
Toward a Workers' Party

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Our economy is in serious trouble. Ten to twenty million are without work, and yet there is so much to be done. Children need more education and day care. Cities need rebuilding. Transportation systems need an overhaul. And the environment needs cleaning and preserving. But why can't work and workers be connected? And, in the face of this irrational and immoral situation, what can be done?

As we all know by now, the Republicans are banking on Reaganomics. The heart of their proposal is to free the private sector from government restraint and interference so that it may once again lead the United States into the forefront of the world economy. True to their promise, they have cut taxes, reduced social spending, destroyed regulations, and promoted a concessionary bargaining climate through monetarist policies. Their goal is to restore corporate profits, which in turn is to spur corporate reinvestment in new technologies and new industries. Eventually, we are told, the fruits will trickle down to us in the form of new jobs and noninflationary growth. (In the meantime, the needy, the elderly, and the unemployed must sacrifice while the wealthy wisely invest their bounty.)

The Democratic party is, of course, struggling to formulate an alternative. Under the banner of "growth and fairness" they are seeking a more planned and balanced approach to help industry—and the rest of us—survive. Their effort combines the concepts of centralized planning, a new social contract between industry, government, and labor, and the technological faith of the Atari Democrats. In general, the idea is to allocate capital more rationally to encourage investment and research into the most profitable, technological, "sunrise" industries. This planning would wean the economy from its heavy dependence on the troubled elderly "sunset" industries such as steel and automobiles. By helping the industrial sun to rise and set, a new prosperity would shine on us all as United States corporations took the lead in the high-tech export industries.

It seems the more Reaganomics sputters, the more interest there is in planning. The concept has attracted a wide range of support. Corporate leaders, liberal scholars, and the speech writers of all the Democratic hopefuls are promoting some version of the concept. While there is considerable disagreement about the shape and form (the corporatists advocating an elite structure while liberals call for a more bottom-up input), there is an emerging consensus on the need for some form of large-scale planning.

But I find myself out of step with this dominant Democratic party ideology. I, along with many of my colleagues in the trade union movement, have strong objections to the concept of planning within the current political and economic power configurations. In fact, we find the current formulations both dangerous and naïve because they obscure the fact that we are in the midst of a monumental people-profit conflict that will not disappear either with new technologies or with new planning procedures.

Social contracts are not new to the labor movement. After World War II the unions entered into an unwritten one with large American corporations. In exchange for continued recognition and steady increases in wages and benefits, the labor movement provided corporations with a large measure of labor peace, and nearly total control of production and investment decisions. This social contract increased the ability of corporations to plan ahead and to enlarge their domination over the emerging world markets. And labor was given a piece of the growing economic pie.

For over twenty years the deal seemed to pay off. The pie grew rapidly, corporate profits boomed, and most American workers witnessed a steady increase in their standard of living. Of course, millions also stayed poor, but it seemed only a matter of time for the economic miracle to eradicate poverty too.

But the dream ended. Those boom years were an aberration—in large part caused by the destruction of our European and Japanese competitors during World War II. After the war, U.S. industry was unrivaled, and it could profit handsomely by rebuilding the world and cornering world resources. But by the mid-sixties, world competition was again a reality. And with it reemerged the people-profit conflict that so many hoped had disappeared from our system. In our petrochemical industries the first sign of this emerging conflict came in the area of health and safety. As profits were squeezed by international competition and rising prices for Third World resources, corporations began to cut costs at home. In oil refineries we saw the reduction of maintenance crews and preventative maintenance schedules. In assembly industries we saw speed-ups and work intensification as management struggled to maintain the enormous profits to which they had grown accustomed.

Workers, however, suffered a drastic increase in the number of accidents and injuries. And families and communities suffered increased exposure to pollutants that escaped into the environment from undermaintained processes. The conflict intensified as corporations found it impossible to rapidly disinvest and run away to low-wage areas in the nonunionized South and abroad. More and more workers were dislocated and communities abandoned as jobs fled from the unionized frost belt. And many chased jobs to the South only to watch them move again overseas.

We have now entered the age of worker's concessions. Management has torn

up the social contract and is engaged in a full-scale assault on wages and benefits. Bargaining is often a matter of economic blackmail. We are told that unless we concede a portion of our wages, benefits, and work rules, we can kiss our jobs good-bye. And even when we do make concessions, our jobs are at risk. That is the language of our new social contract.

Communities also are not strangers to the people-profit conflict. Mobile corporations are using job blackmail to force towns and states into providing more subsidies and tax abatements. At the same time, entire communities are on the verge of irreparable damage due to massive disinvestment and abandonment of basic industry by large conglomerates. Today, the people-profit conflict is no mystery to heartland steel communities who have watched the mills they built decay, as their owners import steel and speculate in oil mergers, real estate, and currency exchange.

Contrary to the current mythology, the sunrise industries are not immune to insecurity. Their sun can also set in a hurry. So fast, in fact, that while several Democratic leaders were urging the president to become an Atari Republican, over 1,700 Atari workers lost their jobs in California, with no notice, as part of the general shift of high-tech assembly to low wage areas overseas.

Corporate crime is also infecting our children. I recently discovered that my three children are exposed in school to pipes insulated with asbestos. And this comes fifty years after the asbestos industry has had full knowledge of the deadly effects of even minute exposures. The conflict is real, and I am taking sides. I cannot claim to do what is best for both the asbestos industry and for my children. And I have no confidence in any party or ideology that claims to serve both.

The corporate planners are also taking sides. To spur profitable reindustrialization, Wall Street leaders are urging support for a new Reconstruction Finance Corporation (RFC). The purpose of this resurrected concept of Herbert Hoover's is to provide corporations with public funds in the form of guaranteed loans for modernization. Clearly, the funds are aimed at large multinationals engaged in high-profit "sunrise" industries.

The allocation of funds is to be supervised by a board of bankers and corporate leaders with a few labor and public representatives, but the rules of the RFC will be based on strict criteria of profitability. In fact, there is every indication that an RFC board will offer a more centralized version of the economic blackmail corporations now exercise at the bargaining table. As the following remarks by Felix Rohatyn, a leading Wall Street advocate of the RFC, make clear, they are eager to influence the political process from above:

We will have an entity which could say to Governors, "We have \$2 billion to invest which we might make [available to you]. But first we need to make the following changes in the tax structure, or changes are needed in union work rules. . . ." Because of the possibility of economic

activity, the Governors will accept political change.

The business press and other corporate advocates of reindustrialization have made it quite clear that the price for this new investment will be more tax breaks for corporations, fewer regulations, more concessions from workers, more cuts in social spending, and more regressive sales taxes on consumer expenditures.

Of course, we expect these kinds of policies from the business elites. But it is more alarming to find that every major Democratic presidential hopeful is offering a similar version. They are all advocating some form of public support for private reindustrialization and research and development. Like the supply-siders before them, the presidential planners are promising their cure will promote growth and reduce the need for further cuts in social spending. And, for Democrats, they are remarkably silent on the issues of full employment, national health insurance, increased health and safety controls, and increased taxes on corporations and the wealthy.

Surely liberal planners of goodwill are not blind to this pro-corporate drift. Yet they still are advocating planning. In response to my probes, I am consistently told that, "It's a start; some planning is better than none; it's a way to begin to curb corporate power; it'll be a new arena of struggle; we have to be politically realistic; it's better than Reaganomics."

But these responses are rationalizations because they fail to directly challenge corporate power. They accept the current political fashion as a given. The desire to influence the powerful is there, but without the effort required to build countervailing power. It is an admission of political impotence that will surely lead to an accommodation at all costs with the corporate establishment. At best, the logical outcome of this dependent strategy is another meaningless piece of legislation on democratic planning that will collect dust along with the Full Employment Act and the Humphrey-Hawkins Bill. Meanwhile, planning by and for the corporate elite will be extended further. They will be able to put profits first, while wearing the mask of a new social compact.

There is an alternative. But it is risky, and requires working for the long haul. It also requires radical departure from the prevailing Democratic party dogma. And it is certain to threaten our governmental and private foundation support. It is, in short, the path of directly building an anticorporate program, movement, and political instrument.

The Oil, Chemical, and Atomic Workers (OCAW) has learned the hard way that the world's largest multinationals do as they please unless *forced* to do otherwise. To protect the health and safety of members and our families, we have had to mobilize national anticorporate efforts: for example, to make any headway at all in the 1973 Shell strike we were forced to build a national environmental campaign.

The curbing of corporate economic power will require much larger mass anti-

corporate effort. The District 8 Council of the OCAW has taken the first steps by putting forth a series of proposals for corporate, not worker, concessions. To further develop the educational basis for a mass anticorporate effort I have organized a Worker's Policy Project. We are bringing together trade unionists and scholars from Canada and the United States to further develop economic programs, policies, and educational materials.

In the recent publication, "It's Time for Management Concessions," the Project puts forth an economic analysis and proposals for rank-and-file dissemination and discussion. The analysis begins by challenging the widespread assumption held by most planners that workers and their unions are somehow responsible for the current economic crisis. We enumerate how the industrialized workforces of Europe and Japan actually have higher wages (in some cases), have better benefits (in most cases), have more on-the-job rights, more paid vacation, better social services, and more unionization (in all cases).

More important, we put forth an analysis that clearly spells out how corporate misinvestment and disinvestment are ruining our economy. And we offer for discussion an interim program that includes the following proposals:

- A freeze on corporate overseas investment to stop the job drain it has caused.
- Provision of worker approval of mergers and a limit to the acquisition of paper assets to redirect investment dollars toward real plant and equipment.
- Worker control over investment decisions and over the closing of profitable plants through the establishment of democratically elected worker committees in all plants with more than fifty employees, empowered to bargain over investment decisions and possessed of all corporate financial information, and provision for a plant closure fund, financed out of corporate taxes, to compensate communities and workers for plant closures, and finance community-worker ownership of abandoned facilities.
- A rollback of top management salaries and reduction of the number of supervisors to limit management waste.
- An end to discrimination against women and minorities through equal pay for comparable worth

We recognize that a more thorough economic program needs to be developed. But we believe it should grow out of an anticorporate movement rather than as part of the emerging corporate compact. The difference between bottom-up and top-down planning is a matter of power, not good will.

Educational programs and materials alone will not empower our rank and file or organize the unorganized. We will also need a political instrument clearly committed to people before politics. It has been said that the Democratic party is (or can be) our political instrument—that it is ours for the taking. But I

disagree. We are in no position to capture the Democratic party, or even significantly alter its pro-corporate economic policies, because we are simply too weak as a movement. We are in decline in large part because the industries in which we have been the strongest have run away or have crumbled and because we have failed to organize the unorganized. Some unions are making strides in organizing clerical, public sector, and new high-tech workers, but these are the exceptions.

And the problem is not simply a failure to provide adequate resources for organizing drives. Even when they are well-financed and well-executed, we are short on victories. Sophisticated union-busting tactics combined with a weak labor law can thwart the best of efforts.

These organizing difficulties and the loss of basic industry have led many trade unionists even deeper into the Democratic party. They believe that a new Democratic administration can reverse the economic decline, reform the labor law, and create more favorable conditions for reviving the labor movement.

But this is wishful thinking. The Democratic party's economic program is not designed to increase jobs in basic industry. On the contrary, it is committed to easing the economy away from sunset industries. And as we learned from the Carter years, even a veto-proof Congress coupled with a Democratic president is not enough to pass the mildest of labor-law reform bills.

The problem of organizing the unorganized runs deeper than labor law difficulties, union-busting techniques, or the economic crisis. The problem is how we are perceived by the unorganized. They are not blind to our weakness. They see our impotence. They see our inability to protect them during organizing drives. And they know we cannot stop plant closures or even protect the wages and benefits of those we represent. They also see our impotence reflected in our political strategy. Time and again we exhort working people to vote Democratic, and time and again the politicians turn their backs on us. But despite their fears, I believe the unemployed are still waiting—waiting for a sign that we are willing to fight again. And we can reverse our decline and make major gains with the unorganized if we are willing to couple our traditional organizing efforts with a genuine anticorporate movement, including the creation of a labor party clearly committed to putting people before profits. Such a party could attract the unorganized and the unemployed outside of the workplace, free from employer harassment. Such a party could serve to remind the Democrats that their corporatist economic politics will not serve. And such a party could become the home for the millions of rank-and-file workers who have become alienated by the failure of the political process to represent them.

In 1981 the OCAW International convention recognized this need by unanimously passing a resolution directing the union "to support and participate with other unions in developing a new political strategy for labor in the 1980s that will not rely on the Republican or Democratic party for success." Our union knows that the Democratic party has been the party of the multinational oil giants. And we have seen how timid our labor-supported politicians become after they are

processed through the corporate lobbying wringer.

For these reasons we are currently engaged in serious discussions with other trade unionists on the desirability of a labor party. I am strongly in favor of such a party—even if it fails to attract large numbers in the near future. In fact, I would like to see a party develop that refrains for some time from running national candidates. Instead, I would urge it to concentrate on the nuts and bolts of grass roots organizing, and of involving the rank and file and the unemployed in formulating a coherent economic program. Such an organization also could urge other unions and community groups to pass resolutions in support of such a party and program. And it could use its resources to mobilize a mass involvement in key local and regional people-profit conflicts.

In certain areas of the country, running local and state candidates might make sense, but the point is not to squander party-building efforts on costly make-or-break elections. Even in the short run, such an issue-oriented party could serve to broaden and to shape the national debate on economic issues. It would be able to generate some visibility and excitement that could make some Democrats think twice before drifting to the right.

A labor party could become the home for the growing number of alienated trade unionists who, time and again, feel betrayed by the candidates they work for. Such a party must begin within the ranks of labor, rather than as a coalition party, and provide a political space for its members. Similarly, local chapters must be designed in such a way as to encourage the participation of the unemployed and the unorganized.

Many will find these directions as unrealistic as I find the proposed planning options. The current American political system, unlike the European parliamentary system, seems to have no room for third parties. But it is also important to remember that both Henry and George Wallace had a powerful impact on the national debate through their third-party efforts. And in Milton Friedman's view, the New Deal was stolen right from the 1928 Socialist party platform.

We too can have influence if we begin to face the problem of corporate power directly. We cannot make bargains out of weakness. We cannot enter into a social contract without first building a viable movement capable of sustaining a long struggle. And we cannot mobilize and inspire our brothers and sisters with the false hopes of Atari technology or technical planning. There simply is no substitute for the hard work of building an independent anti-corporate movement and party.

One final note. Struggling activists and organizers must not despair for lack of immediate victories. While it is true that the task is enormous, it is also true that the daily economic facts of life are educating more and more of us to understand the people-profit conflict. The rank and file are more eager than at any other time since the Great Depression to embark on a new road. Let us struggle together to build one.