

tions of prominence, Kotkin reports. Among them: “ultra-militant” United Mine Workers head Richard Trumka, AFL-CIO secretary-treasurer; Karen Nussbaum, head of the AFL-CIO’s new Working Women Department; and Linda Chavez-Thompson, the AFL-CIO’s executive vice president. Especially disturbing to veteran union members who remember labor’s struggles with the totalitarian Left, Kotkin says, is Sweeney’s opening of the AFL-CIO “to participation by delegates openly linked to the Communist Party.”

Labor’s diminishing clout in recent decades has made the radicals’ gain in influence possible, Kotkin says. From nearly 35 percent of the work force in the mid-1950s, union membership has fallen to less than 15 percent. “As the traditional industrial unions, with their intrinsic interest in economic growth, have declined, power within organized labor has shifted to the rising public-sector unions representing government workers and teachers.” Forty-two percent of union members today are public employees. Most of the New Left radicals who went into organized labor ended up (unlike Wilhelm) in public employee unions.

“Even moderate labor organizers admit that the enthusiasm and organizing savvy of these ’60s kids, as well as their genius for theatrics, have helped resuscitate the image, if

not the power, of organized labor,” Kotkin notes. But the zealous activists have also involved labor in a host of causes (e.g., funding pro-choice abortion groups) that have nothing to do with the bread-and-butter issues of collective bargaining.

The AFL-CIO believes that labor’s future will be determined in the West, says Kotkin. It is holding its convention in Los Angeles this year. The growing Latino population of the Southwest is heavily involved in low-wage industries such as hotels, textiles, and plastics, and could be a rich source of new union members. Los Angeles County, with more than 600,000 industrial workers, is now the country’s largest manufacturing center.

The L.A. labor movement, to an even greater extent than labor nationally, is dominated by public employee unions and by former ’60s radicals, Kotkin says. These leaders have formed close ties with such “fringe” groups as the Labor/Community Strategy Center, which is run by Eric Mann, a Marxist who defends the 1992 riots in the city as a justifiable “rebellion.”

Labor’s new leftward course could well prove self-destructive, Kotkin believes. “Cut off from Middle America . . . unions could become virtually irrelevant nationally.” That prospect, he concludes, is no cause for celebration.

Meet Mr. Keynes, Budget Slasher

“Bring Back Keynes” by Robert Skidelsky, in *Prospect* (May 1997), 4 Bedford Sq., London WC1B 3RA.

All but dead as a practical force in the councils of Western governments during the last 20 years, Keynesian economics may be ripe for revival, says Skidelsky, the biographer of John Maynard Keynes (1883–1946). But bringing that about would require a very un-Keynesian-sounding step: massive cuts in the budgets of Western governments.

Keynes himself would not have shrunk from such a step, Skidelsky suggests. Indeed, he would have been somewhat dismayed by what Keynesianism became. (One of his disciples, Joan Robinson, once famously said, “We sometimes had difficulty getting Maynard to see the point of his revolution.”) At once creative, cautious, and flexible, Keynes would not have succumbed to the hubris that affected his followers during the 1960s, when Keynesian ideas seemed a fool-

proof guide to prosperity. He would have responded to the flaws that emerged in his *General Theory* (1935) simply by modifying his theories. After all, they were only a response to the problems of a particular time.

Those flaws were exposed by the wrenching “stagflation” of the 1970s and by a fierce intellectual assault led by the economist Milton Friedman. Keynesianism had no real theory of inflation and no concept of the “natural” rate of unemployment, which gauges the relationship between inflation and unemployment. Worst of all, in Skidelsky’s view, it had no theory of politics. Keynes counted on politicians to maintain a balanced budget over the course of each economic cycle, running deficits to stimulate the economy in slack times and surpluses when it started to overheat. He had nothing to say

about how politicians and bureaucrats would behave once Keynesianism gave them a license to run deficits—a lacuna later addressed by the distinctly non-Keynesian “public choice” economics pioneered by Nobel prizewinner James Buchanan.

Post-Keynesian economic policy has been reduced chiefly to the control of money and prices, accomplished in the United States through the Federal Reserve Board. Especially in Europe, where unemployment is stuck at high levels, the case for reviving Keynesian “demand management” is strong,

Skidelsky argues. That would involve cautious use of tax cuts or deficit spending. The problem is that most Western governments already run chronic deficits. During Keynesianism’s golden age, balanced budgets were the norm and government spending averaged 30–35 percent of gross domestic product (GDP). That, says Skidelsky, suggests that a modern Keynesian cure would have to begin with budget cuts equal to between five and 15 percent of GDP—not the kind of medicine Keynes’s earlier inheritors were known for.

The Birth of the Supermarket

“Supermarket Sweep” by David B. Sicilia, in *Audacity* (Spring 1997), 60 Fifth Ave., New York, N.Y. 10011.

In late 1929, as the U.S. economy began its slide into the depression, Michael Cullen, a 45-year-old food merchandiser for Cincinnati’s Kroger Grocery & Baking Company, made a bold proposal to his employer: open five grocery stores of a radically new sort. “Monstrous” in size and located away from downtown high-rent districts, with plenty of free parking, they would offer low prices to attract shoppers in droves while keeping costs down through direct buying, self-service, and high volume. Kroger said no—and thus missed being in on the birth of the supermarket.

“Cullen went ahead on his own, opening an independent store in [the Queens borough of New York City] in August 1930. He called it King Kullen, and on its giant sign he proclaimed himself the ‘World’s Greatest Price Wrecker,’” writes Sicilia, a historian at the University of Maryland at College Park. Chains such as A&P had already overtaken the traditional “mom and pop” grocery stores, but

aside from their somewhat lower prices and standardized operations, the chain stores did not differ very much from the independents. Cullen revolutionized the industry by borrowing techniques such as self-service from earlier mass retailers. He sold only national brands, thus saving ad dollars. He owned and operated all the departments except meat, produce, and liquors, which were run on a concession basis. “The goods were piled high, the atmosphere was homey, and the fixtures were crude—all of which suggested to customers that they had found bargain heaven,” Sicilia writes.

Within two years, Cullen had eight



By the mid-1940s, the old-fashioned grocery store was finding it hard to compete with the flourishing supermarkets.