

## The “Public is Bad; Private is Better” Scam

Adolph Reed Jr.

The effects of Hurricane Katrina exposed a scam that politicians at all levels of government have been running on the American people for more than twenty-five years. This con rests on the claim that it's possible to get something for nothing, that it's possible to protect the public welfare and slash public spending at the same time. If the proper lessons are to be learned from this disaster and the criminal negligence that produced it, we have to recognize how this con has worked.

*But how did they sell this idea to the rest of us, who can't afford to purchase our essential services at the boutique?*

In the late 1970s, in concert with the attack that corporations were beginning on workers in the workplace – the one that we've been living through ever since – President Jimmy Carter tried to cut public spending on everything except the military and corporate tax cuts and giveaways, but his approach didn't quite work to convince enough people. All he had to offer was moralizing about how we all consumed too much and needed to lower our expectations. Government, he said, needed to learn how to do more with less.

Well, of course, most people were already struggling to make ends meet, so that message wasn't appealing. So the right-wing

stepped up and found an effective way to sell enough people on the program of slashing government to prevail politically.

Beginning with Ronald Reagan we've gotten twenty-five years of increasingly bipartisan rhetoric that discredits government by claiming it's inefficient and inferior to the private market. For the wealthy, who can afford to buy designer services – private police forces, private garbage removal, private schools, private nannies – this is largely true and reasonable. (As affluent people on the New Orleans lakefront just learned, though, it's harder to privatize flood protection.) But how did they sell this idea to the rest of us, who can't afford to purchase our essential services at the boutique?

One element of the scam is discrediting government by just asserting over and over that private is better, that attempts to use government to pursue public goals inevitably fail and make things worse. Eventually enough people begin assuming that's true, especially as cuts worsen the quality of services. Part of selling that view is identifying government with people stigmatized as losers and mobilizing resentment against them and government at the same time.

So Reagan endlessly repeated the mythical story of the Cadillac-driving “welfare queen” who used food stamps to

## Political Response to Katrina

### Republicans: Ready to Plunder

The right wing, as they always do, has seized the opportunity to use the Katrina disaster to promote and expand their major policy objectives: suspension of Davis-Bacon, awarding no-bid, sweetheart contracts to long-time Republican cronies and corporate patrons, privatizing everything from roads to schools. They even call for elimination of the capital gains tax, repeal of the estate tax and drilling in the ANWR as valid responses to the disaster. What do these measures have to do with reconstruction of the Gulf Coast? In addition to opening up the federal treasury for corporate looting, it's all about their long-term agenda of “drowning government in a bathtub.”

### Democrats: Missing in Action

The Democratic Party has failed to speak with a concerted voice. They can't even agree on boycotting the Republicans' phony Congressional investigation. Worse, they offer no challenge to the right wing agenda of privatizing all government functions, enshrining the market above all. Long gone are the days when it was possible to believe that the Democratic Party stood firmly for the notion that government has a leading role in making people's lives better.

### Why We Need a Labor Party

If the Labor Party were in power, we wouldn't be in this mess in the first place. Why? The Labor Party has a fundamental commitment to government as the primary means for creating and securing a just society. This means the levees would have been upgraded and maintained, that 23 percent of New Orleanians would not be living below the poverty line (a right to a job or a wage), resources would have been available to evacuate, national health insurance and long-term care would have kept elderly and disabled people from being left to die in hospitals, nursing homes and in their own homes.

Rebuilding under a Labor Party government would start with the needs and concerns of the working class. Instead of using the disaster to profit, loot and plunder, the Labor Party would take the opportunity to improve the quality of life for all Americans. **LP**

"My goal is to cut government in half in twenty-five years, to get it down to the size where we can drown it in the bathtub."  
— Grover Norquist, Republican Strategist and author of the Bush Plan



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**“Public, Private” Scam**

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buy steaks and vodka. Bill Clinton decided to terminate the federal commitment to provide income support for the poor in order to teach some imaginary poor people how to “play by the rules.” Both parties sanitize cuts in public spending with euphemisms about eliminating waste and fraud (by poor people, not corporations), reinventing government, seeking market-based solutions, helping only the “truly needy.”

Both parties have propagated and catered to the idea that, except for military and police functions, government can’t do anything well and wastes resources on undeserving others at “our” expense. A cheap and easy way they’ve done this, of course, is making up stories about abuses by people who are supposedly different from “us.” Who “we” are varies with the groups they want to mobilize resentment against at any particular moment.

Because of American history, race is one of the most familiar bases for defining us and them, but it’s not the only one. Gender, sexual orientation and immigration status are others. Public sector workers have become another. And sometimes different ones overlap – like in the myth of the “urban underclass” or the difference between deserving “single moms” and undeserving “unwed mothers.”

A big part of why our politics has gone the way it has over the last twenty-five years is that too many people who think they don’t fall into one of the stigmatized categories have been wooed into imagining that those who do are a threat to their well-being. That’s an old story in America, and probably all of us have friends, relatives, neighbors, co-workers, even union brothers and sisters who have fallen for that con. Some of them

become so focused on denying benefits to others that they actively support political programs that will hurt themselves.

This is the impulse Schwarzenegger tried to appeal to when he went after public pensions last summer. It’s what the right has used to build support for tort and bankruptcy “reform.” They used the same rhetoric of personal responsibility that fueled the charge against welfare mothers and other “losers” to justify removing the few remaining safeguards that most Americans have against corporate malfeasance.

Maybe the most important lesson to take away from Katrina that we’re all in this together as working people. We may not be all equally vulnerable in the same ways to the same attacks on public responsibility, but we’re all its intended victims and have to act accordingly. That’s what solidarity is all about.

**Adolph Reed Jr. is a member of the Labor Party Interim National Council and co-chair of the Free Higher Ed campaign**

**Harry Gaynor: In Memoriam**

We are sad to report the death of long-time Labor Party member Harry Gaynor of Chicago. Brother Gaynor joined the Labor Party shortly before the founding convention and attended the 1998 convention. Chicago LP member Frank Rosen reports that Brother Gaynor was active in labor and progressive politics throughout his life and, we recently learned, remembered the Labor Party in his will.

You too can leave a lasting legacy. When planning your estate, please consider a bequest to the Labor Party. You can also designate the Labor Party as a beneficiary of your pension plan, life insurance policy or individual retirement accounts (IRAs) or Keogh Plans, although contributions to the Labor Party are not tax-deductible.

**What do you think?**

Labor Party members responded enthusiastically to the What do you think? membership survey conducted this summer. The survey sought to ascertain our members’s opinions on a wide variety of topics as well as gather demographic characteristics. We learned that 71 percent of respondents are union members; of those, more than 30 percent hold union office. The survey results will be further analyzed and discussed at the next meeting of the Interim National Council.

**Health Care Tops List**

On the issues most important to working people, 25 percent of respondents ranked the cost of health care as the number one issue, 19 percent ranked health care number two and 12 percent ranked it number three. When asked for the primary reason a member first joined the Labor Party and what best explains current support, respondents most frequently chose “Neither the Democratic nor Republican Party represents the interests of workers.”

**Wide Range of Opinions**

In the open-ended comment section, members’ opinions ran the gamut from “Forget the Democrats, they are hopeless” and “illusions of Democrats must be smashed” to “consider merging with the Democratic Party to revitalize both” and “I understand that Democratic candidates have not been entirely correct in their policies but if a candidate comes along that is in a tight race, I think LP should support them.”

**Time to Get Our Feet Wet**

On the Labor Party’s electoral strategy, more than 65 percent of respondents either somewhat or strongly agree that we should “get our feet wet in the

*continued on 3*

electoral arena” or should “run candidates regardless of the consequences.” And 22.6 percent continue to think that running a candidate “to play the role of spoiler” is a bad idea. The following is typical of the responses: “I have supported the Labor Party for many years and I think you are on the correct track. I see no other alternative for working people. I could be mistaken but I believe we should run a candidate. I could be mistaken but a higher profile could help.”

Many members expressed frustration at the pace of Labor Party growth. But an overwhelming majority see this effort as too important to lose. “The most rewarding work I did and experiences I’ve had in the last ten years were in trying to build the Labor Party,” commented one member. Said another: “The strength of the Labor Party is its platform, its preparation to take the reigns of power and its experience of organizing people. Its future lies in the thousands that are thrown out of the economic system.” **LP**

**California Nurses Association Places Schwarzenegger for Sale on E-Bay**

The California Nurses Association posted an E-Bay sales page offering Governor Arnold



**STOP THE SALE!**  
Stand with Nurses and Say NO!  
[www.StopArnold.us](http://www.StopArnold.us)

Schwarzenegger for sale. The parody – which E-Bay swiftly removed – reflects the massive amounts of money that pharmaceutical corporations have put behind the governor’s Proposition 78, which bars the state of California from bargaining with drug companies to win discounts for financially-strapped patients.

“The world’s most profitable corporations are spending \$100 million to push a misleading sales gimmick,” said CNA President Deborah Burger, RN. “Proposition 78 will place a burden on California families already having trouble dealing with the high cost of prescription drugs. We’re putting Schwarzenegger up for sale on E-Bay because he sold California’s health care policy to drug corporations, and he sold out California patients along the way.”

Proposition 78 sets up a system under which drug companies “voluntarily” grant certain patients limited discounts on selected drugs. Consumers would be required to join the program, adding their personal

and medical information into a database controlled by the pharmaceutical corporations.

The E-Bay sales page offered Schwarzenegger as a “Limited Time Offer: Arnold is for sale through the special election on November 8, 2005.” CNA is recommending “NO in November” – a no vote on all propositions on Arnold Schwarzenegger’s special election.

For more information, see [www.stoparnold.us](http://www.stoparnold.us) and [www.calnurses.org](http://www.calnurses.org)

**Student Debt: Bigger and Bigger**

The average college graduate who takes on student loans – and most (two-thirds) do – leaves school with an average debt of \$17,600 according to a September 2005 report from the Center for Economic and Policy Research. Among students graduating in 1990, 46.2 percent took on student loans and their average total debt (\$9,798 in 2004 inflation adjusted dollars) was two-thirds of what students take on today. Since 1990, college costs have risen by 59.4 percent (adjusted for inflation) and loans now comprise over half of financial aid packages, up from one-fifth in the 1970s.

Students who take out loans also are more likely to work while in school. Of students with loans, 83.6 percent work, and they average 22.8 hours per week. In 1981, a student could work full time all summer at a minimum wage job and earn two-thirds of their college costs. Today a student would have to work full time year round to afford one year of education at a four year public college.

“American students are graduating with more debt than ever. We are handing college graduates a bill for more than \$17,000 when they receive their diploma,” said Heather Boushey, CEPR economist and author of

the study. “Working your way through college is no longer possible with such a low minimum wage and few grants available to students.”

The CEPR Briefing Paper is available at [www.cepr.net](http://www.cepr.net)

**Health Costs Continue to Outpace Inflation and Wage Gains**

The cost of premiums for employer-sponsored health insurance rose in the past year by 9.2 percent compared to 11.2 percent in 2004 and 13.9 percent in 2003, according to an annual survey by the Kaiser Family Foundation and Health Research & Educational Trust. Although growth has slowed somewhat, premiums grew at a rate much faster than the overall inflation rate of 3.5 percent and wage gains (2.7 percent).

Key findings include:

- \* The percentage of firms offering health benefits has decreased from 69 to 60 percent over the last five years.
  - \* Of firms that offer health benefits, 20 percent now offer a high-deductible plan (at least \$1,000 deductible for single coverage or \$2,000 for family coverage).
  - \* Since 2000 premiums for family coverage have increased by 73 percent, compared with inflation growth of 14 percent and wage growth of 15 percent.
  - \* The average annual premiums for employer-sponsored health benefits in 2005 are \$4,024 for single coverage and \$10,880 for family coverage.
  - \* The percentage of large firms (200+ workers) offering retiree coverage fell from 66 percent in 1988 to 33 percent in 2005.
  - \* Health insurance premiums now average \$10,880 a year – about equal to the full-time earnings for a minimum wage worker, \$10,712.
- 2005 Annual Employer Health Benefits Survey visit [www.kff.org](http://www.kff.org)



Linda Raisovich-Parsons(r), the United Mine Workers of America’s representative to the Labor Party National Council presents the Tony Mazzocchi Labor Arts Award to Academy Award-winning documentary filmmaker Barbara Kopple at the fifth annual DC Labor FilmFest.

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# CAFTA MATH

Chris Townsend

By now you have heard that the Central America Free Trade Agreement (CAFTA) passed the House of Representatives back on July 27 by a 217-215 margin. It had already passed the Senate by a healthy margin, so President Bush signed CAFTA into law toot-sweet. Big business was very happy, as they should be.

So what does CAFTA mean to us? Bosses now have another trade deal that gives them fresh slave-wage options when it comes time to close down their U.S. plants and head for the global sweatshop. But CAFTA also guarantees a renewed flow of desperate immigrants into our own domestic sweatshop empire. U.S. agribusiness can now flood the Central American village economies with cheap corn and soybeans at rock-bottom prices. The poor subsistence farmers will be forced to migrate – or face starvation – as their inefficient farms are finally crushed. This is one of the dirty little secrets about trade deals.

By now you've heard as well about the "CAFTA 15" – the label slapped onto the 15 House Democrats who made it possible for this thing to pass. If you look at the vote margin, you'll see

that it is fair to say that each and every one of the "CAFTA 15" was the deciding vote! A change of any of the votes cast would have thrown the vote into a tie, and consequently the CAFTA legislation would have failed. And let's not forget that there were 10 Democrats who helped provide the CAFTA victory in the earlier Senate vote.

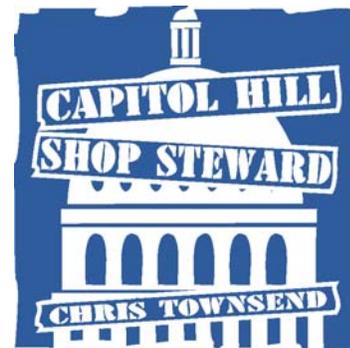
The CAFTA vote in the House will be remembered as one of the most corrupt displays in modern history, even for a Congress that increasingly has no ethical boundaries left. It went down like this: on the morning of July 27, several thousand corporate lobbyists and Republican operatives got the word – the CAFTA vote would be that night. All the stops were pulled, the checkbooks came out, and the stampede to get to the dwindling number of "undecided" House members was unleashed. At this point, "undecided" really meant "still for sale."

After an all-day bribe-a-thon, the midnight hour approached. The House Republican leadership started the roll-call vote. After the customary 15 minutes elapsed, CAFTA was failing by a 5 vote margin. At this point,

lobbyists were given entry to the innermost cloakrooms and such a frenzy of corruption ensued that it nearly spilled out onto the House floor. Forced to make up their minds, some House members seemed on the verge of a nervous breakdown in the midst of this political miasma. After another 40 minutes ticked by, jubilant Republicans declared CAFTA a winner by the 217-215 margin. The whole crime was broadcast live, on C-SPAN.

For a couple of days it looked like the 15 Democrats who sold out were not going to get away completely unscathed or unexposed. A few unions grumbled about this "betrayal" of working people by these Democrats, but the entire CAFTA fiasco unfortunately was eclipsed by the AFL-CIO Convention fracas that was unfolding at exactly the same time.

And now, CAFTA is over – sort of. But there is something here that's not adding up. Our math is out of whack. Limiting the focus to the "CAFTA 15" misses half the problem. Our labor movement math skills are in need of sharpening yet again. In addition to the 25 Democrats who screwed us, we need to add the Republicans – for example,



Phil English from Erie, Pennsylvania who received more than \$79,000 from unions for his 2004 campaign – who promised to oppose CAFTA but who switched their votes at the last minute.

There are a couple of lessons here, brothers and sisters. First, let's not forget the 25 combined Senate and House Democrats who took labor's money and then gave us the bird on CAFTA. And second, let's make sure we all have a discussion within our respective unions about the merits of handing union members' money over to rancid Republicans. Most of all, let's get our math straight. We have a much bigger problem here than just the "CAFTA 15."

**Chris Townsend is Political Action Director of the United Electrical Workers Union (UE)**

For more on the CAFTA battle and fall-out, see UE's Political Action Update at [www.ranknfile-ue.org](http://www.ranknfile-ue.org) and [www.workinglife.org](http://www.workinglife.org)

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## No Comment

"Davis-Bacon regulations effectively discriminate against contractor employment of non-union and lower-skilled workers and can even raise total construction costs by up to 38 percent."

— Congressional Republicans urging repeal of the Davis-Bacon Act's requirement that federal contractors pay workers the prevailing wage for the area

Prevailing wage for a common laborer in New Orleans: \$9.55

"My question to everyone, including my Congressional delegation: Will Halliburton take 38 percent less in profits?" — Labor Party member/New Mexico