bill desired into the search menu box.

Good Reads for midsummer 2014

Sunday, July 13th, 2014

The Washington Socialist <> Summer 2014

Good Reads leads off with a precis of a *Dollars & Sense* endorsement of a financial transaction tax as a tool for curbing "casino capitalism"

The "financialization" of the U.S. economy since the early 1970s and the speculation it has given rise to have done real damage to the nation and the world, the leftwing economics journal *Dollars & Sense* reports in its May/June 2014 issue. Although mainstream media have reacted to Michael Lewis's recent expose of high-frequency trading, *Flash Boys*, with debates over what this means for "investors," economist and D&S contributor Doug Orr concludes that what most high-volume Wall Street traders do is not "investing" at all, but simply high-stakes gambling. In short, "The biggest casino in the world is located at the corner of Wall Street and Broad Street in New York City," and calling the players in the New York Stock Exchange investors distorts the truth. Their financial gambling, Orr contends, "has become a massive drain of resources away from the real, productive economy and has made the overall economy more unstable."

To rein in the gambling and promote a return to a more healthy and productive form of capitalism, D&S argues, the U.S. government needs to undertake several reforms. One is eliminating tax breaks for speculative financial activity that make it more lightly taxed than the incomes of most middle-class American workers. Another essential step is reestablishing a 20th-century version of the old Glass-Steagall Act which enforced a separation between speculative investment banking and ordinary deposit banking for almost six decades, until the Clinton administration and a Republican Congress joined to repeal it in the 1990s.

The government also needs to enforce the provisions of the existing Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and adopt new regulations to curb non-bank speculation involving "increasingly arcane financial derivatives," according to the article. Orr, a professor of economics at City College of San Francisco, also calls for the White House and Congress to reduce speculation by putting "a tax on this socially destructive behavior" through some form of financial transaction tax (FTT). Unlike the modest 0.5% FTT that several federal legislators have proposed, however, Orr concludes that to discourage speculative trading, "the tax should be set at 1% and an additional tax of 0.1% should be charged on all cancelled orders."

In a somewhat dissenting article on casino capitalism in the same issue of *Dollars & Sense*, the Marxist economist Costas Lapavitsas of the University of London takes some issue with radical U.S. economists "who see financialization as the outcome of policy measures, particularly

financial liberalization or deregulation ..." Government policy alone, Lapavitsas argues, cannot explain all the characteristics of any "long-lasting era." Instead, he attributes the remarkable rise of financial speculation in the U.S. and global economies since the 1980s to "a transformation at the deepest level of capitalist accumulation." To Lapavitsas, this in turn can be explained only in terms of "the deepest material development of capitalism, things like the technological revolution that has taken place in the last four decades, the transformation of work, and similarly basic factors of the economy."

For more on Orr's and Lapavitsas's somewhat contrasting accounts of casino capitalism and the free-market "neoliberalism" that promotes it, see *Dollars & Sense* at http://www.dollarsandsense.org/archives/2014/0514orr.html
— *Andy Feeney*

AND LINKS TO OTHER GOOD READS, WITH COME-ONS...

>>You can read about our event in support of Cecily McMillan in the newsletter leader; here's another chance at the clip from the Mike Malloy Show in which she gets to testify about DSA and its scope:

https://www.youtube.com/watch?v=im_nvrIB-Rw&list=UUpU4j-LN_aibXA1gONvWzxw

>>How does inequality grow, day to day? Well, one way it happens is as a result of longstanding changes in welfare policy that increasingly have discriminated against the unemployed and unmarried. The NYT's Tom Edsall outlines the causes and the effect.

 $\frac{http://www.nytimes.com/2014/06/18/opinion/thomas-edsall-cutting-the-poor-out-of-welfare.html?hp\&rref=opinion\&_r=0$

- >>Sam Pizzigati is a reliable source for regular updates on the excesses of capitalism that perpetuate inequality. See his IPS blog, "Too Much," at http://toomuchonline.org/ His latest leader is "How Much Wealth Are Our Wealthiest Hiding?" and the short answer is enough to be prosecuted...
- >>The NYT's Neil Irwin details an "uncomfortable truth about capitalism" that governments and megacorps are intimately engaged in a high-stakes global contest called (eyerolls here) a "free market." No particular radical content in this piece, but lots of ammunition... http://www.nytimes.com/2014/06/19/upshot/why-were-all-crony-capitalists-like-it-or-not.html?ref=us
- >>The great biographer of Keynes, Robert Skidelsky, argues that it's time to stop teaching the discredited "efficient market" neoclassical economics in university and that today's economics students know that, and are saying so...

 $\frac{http://www.theguardian.com/business/2014/jun/18/economics-upheaval-students-disssent-capitalist-thomas-piketty?CMP=fb_gu$

>>Another from the NYT – the economics writer Eduardo Porter with a sober roundup of findings about what we can't change about climate change.

 $\underline{http://www.nytimes.com/2014/06/25/business/economy/carbon-cuts-now-wont-stop-climate-change-but-could-limit-}\\$

 $\underline{damage.html?hp\&action=click\&pgtype=Homepage\&version=HpSum\&module=second-column-region\®ion=top-news\&WT.nav=top-news\&_r=0$

>>The City Paper's post-mortem, if that's the word, on the amazingly successful Heather Mizeur campaign. Something is going on in Maryland...

 $\frac{http://www.citypaper.com/news/mobtownbeat/bcp-mizeur-makes-a-movement-}{20140626,0,809568.story}$

>>Here's a sidebar to our ongoing discussion on the US socialist left and how it (we) manage(s) to keep itself (ourselves) divided... http://www.counterpunch.org/2014/07/04/sectarian-delusions-on-the-american-left/

Kurzarbeit, the German way to avoid layoffs, gets traction in the US

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The Washington Socialist <> Summer 2014

By Cecilio Morales

Nebraska became the 29th state in the United States in past weeks to establish a layoff avoidance work-sharing unemployment insurance program. Unfortunately, time runs out next month for amending laws to meet federal requirements and in other respects, including funding, the U.S. program will begin to wind down through 2015.

Known in Germany as *kurzarbeit* (literally "short work"), the strategy goes back to German union initiatives in 1985 to increase employment. Back then it was an outgrowth of earlier measures by socialist governments in France and Belgium to increase employment by simply reducing the work week to 35 hours.

In Germany, the initiative came from major companies seeking to avoid the mass U.S.-style layoffs of the 1980s and ever since. German firms have had, by law, union representatives on their boards of directors since the early postwar era. *Kurzarbeit* has been credited with avoiding in Germany the full slump that hit its neighbors as the 2008 crisis spread through Europe, and with speeding that nation's economic recovery, now in full swing.

The original conception is simple. Instead of letting go of 20 workers in a facility of 100, all 100 get a 20 percent cut in their work hours and pay; moreover, the German state deems the workers partially unemployed, thus compensates them accordingly on a pro-rata basis. This spares the

worker the dislocation, psychological drawbacks and family disruption of job loss; it also assures that the worker's skills keep up with the latest in his or her occupation.

Some economists, notably Deputy Assistant Secretary of the Treasury for Microeconomic Analysis Jennifer Hunt, have questioned the value of work sharing. In a working paper for the National Bureau of Economic Research, Hunt found that in the 1980s work sharing increased employment and benefited workers as wages rose; however, she said the growth rate was smaller than in the United States and there was some loss of output. In *The Quarterly Journal of Economics*, Hunt speculated that it might lead employers to seek other "inputs" rather than labor.

However, in the broader policy arena observers ranging from the likes of Kevin Hassett, from the conservative American Enterprise Institute, to economist Dean Baker, of the progressive-leaning Center for Economic and Policy Research, have publicly given high marks to U.S. work sharing.

As a result, the American policy of short-time compensation (STC) is federal law. In 2012, Congress passed legislation pushed by Sen. Jack Reed (D-RI) and Rep. Rosa DeLauro (D-Conn) to help launch STC programs. Also, the Middle Class Tax Relief and Job Creation Act, signed Feb. 22, 2012 by President Obama, includes the Layoff Prevention Act of 2012, which offers subsidies to states starting STC programs, including \$100 million in grants.

In the states that amend their unemployment insurance laws as required for STC, employers may voluntarily arrange to reduce work hours between 10 and 60 percent and allow workers to claim partial unemployment insurance. The workers, like any UI claimants, must be available for other work during those compensated hours and submit to all the other requirements of unemployment compensation.

The District of Columbia is a participating jurisdiction. Maryland has an STC program; Virginia as of 2013 does not. Otherwise, the states that currently have STC programs include the predictable ones: the Northeast and New England, the Great Lakes states and the entire West Coast. In the South, only Arkansas and Florida have an STC program. The Southwest states include Arizona, Colorado, Texas and Oklahoma. The Central states with STC are Iowa, Kansas, Missouri and Nebraska.

Panel, New Bills Raise Hope for Relief For Millions of Long-term Unemployed

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By Woody Woodruff and Andy Feeney

As Democrats and Republicans argue over exactly how well President Obama's policies are promoting the recovery of American capitalism, the plight of the long-term unemployed has become a quiet crisis. Since December, millions of jobless Americans have been left in

desperate straits because their unemployment compensation has run out and Congress has failed to renew long-term unemployment insurance benefits. The number of jobless people affected has now grown to 3.1 million. However, there is some hope — a slim one, at least — that a bitterly divided Congress might possibly address their plight before the fall elections.

In April, the Senate passed a bill to renew benefits for the long-term unemployed, but the House gave the bill no consideration. Now a bipartisan pair of senators, Jack Reed (D) of Rhode Island and Dean Heller (R) of Nevada, have <u>launched a new attempt</u> to restore the benefit. As of June 28 the two had been joined by Republican Frank LoBiondo of New Jersey and Dale Kildee, a Michigan Democrat, who <u>introduced a companion bill in the House</u>. Unlike the dead-end Senate bill passed in April, the new House and Senate bills will not provide back compensation for those whose benefits were cut off in December. Instead, a statement from the House sponsors says it "allows eligible job seekers who were cut-off on December 28, 2013 to continue where they left off in the UI claims process."

Whether this bipartisan effort to help the long-term unemployed can pass a bitterly partisan Congress this year is unclear, to say the least. In the meantime, Rep. John Conyers of Michigan, a longtime progressive, is continuing to build support for his proposed, "Humphrey-Hawkins Full Employment and Training Act" of 2014, a bill that would impose a light financial transaction tax on Wall Street speculators in order to fund public job creation by state and local governments in areas where unemployment is especially severe.

As part of his long-term effort to address the plight of the jobless, Conyers earlier this year sparked the formation of a new House Caucus, the <u>Full Employment Caucus</u>. Another initiative sponsored by Conyers' office was the holding of a panel discussion on the effects and possible cures of long-term unemployment on June 24 in the Rayburn House Office Building. At the event, Conyers told the hundred-plus attendees that action is needed now to counter the "low pace of employment restoration" that is damaging the welfare of both individuals and the nation at large.

At the event, moderator Arthur Delaney of the *Huffington Post* described his interviews with long-term unemployed and the evident effects of unemployment on their health and self-confidence, and recommended German-style job sharing as one remedy for the problem. Panelist <u>Heidi Shierholz of the Economic Policy Institute</u> agreed that policies to "spread total hours work across more workers" are a critical element of a broad-gauged package of solutions that also include renewing the long-term unemployment benefit program and increasing policies that increase aggregate demand in the economy, such as more relief to states (rehiring fired teachers, nurses, public safety workers) and infrastructure restoration spending.

Shierholz vigorously disputed the argument from the right that long-term benefits are a disincentive to seek work: "The empirical evidence strongly rejects this concern." Nor, she said, does long-term unemployment result in a skills deficit or damage to productivity among jobless workers — "today's long-term unemployment crisis is not due to something wrong with these particular workers." Shierholz added that spending federal funds on jobless benefits, ironically, is one of the more effective ways of fighting unemployment, since providing money to jobless workers who will spend it, not save it, stimulates aggregate consumer demand and job growth.

EPI calculations show that the loss of consumer demand caused by 3.4 million unemployed workers not receiving jobless benefits, Shierholz added, would itself cost the nation 300,000 jobs.

Panelist Betsey Stevenson, labor economist member of the White House Council of Economic Advisors, also disputed many of the right wing's contentions about joblessness. Because there is empirical evidence that the long-term unemployed face discrimination in job seeking, she added, policy moves are required to insure fair treatment by potential employers of jobless workers who are victims of "bad luck and hard times." Stevenson said the White House has demonstrated to certain businesses that their own HR departments are discriminating against the long-term unemployed and that the administration is pressuring such employers to improve their practices.

The professional social network LinkedIn, Stevenson said, has just released a <u>jobseeker</u> <u>application</u> to improve access to opportunities as they are posted. There was no discussion by the panel on how many long-term unemployed had access to smartphones.

As for the government promoting economic policies that can restore rapid growth in job creation, Stevenson suggested in the event's question and answer session, the options that Obama administration faces are limited. Three major factors make for slow growth in job creation at present: "Recovery from a financial crisis is always slow and difficult;" also, the US since 2009 has seen an "unprecedented" loss in jobs with state and local government, and finally the Baby Boomers are retiring, which reduces consumer demand and hurts job creation. Despite some political resistance, Stevenson suggested, the Obama administration is working to "make sure this is a fair recovery," notably by supporting a higher minimum wage and the availability of pre-school programs for all American children.

Another way that the Obama White House is trying to make progress on long-term unemployment, Stevenson said, is through the forging of public-private partnerships. Examples include the "Skills for Chicago and the Future" program that has been expanding the training and the skills of jobless workers in Chicago, as well as the federal government's funding of "ready to work partnerships" under the Department of Labor's H1B program, in which businesses receive support for providing jobless workers with paid internships and paid work experience.

One White House goal, Stevenson said, is to "work with businesses that have signed the pledge" to help jobless workers, "to find out what works and what doesn't."

Panelist Judy Conti, of the National Employment Law Project, pointed out that the biggest crisis overall is that "there aren't enough jobs and enough people filling those jobs." The plight of the long-term jobless is only part of the crisis, Conti said: "less than half of the unemployed [overall] are getting benefits" at this point. Her organization has not given up on the fight to reauthorize long-term unemployment benefits, Conti said, but the focus has been on trying to get people back to work. There is surprising bipartisan agreement that getting people back to work is important, she added, but one problem is how to fund this. People on the left tend to want to finance job creation and unemployment benefits through tax reforms that increase costs to business: "people on the right tend to favor reducing spending ... often on other programs helping low income people."

Conti joined the panel consensus on the need for spending on infrastructure recovery and resumption of aid to states that has been cut through sequestration, to re-employ laid-off teachers and other public employees. She said the latter measure alone would cut the unemployment rate by one percent. And she noted that the automation of corporate hiring practices through Internet applications and Internet applicant screening is discriminating against the long-term unemployed with screening software that bumps those with low credit scores. This is "a horrible Catch-22" for many long-term jobless who have hard times paying their bills, since the longer these workers remain unemployed, the worse their credit ratings tend to become; and the worse their credit ratings become, the harder they find it to obtain work.

Along with Stevenson, Conti called for public-private partnerships as one tool in fighting long-term unemployment, and she urged "employers to train hiring managers to overcome subconscious biases against unemployed workers." The NELP furnished a position paper at the panel event, "Tackling the Long-term Unemployment Crisis", that details many of the proposals Conti brought to the panel.

Also scheduled to speak on the June 24 panel, but unable to attend for health reasons, was Michael R. Strain, of the moderate conservative American Enterprise Institute (AEI). Strain is the author of a Winter 2014 article in *National Affairs* entitled "A Jobs Agenda for the Right," which argues strongly that the job destruction effects of the recent "Great Recession" are haunting the economy still. http://www.nationalaffairs.com/publications/detail/a-jobs-agenda-for-the-right

Defined broadly, Strain argues in this article, the real unemployment rate last November was 13.2 percent, "more than four percentage points higher than it was at the beginning of the Great Recession," and the effects of such high unemployment amount to a "human catastrophe."

The employment crisis is one of the most important problems now facing the U.S., and "none of our elected leaders can afford to ignore it," Strain's article continues. "Yet both parties are more or less doing that," with Republicans being even worse than Democrats at simply ignoring the problem and the "ambitious policy solutions" needed to address it.

Several of Strain's proposed fixes for unemployment and long-term unemployment, as outlined in his *National Affairs* article, are anathema to most liberals, not to mention the nation's small but steadily growing band of democratic socialists. For example, he suggests at one point accepting a "sub-minimum wage" for some job categories to bolster hiring, with the federal government then subsidizing the workers receiving such a wage by bolstering their incomes, probably through the earned income tax credit. Conti at the June 24 panel discussion vehemently rejected any idea of the "sub-minimum" wage being a solution.

However, political progressives are likely to welcome some of Strain's other suggestions, including his heretical support for the Federal Reserve's "quantitative easing" (QE) policies and the notion of "carefully targeted infrastructure spending."

According to Strain, "Many conservatives have criticized QE, but unfairly so," since there is reason to think that QE has stimulated demand in the housing market and created more jobs for

construction workers, while arguably having a "positive effect on the economy as a signal in and of itself of the Fed's commitment to a strong labor market."

Although Strain did not speak at the June 24 event, all the other panelists bemoaned the congressional gridlock that has kept new federal money out of the workforce equation.

As moderator Delaney recalled, the first opponent of long-term unemployment compensation renewal was former Sen. Jim Bunning, who initially earned some enmity even from Republican colleagues for his intransigence in blocking the funding of renewed long-term jobless benefits. Now, Delaney acknowledged, Bunning's callous disregard of the long-term jobless has become Republican gospel, meaning the House is likely to be a constant barrier to renewed benefits for these workers.

Present at the June 24 panel event were two local DSA members as well as a representative of the National Jobs for All Coalition (NJFAC). The latter group, which like DSA has made passage of Conyers' HR 1000 a priority, has worked with the Congressional Full Employment Caucus to co-host a July 9 -10 strategy briefing on building a national movement for full employment.

See <u>www.njfac.org</u> for more details and updates on the national strategy session. An archived live-stream of some of the session is at https://www.youtube.com/watch?v=LfaqVIx6vaU

Piketty, Schniketty... and other inevitabilities

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By Bill Mosley

Capital in the Twenty-First Century has taken the world of political economy by storm. The masterwork by French economist Thomas Piketty on the rise in wealth inequality has been applauded both for the depth of its research and the incisiveness of its conclusions. Leftists, in particular, see the book as a potent weapon in the war against privilege.

While many political activists and academics recognized the depth of Piketty's achievement as soon as his book hit the stands, another group of opinion-makers is just beginning to appreciate the man and his work. These are, of course, the headline writers. The start of what is certain to be a flood of headlines making sport of the name "Piketty" began in the July issue of In *These Times*, with an article by Chris Lehmann entitled "Piketty and Meatballs" – the "meatballs" of the title being critics who misunderstand the book, which, to be fair, is rather dense reading and not exactly *Inequality for Dummies*.

The ITT headline would be cuter if the middle syllable of Piketty's name was stressed (Pi-KET-ty), thereby sounding like a toddler's pronunciation of "spaghetti." But Piketty, in fact, pronounces his name "PEEK-et-tee," stressing the first syllable.

So headline writers have yet to really get started writing suitably amusing puns on Piketty's name. Therefore, as a service to journalism, I freely offer the following headlines that could be used above features on Piketty from a variety of perspectives. My only condition is that publications who use any of these NOT attribute them to me.

Piketty, Piketty! Critics attack details of landmark study, overlook big picture

Piketty and Shovel: Burying arguments of capitalism's "rationality"

Piketty, Dickety, Dock: Kuznets was a crock

Piketty (De)Fence: Author answers conservative critics

Piketty and Choosing: *Is* Capital *author too selective in use of facts?*

Piketty Knows: Erudite author puts his finger on the boogieman of inequality

Sprawl and the Quest for Status: a book review

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By Bill Mosley

Review of *Dead End: Suburban Sprawl and the Rebirth of American Urbanism*. By Benjamin Ross. Oxford University Press, 2014, 249 pp.

The subject of suburban sprawl is already the focus of a semi-genre of books that have decried the soullessness, ugliness and environmental destructiveness of unchecked exurban development. Authors such as Jane Holtz Kay, James Howard Kunstler and Daniel Lazare have built on each other's works to build a case for urban living, "smart growth" and transit-oriented communities, and against the housing subdivisions, office parks and shopping malls that have spread across the landscape like kudzu in the years following the Second World War. Nevertheless, these critics have been mostly on the losing end of a 70-year war battle against sprawl.

With *Dead End: Suburban Sprawl and the Rebirth of American Urbanism*, Ben Ross has joined the ranks of sprawl's critics, although he himself lives in the suburbs – albeit the relatively urbanized Montgomery County, Md. Ross, an environmental scientist by trade (and who was at one time affiliated with DSA), was moved to write his book after many years of advocacy for Maryland's proposed light-rail "Purple Line" that would connect many of the closer-in Montgomery and Prince George's County communities. Ross draws from his experiences – as well as from an impressive body of research – to produce a highly readable historical study of the origins of urban sprawl, why it has been so hard to limit over the past decades, and how a changing political landscape might be turning the tide against sprawl.

Ross covers much of the ground already sown by earlier critics of suburbia, but he adds an original contribution to the literature: the extent to which the growth of suburbs has been driven by suburbanites' desire to gain and protect social status. The earliest advocates of suburbanization, such as French utopian socialist Charles Fourier, were driven by concern for workers crowded into unhealthy tenements during the Industrial Revolution – and even Karl Marx and Friedrich Engels called for the "abolition of the distinction between town and country." However, once suburbs took off in the late 19th century, they quickly became bastions of wealth and privilege – and whiteness.

Ross credits Frederick Law Olmstead, the late-19th-century landscape architect, as being the father of the modern park-like suburb, as seen in his plan for Riverside, Ill., with its winding streets, houses set back from the curb, and plentiful greenery. Olmstead's work came before the auto age, and his suburbs revolved around rail stations, making them necessarily small and relatively compact, with a modest commercial district near the station. Decades later, the coming of the car unmoored suburbs from public transportation, making possible the rise of subdivisions containing nothing but housing, where residents might have to drive miles for a quart of milk.

Olmstead also was architect of the covenant, a restrictive clause attached to a house's deed that placed conditions on use of the property. Early covenants contained language banning commercial activities in the home and requiring payments to homeowners' associations. The early 20th century saw the rise of covenants banning racial and ethnic minorities from owning properties in certain communities; these were mostly used to keep out blacks, but some covenants also excluded "Jews ...Italians, Greeks and Slavs."

Covenants, in Ross' analysis, were one leg of a three-legged stool used by suburban nimbys – a neologism derived from the phrase "not in my backyard" – to keep unwanted people and property uses out of their neighborhoods. The other two legs were zoning and historic preservation. Zoning built on covenants by putting the muscle of local government behind landuse restrictions, while historic preservation laws have been abused by "[n]imbys who pose as preservationists," speaking "of why they like the old building, when their real passion is dislike of the new one." And, of course, the cost of upscale suburban development has effectively excluded persons of modest means.

The resistance of suburbanites – and many urbanites as well – to changes in their surroundings have often been attributed to concern about property values. Ross, however, argues that these

homeowners often undercut the values of their own properties by opposing denser development, especially high-end apartments and retail, that would make surrounding tracts more valuable. Likewise, zoning, covenants and historic preservation place limits on homeowners' use of their properties, thereby undercutting their value. The nimbys' real motivation, Ross says, is to preserve their status as persons of privilege by keeping "less prestigious people and activities out of their neighborhoods."

While the quest for status fueled the rise of suburbs, Ross argues, it has sometimes had an upside for cities as well. As far back as the 1920s, certain subcultures have rebelled against the sterility and isolation of suburbs, and Jane Jacobs' seminal 1961 book *The Death and Life of Great American Cities* gave urban living a new cachet. Bohemians, artists, and political radicals have long embraced the vitality, density and diversity of cities – ironically leading many countercultural enclaves to become magnets for affluent status seekers who proceed to gentrify their neighborhoods. Once funky locales such as Haight-Ashbury in San Francisco as well as several DC neighborhoods (the U St. corridor is one example) become the stomping grounds for new urbanites who embrace their neighborhood's bohemian reputation while choking it to death with their un-bohemian lifestyles.

Status-seeking certainly has had a role in suburban and urban development, although I think Ross gives it greater weight than it deserves – compared to the quest for corporate profit, which has been the biggest driver of suburban growth. Developers acquire cheap land in the suburbs, lobby governments to build and expand highways to and through their properties (supposedly to relieve congestion on existing roads), and then make big profits from building housing, offices and shopping malls. They then move farther out, and repeat. Ross does not ignore this, and he explore the role of a broad coalition of right-wingers – funded by the Kochs and Mellons, given an intellectual sheen by conservative think tanks such as the Heritage Foundation and Cato Institute, and joined by the Tea Party – to fight back against limits on suburban growth, with some success. The urban growth boundary adopted by Portland, Ore., has been a specific target of the right's ire, but the limits have thus far survived efforts to overturn them. Yet Ross ascribes this backlash to fears of single-family homeowners being robbed of "their privileged place in the residential pecking order" more than to corporations angry about being told where they can and can't build.

Ross offers many of the same solutions as other critics of suburbia: better public transportation, denser development, removing subsidies for drivers and limiting parking. He does, however, frame his solutions within the context of expanded democracy – of the need to overturn "snob zoning" with true public control of development. "The principle of one person, one vote must replace the restricted voting of suburban land tenure," he writes.

He goes beyond mere policy solutions to also offer political strategy, based on his experiences with Maryland's Purple Line. The potential exists, he believes, for a pro-urban, anti-sprawl coalition of environmentalists, transit advocates, promoters of low-cost housing and, yes, developers seeking to profit from the opportunities that smart growth makes possible.

The future of cities and suburbs is still being written, as is the fate of Ross's beloved Purple Line – which, although it has cleared many political and bureaucratic hurdles, has yet to break

ground. Yet with growing concern over global warming and climate change, the need to address the environmental impact of the car and car-dependent suburbs has never been greater. *Dead End* adds a valuable resource to this effort.

Supreme Court Majority Rulings: More Rights for Corporations, Fewer Rights for Women and Labor

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By Kurt Stand

After home health workers successfully organized in Illinois, their wages increased, they had opportunities for skill-training previously lacking, and they were able to get health care coverage previously unavailable. None of that was of interest to the majority of Supreme Court justices, however, who ruled in *Harris v. Quinn* that they were not "full-fledged public employees," thus could not be required to pay dues. The result, for unions in that sector, will be a massive loss of revenue, making it more difficult to organize and represent a group of workers who already are hard-placed to assert their rights.

Workers impacted by that ruling are overwhelmingly women and comprise the working poor. The Supreme Court's decision in *Burwell v. Hobby Lobby* and *Conestoga Wood Specialties v. Burwell* specifically impacted women, by allowing categories of for-profit corporations to refuse to allow their employees contraceptive coverage in their health plans. The result puts a further burden on women, especially those least able to afford any additional expense.

The consequence of each decision, with those who sit in comfort rejecting or making decisions that harm those who have fewer resources is a commentary on the political direction of our times. As many have noted too, this is another instance in which the "family-friendly" rhetoric of the conservative right is contradicted by the anti-woman social polices they put in place. And each decision was political, reflecting an agenda that, since Reagan's presidency, has been pushed by all three branches of the federal government whenever the opportunity has presented itself.

Although the Court majority was careful in both cases to not make as sweeping a decision as they might have done, in neither case as sweeping as they might have been, both the Harris and Hobby Lobby cases represent a chipping away of previously established rights and practices and open the door for further limitations on women's reproductive rights, and workers' labor rights. Moreover, Hobby Lobby's restriction on an Affordable Care Act mandate represents a further step in limiting the federal government's ability to protect vulnerable parts of the population, while the logic behind the Harris decision marks a step toward reducing the ability of unions to engage in political action. The vigorous dissents of Ruth Ginsburg, Sonia Sotomayor

and Elena Kagan notwithstanding, the Court majority has been building a set of precedents that threaten the entire legal edifice of pre-existing social and labor programs, and of protection of civil and women's rights.

Service Employees International Union (SEIU) President Mary Kay Henry spoke to that danger in a press release decrying the Hobby Lobby decision: "The Court's decisions today will cause real harm to the physical and economic health of America's women workers and their families. Beyond that, the decisions may open the door to even broader attacks on preventive healthcare and also basic workplace rights, including freedom from gender discrimination or the right to unite together in a union."

The restrictions on those rights stand in contrast to the Supreme Court's extension of corporate rights. The logic of the Court's grant of free speech rights to corporations in its Citizens United ruling is evident in the recent cases too – which was the focus of a statement issued by National Nurses Union (NNU) Executive Director Rose Ann DeMoro, "The goal of the anti-union crowd is to disempower the ability of nurses and other healthcare workers to speak out for patient and public safety on everything from food inspections to a healthier environment to safer health care settings." She then added, with specific reference to the Hobby Lobby decision for its direct attack on women's health: "Increasingly we see this court cynically manipulating the tradition of free speech to further expand the power of corporations over all segments of public life," said DeMoro. "From decisions that money equals free speech, which especially benefits large corporate interests to protecting corporations from consumer challenges to anti-union decisions, the First Amendment has been steadily corrupted by this court."

These decisions those go to a core divide in US society – who has the freedom to choose, to act. The implication of these decisions and of the overall corporate/conservative agenda is that liberty and power should reside in those with wealth. Business can determine who gets (or doesn't get) health care, business can determine who works (or doesn't), for how much and for how long. It is a direction that is profoundly undemocratic socially, yet at the same time is profoundly hostile to individual freedom — for it is women's individual right to control her own body, it is health care worker's individual ability to attain a secure standard of living that these decisions call into question. The Supreme Court's actions should serve as a reminder that only through broad democratic participation and control over political and economic institutions, only through broad and universal social provisions, can individual liberty be maintained. Preventing such assaults on popular rights will require, in the months and years ahead, renewed organizing, public action and electoral action aimed not only at challenging the specific policies now being imposed, but also the ideological and political climate that allows these to take place. The question to be answered in our society: democracy and freedom for the few or for us all?

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By Dan Adkins

The political and cultural history of Russia and Eastern Europe has limited Ukraine's experiment with democracy. The Czar's and the Soviet's absolutist legacy has minimized local governance and citizen initiative. Ukraine leaders, like Russia's, appoint the heads of its states, thus consolidating power at the top and minimizing local representation. This lack of civic dynamism contributes to the current problems by hiding differences unless there is open revolt, dodging the messy democratic process of resolving differences in the public sphere. The privilege of national power may also figure in the economic corruption that has infected both Russia and Ukraine. An irony of the East and West during the cold War was that in the West you could disparage the government but not your foreman. In the East you could disparage your foreman but not the government. Limiting criticism of your government only allows differences to fester and maybe leaves leaders free to focus on their own advantage instead of serving the people.

Another issue in Ukraine is its potential relationship with the European Union (E.U.). Given what E.U. austerity has done to southern Europe, some have to ask why join it. One answer is that such a move may limit corruption and thus eventually allow the economy and democracy to grow. What has been played up is the political differences between Ukraine's East and West. Ukraine's East is not only more Russian culturally and historically, but its business is more with Russia. Ukraine's defense industry in the East is still providing material and services with Russia's military. Otherwise they would shut down.

Russia's role in Ukraine suggests a focus not readily understood. Russia' breaking treaties and grabbing Crimea has made some in Sweden and Finland nervous and consider joining NATO. The reaction by a senior advisor to Putin was: "Finland should think of the consequences, if it ponders joining NATO. It must ask could joining start World War III?" This advisor also called the E.U. colonies of the U.S. Some in Russia seem to believe the Ukraine problem is a U.S. plot.

Russia and the U.S. see themselves as uniquely important world leaders. Some of us think we are so important that we only see other "world leaders" as the actors. This Czar-like self-aggrandizement has affected both the U.S. and Russian self-image while smaller countries like Vietnam, Afghanistan, and Iraq have to teach us humility. Let's hope we all learn humility soon. We will not be able to see the world viably until we can see all the actors. Until we see all the actors we cannot find or imagine viable policy.