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CAMPAIGN FOR ECONOMIC DEMOCRACY: PART I THE NEW LEFT IN POLITICS

(Executive Summary)

The Campaign for Economic Democracy is a California-based apparatus with national ties, particularly to organizations that function as parts of the nationwide network created and maintained by the Institute for Policy Studies, "the far-left radical 'think tank' in Washington, D.C." CED evolved directly from the unsuccessful 1976 California campaign of Thomas E. Hayden, one of the preeminent radical leaders of the 1960s, for the United States Senate; and several of CED's principal activists are also veterans of the Hayden campaign and of Students for a Democratic Society, a militantly leftist organization in which Hayden played a pivotal role both as founder and as principal author of its basic manifesto, the "Port Huron Statement." With an estimated 8,000 members throughout the state of California and a claimed core of 400 activists, CED operates with a paid staff of 21 people, a steering committee of 40 members and 40 alternate members, and an executive committee of eight members; Hayden chairs both the steering and executive committees and has been chairman of CED since its inception. In March 1977, the Campaign claimed to have 15 chapters in California; the most recent estimate places the number at 30.

Hayden's ambitions are evident in his statement that "We're going to take over....The next big generation will be those who came to political life during Vietnam, my generation. The country will be under our influence for a long time to come." It is, in fact, widely felt that CED exists in large measure to serve as an instrumentality for the achievement of Hayden's political goals; it is certainly true that his involvement and thinking have been central to CED's operation, just as the efforts of his wife, radical actress Jane Fonda, have been central to the organization's fund-raising programs. These programs, which support a budget currently estimated at \$300,000 per annum, have included direct-mail appeals, "door-to-door soliciting, speaker's honorariums,

benefit concerts, and many, many personal contributions," according to a 1978 letter circulated by CED over Hayden's signature. An October 1979 tour by Hayden and Fonda to some 52 cities across the United States was reportedly financed largely by speaking fees of as much as \$5,000 per appearance. It is generally felt, however, that Fonda has accounted for the lion's share of the CED budget; an article in the leftist Mother Jones magazine reported that "Through direct contributions, film benefits, concerts and celebrity events arranged through her connections, Fonda finances the majority of CED's impressive budget." Fonda has also opened an exercise salon in Beverly Hills, California, according to one source, "to give CED...a new source of income."

Other sources of support for CED include organizations interlocked with the leftist movement in general and with the Institute for Policy Studies in particular. In 1978, for example, CED received funds from the Youth Project which "enabled the San Diego chapter [of CED] to hire its first staff members." The Youth Project has also made grants to various subsidiaries of IPS. Funds for a series of major conferences in which CED has played significant roles have been provided by the Foundation for National Progress, publisher of Mother Jones and self-described as "formed in 1975 to carry out on the West Coast the charitable and educational activities of the Institute for Policy Studies." Much of the basic research data for CED's solar energy campaign is contained in a lengthy study published by the California Public Policy Center, the leadership of which interlocks with both CED and IPS; CPPC also prepared and published a 150-page volume of Working Papers on Economic Democracy that was issued in conjunction with a CED-organized Second California Conference on Alternative Public Policy (also known as the Santa Barbara Conference on Economic Democracy) held in Santa Barbara, California, during February 1977.

CED has also reportedly benefited from funds provided through government grants to California groups employing CED-affiliated personnel. Specifically, Barron's has alleged that "Organizations with CED alliances...have found a place at the public trough via CETA or VISTA money." In Santa Monica, California, the Center for New Corporate Priorities, a group run by Ruth Yannatta Goldway, a member of the Santa Monica City Council elected with CED support, received \$126,000 in CETA money reportedly used to place some 57 CETA trainees with several community groups, most of them CED-oriented, the result being that the U.S. Department of Labor's Inspector General's office has determined there is "prosecutive merit" in allegations that CETA funds have been used to subsidize CED-connected political activity. Other cases of alleged impropriety, reported extensively in the pages of the radical Berkeley Barb, have involved allegations that "the Hayden political machine" has

* Channeled federal dollars from Western SUN (a federal solar energy project) into community action groups which are affiliated with Hayden's CED. At the

same time legitimate solar groups that are not affiliated with CED are unable to obtain funding from Westen [sic] SUN.

* Put CED members on the payroll of Western SUN. Positions in the federal program tend to be filled not on the basis of knowledge or ability in the field of solar power, but on the basis of classic political patronage.

* Obtained federal funding from the CETA (Comprehensive Employment and Training Act) program to pay wages to CED members for doing work for CED. The taxpayer-funded work involved little more than political organizing for the Hayden organization.

* Used a Santa Monica crime control program called *Communitas*, which has a quarter million dollars in federal grants, to promote rent control and other political projects dear to CED's heart, but completely unconnected to crime control.

CED's activities and programs flow from its fundamental tenet that what is needed is for the people "to name -- and publicly challenge the foul thing" known as "Corporate Capitalism" that is allegedly "the source of our ills." These "ills" are characterized as "its racism and sexism and joblessness and wars and inflation and its sugar-coated poisonings of our minds and bodies." CED's efforts to combat this "stagnant thing in our midst" have included electoral politics, community organizing around such issues as rent control and "tenants' rights," and vigorous lobbying campaigns around such issues as solar energy and "progressive tax reform." CED's solar energy proposal, SolarCal, was brought into being by California Governor Jerry Brown in 1978; Hayden was appointed by Brown to serve on the SolarCal council, in addition to being appointed by him to serve as a member of the Southwest Regional Border Commission. The relationship between Brown and Hayden and Fonda is known to be a close one, a fact which indicates a significant degree of acceptance of CED's leadership among elements of the political establishment in California. This is further indicated by the fact that CED numbers among its more prominent members and supporters such individuals as U.S. Representative Ronald V. Dellums, United Farm Workers leader Cesar Chavez, and former California Lieutenant Governor Mervyn Dymally. That CED has enjoyed some practical political success is also indicated by its claim of at least 17 electoral victories in California; in addition, Governor Brown has appointed CED members to county supervisor positions in Santa Cruz and Orange County, according to one report.

CED has also been involved in anti-nuclear agitation, in boycotts of Coors beer and J.P. Stevens products, in promotion of "state bank" legislation, in opposition to "expensive downtown 'redevelopment' schemes" and "outrageous housing speculation,"

and in "the struggle to get the University of California to 'dis-invest' the public's money from South Africa." A January 1980 account indicated that, in the area of "tenants' rights," Cary Lowe, described as "a tenants' rights specialist for" CED, had been active in "attempting to form a national renters' lobby." And, in another program directly related to "community organizing," CED maintains the Laurel Springs Educational Center at the 120-acre Laurel Springs Ranch north of Santa Barbara, California. Purchased in 1977 for a reported \$500,000 (in Fonda's words, "a bank loan based on future film earnings"), this facility is used "to provide a site for the development of alternative sources of energy, such as solar and wind; waste removal and recycling systems; CED's Organizer Training Institute; and a children's summer camp." One source has quoted Hayden as saying that, in addition to training CED activists, "We might contract also with community or government agencies or unions...people who have staff to train." Programs at the Laurel Springs site purportedly help people increase their "skills in the fields of electoral campaigning and community organizing or learn more about the way our economic and political systems operate and what CED's alternatives are." Children attending the summer camp have reportedly been exposed to "such weighty issues as why farm workers should be unionized or why gas companies should not be allowed to construct a liquefied natural gas terminal on sacred Indian land along the California coast." Such subjects are doubtless part of what Fonda has called the "underlying content" of the camp's program, a fact which makes it of more than passing interest that "All contributions" to the Laurel Springs Educational Center "are tax-deductible."

One of the more arresting aspects of CED activity was a meeting between Tom Hayden and President Carter in the Oval Office early in 1978. An account of this meeting, based on Hayden's own notes and published in CED's newspaper in February 1978, revealed that the only other person present was President Carter's adviser Peter Bourne, an early Carter supporter who has been active in such groups as Vietnam Veterans Against the War and the Institute for Southern Studies, an affiliate of IPS. Hayden's account indicated that President Carter agreed with his assessment of the power wielded by "the heads of the giant multi-national corporations whom we do not elect and rarely see" and that the President told Hayden, "I'm proud to get to know you. I've followed your activities with interest, and I think you've made important contributions to our country." The President also reportedly told Hayden to "send our regards to Jane. We respect her very much." To put such effusions into proper perspective, it should be noted that this is the same Tom Hayden who has been quoted as saying that "Communism is one of the options that can improve people's lives" and that Jane Fonda's public utterances have included her statement that "we should strive toward a socialist society, -- all the way to communism."

CAMPAIGN FOR ECONOMIC DEMOCRACY: PART I

INTRODUCTION

The Campaign for Economic Democracy is a California-based apparatus with nationwide connections that operates as a direct outgrowth of the unsuccessful 1976 California campaign of Thomas E. Hayden for the United States Senate. An editorial by Hayden in the June-July 1977 issue of ced news, the Campaign's official publication, indicated that this effort actually began at some point during 1975; dated June 2, 1977, and captioned "June 1977: The Third Year Begins," this article opened by saying that "It's two years since the Hayden campaign officially began." After Hayden's defeat in the primary, an organizing committee worked for several months to transform the campaign apparatus into a permanent vehicle for radical economic and political activism throughout the state under Hayden's leadership.

CED has a paid staff, a statewide steering committee, and an executive committee. Hayden has served as chairman of both the steering and executive committees and has been chairman of CED since its inception. It is widely felt that CED exists to a significant degree, if not primarily, to serve as an instrumentality for the furtherance of Hayden's political ambitions, although it may be that this view is excessively simplistic; it is certainly true that many of those activists associated with Hayden and CED were also deeply involved in the 1976 campaign, but it is equally apparent, based on a review of the available evidence, that the organization's extensive network of interlocking relationships with other elements of the radical left across the country indicates a far larger and more long-term intent, an impression that is in no way vitiated by a statement recently attributed to Hayden by the press: "It's coming. We're going to take over.... The next big generation will be those who came to political life during Vietnam, my generation. The country will be under our influence for a long time to come."* In any event, it is obvious on its face that Hayden's involvement and thinking are central to CED's success and have been from the beginning, an aspect of the

*That this has already begun to come to pass is indicated in a previous Heritage Foundation study; see Institution Analysis No. 9, "The New Left in Government: From Protest to Policy-Making," November 1978. The Vietnam experience was, of course, basic to the development of the New Left in the United States and has created a mentality that has worked a profound alteration even in the nation's foreign policy establishment; this phenomenon is treated with great cogency in a remarkable article, "The Rise & Fall of the New Foreign-Policy Establishment," written by Carl Gershman and published in the July 1980 issue of Commentary. It is not too much to say that Gershman's article is essential to any realistic comprehension of the extent to which the left has managed to achieve institutionalized respectability in the United States in recent years.

organization that assumes added interest when it is realized that the person generally regarded as primarily responsible for CED's major fund-raising efforts is actress Jane Fonda, Hayden's wife of several years and an activist on the far left of American political life of no mean accomplishment in her own right.

BUILDING A RADICAL COALITION

According to an informative (and, it should be noted, highly critical) account provided by Justin Raimondo in "The CED Syndrome: The Politics of the New Class," published in the January 1980 issue of The Libertarian Review,

The Campaign for Economic Democracy was founded, by Hayden and Fonda, in 1977, after Hayden's defeat in his attempt to win John Tunney's Senate seat. The group is run by a steering committee elected from local chapters; no public convention has ever been held. Hayden claims that membership has doubled in two years, to a current total of 8000. Of these, approximately 500 to 1000 are activists who can be depended on to come to weekly meetings, integrate CED work into daily life, and travel for the organization if necessary. Founding members include leftwing Congressman Ron Dellums, and Cesar Chavez. It has a budget of about \$300,000 per year -- raised mostly by Fonda and her Hollywood connections -- and a paid staff of twenty-one. The superstructure of affiliated organizations are all tax exempt. The California Public Policy Center researches issues like rent control and solar energy. The Organizer Training Institute does exactly what it says it does. There is even a ranch in the hills overlooking Santa Barbara for staff retreats and a children's summer camp.

A host of CED associates have been appointed by Governor [Jerry] Brown to various positions with the growing solar power bureaucracy; Hayden himself was appointed by Brown to the State SolarCal Council, a CED idea that Brown championed as California's "soft technology" answer to the energy crisis. Presidential candidate Brown also made Hayden a "special counsel" to his administration, and appointed him to the Southwest Border Regional Commission. In recent months, Brown has appointed two CED members to county supervisor positions, one in Santa Cruz, and one in Orange County.

But the measure of CED's initial success is more than the measure of Brown's trendy opportunism. Within the last 18 months, CED members and CED-backed initiatives and candidates for public office have won elections around the state; rural Yolo and Butte counties, Chico, Berkeley, Bakersfield, Santa Monica and Los

Angeles are all scenes of CED victories. CED has been the backbone of the rent control movement in California, which Hayden initially saw as a losing issue, until the victory of Proposition 13 made landlords who did not pass along tax savings to renters an easy target.

CED claims 17 electoral victories in California, so far -- and the Democratic Party leadership is running scared. Hayden's recent tour is an indication that soon the panic will achieve national proportions. Already, a loose coalition is beginning to take shape around the country; Massachusetts Fair Share, ACORN, International Association of Machinists' president William Winpisinger with the Citizens/Labor Energy Coalition, the Progressive Alliance headed by UAW's Douglas Fraser, as well as Michael Harrington's DSOC [Democratic Socialist Organizing Committee] and groups like the New American Movement, all share a somewhat common political perspective. All are committed to working within the confines of the Democratic Party -- and, in the final analysis, the confines of State Capitalism -- in order to hold their own against the anti-bureaucratic tidal wave which is sweeping the country.

In his June-July 1977 ced news editorial, Hayden wrote that "We've laid the foundation for a coalition of progressive leaders, activists, and organizations" and added that "We've introduced a new concept and program -- economic democracy -- for progressive people to rally around. With SolarCal, we are on the way to our first legislative struggle with a chance of success." The final paragraphs of this article provide the reader with an indication of both the basic radicalism and the political ambition of Hayden's and CED's program [emphasis as in original]:

We've scored some strategic victories. The election of Ben Tom gave us a base in San Francisco politics where many progressive triumphs are possible in the future. Karl Ory's election in Chico means an early foothold in one of the fastest-growing areas of California. The victories of Lionel Wilson, John George and others in Oakland is a great step for coalition politics with the Black community.

We've become a real challenge to the establishment, from the Bank of America to the comfortable liberals in power. We are realigning California politics, giving a voice to at least one million voters. The [Mel] Levines and [John] Tunneys, liberals of yesterday, are fast becoming the conservative wing of the Democratic Party.

And we're attending to the internal problems of political education and organizational structure vital to any long-term movement. Our children's camp is a statement of faith in our future.

