

putting in lots of overtime. Meanwhile, prices and profits went through the ceiling. The number of unemployed climbed back to three million right after V-J Day. Actually, the real number was closer to six million if the women workers forced out of industry are counted.

If FDR and the New Deal really served the interests of the capitalist class and not the workers, why then was Roosevelt the object of so much scorn and hatred from the rich? It is true that to many, if not most, of the members of the capitalist class, FDR was "that man in the White House".

The newspapers, taking their cue from Big Business, regularly denounced

the New Deal as "socialistic" and dangerous to the morality and institutions of the free enterprise system.

But it does not follow from this that FDR was, in fact, a champion of the working class and an enemy of the monied interests. Roosevelt and that section of the capitalist class which supported him were simply more farsighted representatives of Capital's interests.

They understood that the government had to play a more active and far-reaching role in the economy if the capitalist system was to survive. They grasped that a combination of concessions and populist rhetoric had to served up to the workers to undercut the growth of

genuinely radical and revolutionary currents among the masses of working people.

Roosevelt's greatest service to the capitalist class, a service not fully appreciated at that time, was to create the modern Democratic Party as a political institution that could draw in and contain the dissident movements generated by the Depression.

Roosevelt's advisor, Raymond Moley, referring to his former boss, said, "My interest, as was his, was restoring confidence in the American people, confidence in their banks, in their industrial system and in their government." That's what the New Deal was all about.

## THE DEMOCRATIC PARTY TODAY— Party of the Common People?

June 1979

by Duane Calhoun

*"We have to elect a Democrat in 1972 so I can start living like a Republican again."*

Henry Ford II, 1971.

That joking remark by one of America's richest men describes American politics in a nutshell. The Democratic Party today, for all its "Party of the common man" slogans, is just as much the party of big business as the Republican Party. Of course, there are differences — the Democratic fat cats want to pick our pockets, while the Republican fat cats would rather use a gun.

Beyond small differences over just how hard to squeeze the working people and lower-middle-class, both parties are mainly interested in preserving corporate profit and ruling class power. In this article we'll look at the Democratic Party in the 1960's and 70's, to see how that party fronts for the same interests as the Republicans.

### DEMOCRATS IN ACTION

The special tax breaks that Congress hands out to business are a good example of the Democrats' loyalties. Most people think these deals are worked out by "Watergate" Republicans, along with a few right-wing Southern Democrats. But the liberal "friends of labor" get into the act too.

In 1976, the Senate Finance Committee held hearings on a new "tax reform" bill. Liberal Democrats publicly criticized the bill as a giveaway to big business, and pointed to Finance Committee Chairman Russell Long (D-Louisiana) as the corporate Santa Claus. That made Senator Long mad, and he surprised his critics by inviting the press to attend the next committee session. (These meetings are normally

closed to the public.) At that session, eleven amendments to the bill were dropped without debate — amendments that had been written especially to give tax favors to the congressmen's business friends.

Two of these giveaway amendments had been sponsored by Walter Mondale, Democratic Vice-Presidential nominee and a leader of the liberal faction. One of his amendments would have cut the tax rate on interest-paying bonds sold by the Investors Diversified Services Incorporated, a corporation based in Mondale's home state. That bill would have saved banks and other investors a quarter of a million dollars a year — money which the rest of the taxpayers would have to make up. Mondale failed to show up for the public session, and with no one to speak for them, his amendments were dropped.

The Vietnam War was another example of the Democrats and Republicans acting alike. We first got involved in Vietnam (on the side of the French colonial empire) in 1950, under Democratic President Harry Truman. After the French were beaten on the battlefield, we continued to support their front men (who became our front men) through the terms of a Republican President, two Democrats, and another Republican.

In 1964, Lyndon Johnson promised loud and long to end the war if elected, and that promise helped him win by a landslide. But right after the election, he turned right around and did just what his opponent Goldwater had promised to do. He refused to take part in a United Nations peace conference, began dropping fragmentation and napalm bombs on both North and South Vietnam, and sent over half a million more American draftees overseas.

By the time he admitted that his policy had been wrong and gave up the

Presidency, the "architect of the Great Society" had sent 30,494 young Americans to die. Unknown thousands of Vietnamese people died along with them.

What about the Democrats' reputation as crusaders for civil rights and against race discrimination? The Democrats made a lot of noise at their 1948 convention about the civil rights plank, and the fight to include it despite the opposition of the southern segregationist Democrats. All well and good, but that plank remained a dead letter for 15 years of Democratic majorities in Congress — 15 years of segregated schools, job discrimination, and legal lynchings.

Almost nothing was actually done about this paper promise until the Civil Rights Act of 1964. And it was no coincidence that the 1964 law was passed only after the lunch counter sit-ins, after the Montgomery bus boycott, after the Freedom Rides, and after the March on Washington for Jobs and Freedom in 1963.

### A JIM CROW PARTY

A look at how the Democratic Party runs its own organization also shows how hypocritical the Party leadership is in claiming to defend equality. In 1963 civil rights organizers in Mississippi answered the segregationist violence of the official Mississippi Democratic Party by organizing their own party — the Mississippi Freedom Democrats.

The Freedom Democrats were open to Blacks and whites and followed the rules and platform of the Democratic National Committee. The "official" Mississippi Democrats refused to allow Black people to take part in the Party, opposed registration of Black voters, and rejected the national Democratic platform.

When it came time to seat delegates at the 1964 Democratic convention, national party leaders went to the Freedom Democrats proposing "compromise" — both Mississippi Parties would be seated, with the Freedom Democrats getting two delegates and the racist Democrats getting the rest. The Party leadership (including Hubert Humphrey, who was one of the authors of both the 1948 Civil Rights plank and the 1964 dirty deal) was more interested in holding on to the support of those wealthy racists than in securing real equality for Black people.

We could go on all day citing examples of how the Democrats serve big business. But that still doesn't explain why the Democrats are that way. Maybe if the voters weren't so apathetic, or maybe if we could give more power to the honest liberals, then couldn't the Democrats become a real party of the people? We don't think so. That's been an argument ever since the People's Party merged with the Democrats in 1896, and after 80 years nothing much has changed. Why?

### WHERE THE MONEY COMES FROM

To see the bonds between the Democrats and the wealthy, we should look first of all at the almighty dollar. The myth that we've been taught about politics is that the labor unions finance the Democrats and that big business finances the Republicans. While the unions do give nearly all their money to Democrats, they are far outspent by the rich.

Herbert Alexander of the Citizens Research Foundation found that in every national election from 1948 to 1972, nearly three-quarters of the Democratic Party's money came from donations of \$500 or more apiece by wealthy people. Hubert Humphrey got over 5 million for his 1968 campaign from just 50 people — that's an average of \$100,000 apiece. And over one-third of those who gave \$10,000 or more in the 1972 elections gave to both Parties. (For more details on the finances of the Democratic Party, see the January 1979 issue of the *Organizer*.)

It's true that the Republicans have traditionally gotten more money from the rich than the Democrats have. But even this is changing. In response to the new campaign finance reforms passed after Watergate, fund-raising organizations called Political Action Committees (PACs) have begun to replace individuals as the main source of campaign money. There are now over 1500 PACs set up by businessmen, and nearly 300 set up by unions. As the members of these big business PACs have grown, their donations have also begun to shift. *Business Week* magazine found that more than half of big business PACs' money went to Democrats in the 1968 elections. And money talks.

## UNDEMOCRATIC DEMOCRATS

Another way the powerful few keep their hold over the Party is through its undemocratic structure. The candidate with the most popular support and the most primary election victories doesn't necessarily get the nomination. Senator Estes Kefauver was passed over this way in the 50's in favor of the blue-blood Adlai Stevenson. Hubert Humphrey was nominated over Gene McCarthy in 1968, even though Humphrey didn't win a single primary, and the polls showed McCarthy would have a better chance against Nixon. Humphrey and Stevenson were both more acceptable to the money men than their mildly populist rivals.

When the McGovern Commission studied the Party's structure after the Chicago convention protests of 1968, some of the facts about the Democrats' internal workings that came out were:

\*At least ten state Democratic Parties had no rules at all. All policies were set and convention delegates were chosen by a small group of appointed officials.

\*Many state Parties which had rules and elections on paper, were still controlled from the top by corruption and fraud. In a Party election in Mississippi, one politician cast 492 proxy votes from his town for his favorite candidate. Elections were held in some states without voters being told that an election was being held or who was running.

\*Black people made up 20% of registered Democrats, but only 2% of the 1964 convention delegates were Black.

\*Many states required delegates to pay their own way to the National convention, so only those who were well-off or had some way to raise money could qualify.

At the recommendation of the McGovern Commission, most of the worst of these practices were changed in 1970. But after 1972, the tide began to turn back. The reforming chairperson of the Party, Jean Westwood, was replaced by Robert Strauss — top Party fund-raiser and close associate of John "Democrats for Nixon" Connelly.

At the 1974 Convention, Strauss and the Democratic National Committee pushed for a reversal of many of the McGovern Commission reforms. The delegates voted to keep most of the reforms, but did repeal the guaranteed minimum of representation for minority and women delegates. The acid test of the new rules, however, is results. And here they are a clear failure. We only have to look at Jimmy "I'll never lie to you" Carter and his forgotten promises, to see that the new rules have had little visible effect on the performances of the Party.

## A HIDDEN POWER

Some of the most important links between both political parties and the upper class are the organizations known as "policy planning groups." The four key groups are the Council on Foreign Relations, and a government official Development, the Business Council, and the Conference Board. Very few people have heard of these organizations, yet they're the most powerful private organizations in the US. Each group is made up of a few hundred individuals, mostly directors and stockholders of America's biggest industrial corporations and banks, and a few corporate lawyers and university presidents. Membership is by invitation only.

The Committee for Economic Development for example, draws 63 of its 200 or so members from the 25 largest banks. And many individuals belong to two or more of these groups. Forty-eight of the 190 Committee for Economic Development trustees also belonged to the Council on Foreign Relations. Their funds come from individual contributions, dues paid by corporations, and from the Ford, Carnegie, and Rockefeller Foundations.

Their purpose is to make "recommendations" for government policy on everything from labor law to welfare spending to foreign policy. They meet regularly with congressmen and top government officials of both Parties, and their "recommendations" are almost always accepted. Few people know that the founding of the United Nations, the Vietnam War, and the recognition of Red China were all discussed and planned in detail in the Council on Foreign Relations before they became official government policy.

Describing the Council on Foreign Relations, the *New York Times* said: "The Council's talks and seminars...are strictly off the record. An indiscretion (leaking information to the press) can be grounds for termination or suspension of membership."

Members of these organizations make up the majority of the top cabinet officials in both Republican and Democratic administrations. According to John McCloy (of Chase Manhattan Bank, the Ford Foundation, Council on Foreign Relations, and a government official under both Republicans and Democrats since 1942): "Whenever we needed a man (in government), we thumbed through the roll of Council members and put in a call to New York."

Reporter Theodore White described the role of the Council on Foreign Relations this way:

"Its roster of members has for a generation, under Republican and Democratic administrations alike, been the chief recruiting ground for cabinet

level officials in Washington. Among the first 82 names on a list prepared for John F. Kennedy for staffing his State Department, at least 63 were members of the Council, Republicans and Democrats alike. When he finally made his appointments, both his Secretary of State (Rusk, Democrat) and Treasury (Dillon, Republican) were chosen from Council members; so were seven assistant and under-secretaries of State, four senior members of Defense,....as well as two members of the White House staff

(Schlesinger, Democrat; Bundy, Republican)."

The Committee for Economic Development had five of its trustees in Nixon's cabinet. Three Committee for Economic Development trustees serve in Jimmy Carter's cabinet - Secretary of the Treasury, Secretary of the Navy, and Chairman of the Council of Economic Advisors. Carter also appointed the President of the Conference Board as Chairman of the Federal Reserve System, which controls the nation's banking

system.

Reporter Joseph Kraft observed that these policy groups "play a special part in helping to bridge the gap between the two parties, affording unofficially a measure of continuity when the guard changes in Washington." In other words, these private political clubs, drawing their members from the richest 1% of the population, tell the government what to do and how to do it.

## WORKERS' VOICES: William Z. Foster on Capitalist Elections

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*William Z. Foster was born in South Philadelphia in 1881. He went to work at the age of ten, laboring in the lumber, farm, construction, chemical and transport industries. When unable to work Foster hoboed, seeing much of the U. S. As a sailor he traveled around the world. Facing harsh exploitation as a worker, Foster turned to the labor movement. He joined the Industrial Workers of the World, and later founded the Syndi-*

*calist League of North America, a revolutionary trade unionists' group. Foster later joined the Communist Party and became the Party's chairman. A skilled labor organizer and mass leader, Foster was instrumental in leading the packing house organizing drive during World War I and was a key figure in the 1919 steel strike. The following selection is from Pages From a Worker's Life, an autobiographical work.*

### A TAMMANY ELECTION

It is an old story that Tammany Hall in New York City, similarly to corrupt political machines in scores of other American cities and states, has falsified innumerable elections by wholesale buying of votes, stuffing of ballot boxes, failing to tally opposition ballots and by various other crooked devices. The following episode points its own moral.

A Socialist speaker, a prominent figure locally in the New York Socialist Party, was delivering a speech at a street corner on the lower East Side, during the 1912 elections.

At that time most of the garment workers still lived in this congested slum area, and the Socialist Party had a strong following among them. There was a large crowd, and the speaker made an effective speech. On the edge of the gathering stood the Tam-

many Hall precinct leader, much interested.

When the speaker had concluded and climbed down from his portable platform, the Tammany heeler sidled over to him and said:

"That was a fine speech you made, me boy. I think you'll poll sixteen votes for it on election day."

This made the Socialist a bit wroth and he replied:

"What do you mean, sixteen? This precinct is one of our Party's strongholds. We'll get many times that; we'll carry the precinct."

By now the Tammany man was also hot under the collar and he shouted:

"I told you sixteen votes, didn't I? Well, that settles it. Not a single one more will you get!"

Now, indeed, the Socialist speaker was angry. He reported the matter to the city committee and it was decided to make an extra effort to carry this particular precinct. Accordingly, additional speakers were sent in, many meetings were held and special house-to-house work was done. The workers responded well and as the election took place the Party local leaders were positive they had won the precinct.

But when the detailed election returns were made public, there, sure enough, the Party in the precinct was credited with the famous sixteen votes. And so the thing stood. Nor could all the Party's protests and demands for a recount change matters.