

Proxies for People: A Vehicle for Involvement

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An Interview with Saul Alinsky

Saul Alinsky, notorious community organizer and Executive Director of the Industrial Areas Foundation in Chicago, is a veteran of many great battles with corporations. He is the author of the recently published *Rules for Radicals* and is currently preparing fresh troops for a new and extended campaign.

Question: What prompted you to start your new organization, Proxies for People, and how will it work?

Alinsky: I started thinking about corporate responsibility as an arena for action during my proxy fight with Kodak some years ago. I began to see the political power of proxies when a convention of Unitarians voted to send their Kodak proxies to us—I knew that the instant it hit the newswires, every Senator and Congressman in Washington would turn to his research director and ask, ‘How many Unitarians have I got in my district?’ and then call Unitarian leaders to ask, ‘What can I do for you?’

At that time, Kodak knew that they were on the verge of being called before two U.S. Senate subcommittees headed by Bobby Kennedy because of what they had been putting me through. Of course, that stuff didn’t really bother me. I accepted it because in a battle of that kind anything goes. The only time you stand up in righteous moral indignation is when it serves your purpose. You slug each other, and any time you happen to hit above the belt you apologize! Between Kodak and ourselves, we probably broke every law in the country concerning proxies. But by that point, if there was going to be any prosecution, everybody was going to be prosecuted: the Episcopalian church, the Unitarians, everybody. In any case, that was the kind of pressure Kodak was feeling.

I also began to see the interlocking character of

corporations: the large amount of Kodak stock that DuPont and G.M. held. So I began to dream. If you had enough stock in one corporation, you could go to its stockholders meeting and get them to put the pressure on the others. If you had something on them that could really make their lives miserable, you could make a deal—call off the dogs on them on the condition that they help you with the other corporation. They all hate each other's guts, anyway. That hostility, which is good, is the only thing that's left of our competitive society.

The reaction of the corporate world began to make me think, too. In all the years that I had been fighting corporations I had never seen them so scared and so up-tight about anything. Just last year, we organized a campaign in Chicago against Commonwealth Edison's pollution. At the stockholders meeting, the executives were so up-tight about the proxies that they locked the doors to all persons who had proxies for stock that they didn't themselves own. So there were all these people milling around, screaming, 'Look what they're doing; let's break down the doors; let's have a sit-in.' But I asked everybody to go home, because I realized that the situation was absolutely perfect as it was—you can always depend on the establishment to do the wrong thing. The next day, I got a call from three of the top insurance executives in Chicago. They wanted to see me. They wanted to know why I had told everybody to go home. They thought they knew the reason, but they were hoping that they were wrong. In the meantime, they were scared to death. The moment Commonwealth

Edison barred our people from using proxies for stock which they did not own, that immediately disqualified all the shares management was sitting with, shares which *they* were going to vote and which *they* did not own. So I can go to court at any point and get an injunction throwing out the whole stockholders meeting, voiding all the salary increases, voiding every decision they made. Well, I've never seen these guys so up-tight.

My conception of Proxies for People developed just as anything creative begins to develop—largely by accident. You're going down one corridor headed for a particular objective, and then, all of a sudden, a door opens up to the side and you see something entirely different. For example, after the L. A. *Times* ran a front-page story on Proxies for People, we were completely inundated with proxies from all over Southern California. But we also got letters saying, 'Have you heard from other people in my town? If so, could you send me their names and addresses. I would like to call a meeting and organize a local chapter of Proxies for People.' There were other letters asking, 'How are you going to be selecting corporations?' 'What are we going to have to say about it?' 'Do you expect us to just send you our proxies and let you make the decisions?' 'We want to have representatives there.' 'We want to have a voice in it.' And there were still other letters saying, 'I want to give you my proxy, but I want to go to the stockholders meeting also. I don't want to just sit here, you know.' These were extremely important because they began to point out the direction that we would have to take.

We realized that our proxies would not be important

in terms of direct economic pressure. Instead, their power would be translated into task forces of stockholders going to stockholders meetings. For middle class communities which have been sitting around not knowing what to do, not going into action because they don't know how, because they haven't got a handle, because they haven't got the mechanism—the proxies would provide an outlet. For example, Kodak has its stockholders meetings in New Jersey, in a hotel or a motel that accommodates 140 people. They bus down six busloads of their employees who own stock, and they go through a business that makes the Nuremberg rallies look like an anarchist meeting. I want to be able to move those stockholders meetings into Yankee Stadium—and this goes for all corporations. They will have their thousand or so stockholders there, and we'll have 75,000 people from Proxies for People. I want to see the chairman of the board—in front of the cameras and the mass media, with 75,000 people voting 'aye' on one of our resolutions—announce that 98% of the stock in his hands votes 'nay,' and they win. I want to see him look at 75,000 people and tell them that they haven't got a damn thing to say about it. Let's face it, I don't think that any corporation wants to be in that spot.

One thing it's important to understand is that the proxies are only an organizational device to start the middle class moving. Our work involves not only garnering proxies but also organizing local chapters of Proxies for People throughout the country, because people will be the important thing, not the proxies. And you can't just set up chapters. There will have to be an organizer for each one, developing local issues and getting the people involved.

On the national level, the selection of goals and issues will be made by a general board consisting of representatives from all the local Proxies for People organizations. Gathering the proxies will be the function of the central organization. I know from experience that neighbors don't like to tell each other how much stock they own, so collecting proxies on the local level would be difficult. Instead, people will only have to say that they have shares in a particular corporation and that they will send their proxies in. These proxies can be endorsed back and will be used in the gathering of the crowds; that is, proxies of stockholders who can't go to the stockholders meetings will be assigned to people in other chapters who can go.

The central organization will also set up a highly involved computer operation that will enable us to see just how many proxies we have in a particular corporation, and what the holdings of other corporations are in it. Then we can look to see how many proxies we have in each of those other corporations. We'll have the dates of all upcoming stockholder meetings programmed in, too. Then we'll have a research team doing very intensive studies of the political and social character of these corporations. Very little such research has ever been done. We'll also want to know about personalities, the little handles on the directors and executives. Kodak knew every time I went to the bathroom; they knew who I was sleeping with, who didn't like me, who did, and so forth. This is the way life goes outside of the seminar room, so

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to speak, and we want to have this kind of information, too.

Question: Won't management respond to proposals coming from Proxies for People by saying, 'If this proposal is adopted, profits will go down, your dividends will go down, and the value of your stock will go down?' Won't your members then have second thoughts about what they're doing? How can you change what stockholders hold stock for? Why should we expect that because of Proxies for People new values will be introduced into corporate decision-making, values which reflect social needs and which often can be served only at the expense of corporate profits?

Alinsky: You're right. No matter what goal you select, management is going to give you that argument about having to cut dividends. To begin with, once management starts playing that way—raising the profit issue—the stockholders and Proxies for People will meet them on their own ground. They'll start going after salaries. They'll want to get a real accounting of where the hell the dough is going. I think that the economic argument is a double-edged sword. There is a lot of financial crap going on in corporate operations, as far as stockholder interests are concerned.

But there is a far more important reason why I'm not worried about this problem. If we were to tell people as they're about to join Proxies for People that it may cost them some dividends or capital gains, they may well hesitate and not join. But by the time they get into the action, by the time they've been to meetings, by the time they've gotten—to use the current term—'turned on' to the whole thing, their reaction to that argument from management will be entirely different. The amount of the dividend cut is going to be more than compensated by what is happening to them, the sense of adventure they will be getting out of this, the feeling of belonging, of being a part of the action, of coming alive. Their stock will have a double meaning for them.

But even in the short-run, I can't get very upset about your question. First of all, roughly speaking, we've got nowhere to go but up in terms of corporate values and goals. The elected representatives of the various chapters

of Proxies for People will, in all probability, be liberal. They will meet, consider the research materials laid before them and reach their decisions. I can't see where they can possibly go wrong on issues like pollution, foreign policy or race relations. In any case, I certainly don't think that things are going to be better under current corporate values.

In terms of values, though, what I'm concerned about is not G.M. itself but rather when G.M. turns to the U.A.W. and says, 'We can't give you wage increases.' This is what's going to happen on the pollution issue. The corporations are going to turn around and say, 'Well, on this pollution thing, it's going to cost us so much and we're therefore not going to be able to raise your salaries and meet your union demand.' As it is now, labor pension funds with large stockholdings are turning their proxies over to us. But I have an idea that when the pinch comes, they will start withdrawing them, and we'll start getting opposition here and there. There's going to be a lot of confusion in this country stemming from this. Which way it's going to cut, I don't know, except that I'm sure it won't cut the way you or I think it will, because life never operates that way.

Walter Reuther was one of the rare exceptions, one of the few labor leaders who was still thinking in terms of those social values that were part of the C.I.O. The guys who organized the C.I.O. were turned-on radicals. They were involved in the international fight against facism and munitions makers. They were committed to a cause. The current crop of labor organizers comes out of schools of industrial relations and accounting. They couldn't be less interested. They're the ones who will start screaming. And there isn't a labor leader around who is going to be able to say, 'But we have these other values—national values, social values.' I just can't see George Meany doing anything like that. The U.S. Chamber of Commerce and the National Association of Manufacturers are way to the left of Meany. Certainly on Red China they are. And on Vietnam.

Question: How about non-profit institutions—the churches, foundations and universities?

Alinsky: Well, we've had experience with churches during the Kodak fight. It was one of the times when I slipped in action. In spite of all my experience and everything that I have ever said and every concept I have laid down, for just a fleeting period I slipped. I assumed that the churches might act otherwise than out of pure personal self-interest, that there might be a shadow of Christianity in them. I walked out of 475 Riverside Drive with the Episcopalians, the Presbyterians and everybody else around there, except the Unitarians, saying, 'Saul, our hearts are with you, you know how we feel, but our leading layman was the president of this corporation, and this isn't something for the churches to be involved in. We can't give you our proxies.'

To the foundations, we can say, 'If you are at all committed to our set of values, give us your proxies.' Now, I know they won't give them to us, but we can sure make life miserable for them.

As for universities, whenever I go to campuses now, I

have delegations of activist kids asking me what they can do about their universities. Talk about relevant education, it's goddamn relevant for students to go to these stockholders meetings and see what's what and to really get involved in the national action. I think there may very well be student rebellion on the issue of the universities' proxies.

Incidentally, one of the most interesting things about my meetings with students has been the fact that a number of the activist students have turned out to be from graduate schools of business administration. They were interested in moving on the issue of Vietnam through Proxies for People. When I asked them whether they had been involved in any of the antiwar demonstrations, they said that they hadn't, that this was the first time they were moving on Vietnam. They didn't figure that the other stuff was going to work, and they weren't interested in that kind of activity. But they thought that this was the way to really turn the handle. They're now moving into the action because Proxies for People provides them with an acceptable means, one that enables them to stay within their experience.

In the last analysis, though, I think that the institutions will line up the other way. But I'm not looking in their direction. I'm looking for individual middle class shareholders.

I have already been advised, by the way, that once we get started, there will be legislation introduced in Washington to try to block our efforts: specific legislation, almost a bill of attainder. I know that the John Birch Society, along with your alumnus, Mr. William Buckley, will immediately start calling on all good Americans: right-wing Americans, of course. Proxies for America will probably begin on the right, which is good in many ways, because it will build pressure on a polarized basis and large blocks of stockholders will begin to coalesce into functional majorities.

Question: To what extent, in your view, has the Project on Corporate Responsibility's Campaign G.M. already achieved your goals?

Alinsky: I don't think it did at all. For one thing, Campaign G.M. was concerned with getting people on the board of directors. Unless you get a majority of the directors, I'm not interested in being on the board. What good would it do? If I were G.M. and somebody asked

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me to put three guys on the board, I'd give them five. What difference would it make? It would mean that the board meetings would last another five minutes while I was ruling them out of order. And if there was some stuff I didn't want publicized, I'd settle it privately before the board meeting. At the meeting, I'd go through the regular agenda. 'Your objections are duly noted, Mr. Smith, and we appreciate your sentiments, and we certainly will appoint a committee to look into it;' and that would be the end of it. Time is running out. We can't fool around with trying to change corporate policy from within.

The trouble with Campaign G.M. is that it's not doing anything to organize and involve people. Let me tell you how we might go after G.M., focusing, say, on the pollution-free car they are supposed to be developing. We would have thousands of middle class people going into automobile dealers as if to buy a car. Each one of them could occupy a salesman for a couple of hours, getting a demonstration, talking about options and the like. And they could do it because, after all, they're middle class people looking for a car. At the end, the people would say, 'Well, I think we'd better wait until the pollution-free cars come out, because we don't know what the government's going to do, and if we bought a car now, we might get stuck. So we'll be back when they come out.'

Now what are the salesmen going to do. There's no way they can distinguish our people from everyone else—each person who comes in is a potential sale. So all the salesmen would be tied up, and all the agencies will be going broke. Meanwhile, all these middle class people will be having a goddamn ball; and after a couple of weeks, the dealers will be screaming at G.M., 'We can't wait until 1975 for the pollution-free car.' That's more likely to get results than resolutions at stockholders meetings.

If the board of Proxies for People wants to put people on a corporation's board, fine, that's all right. But three consumers' representatives with all the right values aren't going to have the clout of the bankers on the board who bring along a big line of credit. The basis of our power is that we'll have our own big line of credit—political credit—with 75,000 people, to say nothing of the mass media, coming from all over the country. That will create the same kind of political power I mentioned in the context of Eastman Kodak and the Unitarians.

During the Eastman Kodak fight, we learned that just going around with proxies is not enough. You have to play at political pressure as well as at proxies. Unless you have a gun pointed at a corporation all the time, it may do a certain amount of bending for public relations purposes—'We'll do everything in our power. . . .—but when the stockholders meeting is over, that will be the end of it. The big corporations say they want to be responsible to the people, but when they say 'the people,' they don't mean slobs like us. They mean the First National Bank, the big insurance companies, the mutual funds—you know, the real people. So, after the stockholders meeting and the crowd of 75,000, we will have to go after all those other corporations and mutual funds that hold

stock in the first one.

For example, we have to think about how we can get at the savings banks. Now the days of demonstrations are over, dead. They're well within the experience of the opposition. So you have to go about things a different way. For instance, there's no more devastating weapon than kindness. So what is it that savings banks want? Well, for one thing, they're always advertising for new savings accounts. They're even giving things away to people for opening accounts. So we'll get ten thousand people to open accounts. Each one will tie up one of the helpful vice presidents for half an hour while he's taking down all the necessary information. And there will be long lines of people waiting to open accounts. In effect, we'll have a mass sit-in going. But the banks won't be able to have all these people arrested, because all they're doing is responding to the advertisements. They're doing just what the banks asked them to. Very quickly the banks will figure out that something's happening, and we'll get a call: 'What do you want?' 'We want you to put the heat on such-and-such corporation.' 'Why us?' 'Because they'll listen to you.' 'They'll listen to lots of others. Why us?' 'Their turns will come. Right now, you're it.' Meanwhile, all these people will be standing around in the bank, in front of all the television cameras, with the police all around. And while everybody else will

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be getting exasperated, these people will be having a ball. And each one will be thinking, 'Wait till I tell so-and-so that I was here'—this is news, and all their friends are going to be talking about it.

These are the kinds of tactics we've been developing. We'll have to have a year-round operation going, keeping up a continuous attack by going after everything that might put pressure on a particular board. If you want, call it guerrilla warfare in the corporate arena. And law plays a big part in it, as it did in the Commonwealth Edison situation and as it would in the example I just described. The law has always been absolutely essential to us, because if you make the opposition live up to its own laws, you can kill them with it—they simply can't afford to do it.

My assumption is that, as a result of this warfare, when a Pentagon general offers a \$25-million napalm contract to some corporate executive, the executive's reaction is going to be, 'Look, General, I appreciate it very much, but we have the stockholders. Thanks, anyway, but give it to somebody else.' For the first time it will begin to percolate into this general's solid-state mentality that a sector of the American population is

opposed to napalm and is opposed to the war, and, furthermore, that they are really bona fide American citizens—because in a general’s mind, there is nothing that makes you a more bona fide citizen than being a stockholder. You have to keep in mind that old generals never die, they just fade away into corporate executives.

Question: Suppose you’re successful on the kind of social issues that the members of Proxies for People are likely to push, like product safety and pollution. Isn’t that going to be basically regressive in as much as it will raise the cost of goods for the poor and will keep middle class values the dominant ones in the society?

Alinsky: To begin with, this society is 80 percent middle class now. As far as poor people and the regressiveness of raising costs are concerned, I don’t think that it would be particularly significant if G.M. raised the cost of its automobiles. But there is no question in my mind that there are a great many negatives to this approach. Everything positive in life carries its negative converse, and vice versa. And I am sure that there are infinitely more serious ‘negatives’ than any of us sitting here can figure out, just as there will arise some ‘positives’ even more constructive than those we anticipate. That’s the nature of life. As I said before, I think we’ve got nowhere to go but up. There may be squeezes here and there, and there may well be negatives; but that’s all part of it.

If I had to stop and think about what is going to happen three years hence, if objections or possible obstacles were allowed to be the slightest deterrents, I would never have done anything in life. I doubt that people would have children if they stopped to consider all the possible consequences. I don’t mean to sound too “far out,” but we simply have to go with the uncertainties. There will always be shifts and changes on the way.

All this is not a formula that is going to change everything and bring us into a political paradise. I don’t believe that such a thing can exist. What I do see in Proxies for People is the organization of the middle class, enabling them to get involved and—forgetting the corporations for a moment—helping them to overcome the sense of frustration, confusion and almost despair that is so widespread in the country and that is contributing to the drift to the right. Getting a lot of people active, first as citizen stockholders, shall we say, and then in many other ways, is, in my mind, as important as making changes in the corporate arena.

If other people and organizations do not share the goals selected by the board of Proxies for People, let them organize their own proxy operations and go into battle. That would be healthy and good, as far as I’m concerned. Change will come almost naturally. To use a loaded word which I don’t mean literally, revelation has a way of inducing revolution. Change comes about when power starts to manifest itself, whether it be in a university forced to re-evaluate its educational curriculum or in a corporation forced to re-evaluate its profit motivation or its social responsibility.

The days of a straight profit operation are gone. The

days of the public relations approach, of abstaining from controversy and trying to keep everybody happy—those days are gone, too. Corporations today have a social responsibility that they have to face up to. If they don’t, they may well have to confront an alternative that will be infinitely worse.

Stockholders can compel corporations to realize that social and political issues are now their concern, that they cannot remain aloof. The days when they could say that their obligation was only to their stockholders, that they were here only to make money, will be past. Corporate America says that it desires active stockholder participation, that it’s our American duty to participate; but, in fact, they won’t allow it. We propose to bring reality into line with that rhetoric.