

No Presidential Candidates Can Resurrect U.S. Economy

JULY 1980—Primaries are over and now the next step is the big time conventions and the election for the Presidency. This has been the media hype for the last 6-8 months. Newspapers, radio and television have been blaring out broadcast after broadcast to the American people, hoping to build up interest in the presidential elections. But even the *New York Times Magazine* is forced to say, the people are "Volatile Voters"; people who used to be loyal to one Party or another, don't know which one to vote for any more. People who used to rush to the polls now don't. "I'm not really in favor of any of them. I'll probably toss up a coin and not even vote. Either way I voted, I'd feel I wasn't doing the right thing..." (*New York Times Magazine*, June 15, 1980). Political exposures of the U.S. government like ABSCAM, Viet Nam, Watergate and other "gates" have brought a distrust in the government officials. People are not accepting everything candidates are saying, if they are accepting them at all.

The American people are waking up. The historic lever of the deepest economic crisis ever has begun to set people to thinking how legitimate is the U.S. government. Forced by the U.S. monopoly capitalists to bear the brunt of the crisis, people are seeing that all the U.S. government has to offer is more misery. According to *Business Week*, "The unemployment rate has soared 1.6 percentage points since March, to 7.8% in May, the largest two-month rise on record." And even the figure is underestimated. As the U.S. economy continues its nose dive downward, the American people are getting more squeezed and at the same time, getting dissatisfied and downright angry at the entire capitalist system. Under these conditions, that's why this year's Presidential election is entirely different from any previous election. Instead of generating more interest, people are turned off; not wanting to listen to the political jargon, empty promises the politicians pile on them.

These politicians represent the interest of only one class, the U.S. monopoly capitalist class. The media tries to portray them as having differences among themselves on how to run the country. They go through endless debates, stabbing each other in the back—as if they really have any substantive differences. In reality they're there for only one purpose, to suck the American people into believing that U.S. imperialism can work if they are given a chance to get into office. Though there are some differences in their proposals, here and there, they all have the same plan on how to get the bourgeoisie out of the crisis. They all agree that the only way out of the plunging economy is to "reindustrialize Amerca." It is in this sense that there is no difference among the candidates because none of them can get the monopoly capitalists out of the crisis they are in today.

Every single one of the candidates—Carter, Kennedy, Reagan, and Anderson have been running their mouths, proposing that what the U.S. needs is to "reindustrialize"—to get production in the U.S. going again. Back in May of this year, Kennedy proposed "an American reindustrialization corporation" that would use both government and private capital to stimulate broad scale new investments in United States businesses and technology. This may be our last chance to lead the nation out of the economic wilderness and to reclaim our economic heritage." (*New York Times*, May 21, 1980) In February Carter had put out almost the exact same thing. He said,

"...we must attack the fundamental causes of inflation. That means more savings, more investment, more competition, more basic research and more technological innovation for a more productive America." (*New York Times*, February 8, 1980).

John Anderson, who tries to play up being "an independent," separate from the Republicans and Democrats, pushes this same plan too. Anderson has been saying what he wants developed is "a program that would specifically seek targeted investment incentives." (*New York Times*, May 11, 1980) And it's no wonder Anderson comes out with this since one of his firm backers is Felix Rohatyn. Rohatyn, a New York investment banker and head of New York's Municipal Assistance Corporation has become one of the leading spokesmen for the call to "reindustrialize America." His solution to the crisis is that the U.S. monopoly capitalists need "an integrated, rational economic strategy to face the future. At present the various aspects of such a strategy are approached piecemeal or ignored."

But can the candidates follow through with what they're proposing? Today, the auto and steel industries are basically dead. Light electronic industries almost don't exist anymore. The U.S. monopoly capitalists' investments today are in military related industries. Because of stepped up war preparations to contend with the Soviet Union, some manufacturing industries such as machine tools and chemical are flourishing to a certain extent. And through their investments, they are guaranteed a quick return. No monies are risked or lost. But the products produced are waste. They have no real use and are used for destruction in wars. To reindustrialize the U.S. would mean that these investments would have to be pulled out and put into productive industries that could get the economy back on its feet, bring down inflation, create jobs, etc. In order for the U.S. monopoly capitalists to do that, a large amount of capital is needed first to retool the machinery. And to retool would run up to at least a half a trillion dollars. To retool the auto industry alone would cost \$87 billion. No one monopoly capitalist has that much and even if he did, the return of the profit would take years or decades. There is no guarantee that this investment would even bring him long-term profits. Given the brittleness of the system, he might even suffer a loss, and no single monopoly capitalist is willing to take that chance; to take the risk that he might be wiped out. Even if the U.S. monopoly capitalists did put the monies necessary to retool the industries, there would be nothing left to open up new industries and buy new machinery, the only way they could compete with the rising competition from the second world. So where is the money to come from? If more money is printed, that would lead to worse inflation than we're currently facing. The dollar bill wouldn't be worth the paper it's printed on. The American people would have less buying power and the economy would continue its plunge. It's a complete vicious cycle the U.S. bourgeoisie is caught in and trying to find a way out.

In order to reindustrialize and to follow Rohatyn's plan, the U.S. monopoly capitalists and their agents have to pull together a workable coalition. Only an agreement on a state monopoly capitalist plan to start the ball rolling in the major industries would get private monopoly capital to invest and get varied other sectors of the economy going.

Automotive Plant Closings

Ford		
Mahwah Assembly Plant	Mahwah, N.J.	4,500 employees
Los Angeles Assembly Plant	Pico Rivera, Calif.	1,670 employees
Windsor Casting Plant	Windsor, Ontario	965 employees
CHRYSLER		
Lyons Trim Plant	Lyons, Mich.	780 employees
Hamtramck Assembly Plant	Hamtramck, Mich.	2,925 employees
Fostoria Foundry	Fostoria, Ohio	375 employees
Eight Mile Stamping Plant	Detroit, Mich.	1,270 employees
Missouri Truck Plant	St. Louis, Mo.	2,100 employees
Windsor Engine Plant	Windsor, Ontario	460 employees

The four major automobile makers say a total of 239,050 hourly workers were indefinitely laid off and 60,000 temporarily laid off in the week of June 16. They include 155,000 at 29 General Motors plants, 90,100 at 20 Ford plants, 54,500 at 11 Chrysler plants and 10,250 at three American Motors plants.

To thousands of permanently laid off auto workers in New Jersey, the presidential candidates are saying, "We're going to reindustrialize America, believe in us." But the trend of auto plants across the country is to shut them down completely as the graph shows.

Already David Rockefeller, head of the Chase Manhattan Bank is trying to do this on a small scale. He, along with other heads of banks formed the "New York City Business Partnership" whose function is "really job creation and economic development by creating an environment that is attractive to business." Rockefeller said in the same *New York Post* article that "the business' voice until now has been scattered and disorganized." (*New York Post*, June 10, 1980). With this new coalition, Rockefeller, Arthur Taylor (head of Arthur Taylor Co., a private investment banking firm) and Virgil Conway (chairman and president of Seaman's Bank for Savings) proposes three missions for the coalition:

- 1) to set priorities for the mobilization of public and private resources
- 2) to form ad-hoc coalitions to undertake the priority project
- 3) to rally other business-sponsored civic groups to the support of the partnership

If this coalition is workable, then they will want to try to implement this on a national scale and form a similar coalition that Theodore Roosevelt did back in the early 1900's. But as we said in our theoretical journal, *The 80's*:

"The fact is, however, that Rohatyn is swimming up a waterfall. While Roosevelt is best remembered by the monopoly capitalists for pulling together such a coalition to get them through the Depression, it took him four years to start and the momentum wasn't gathered until the war; and that was with the support of the sellout 'Communist' Party, U.S.A. Today, things are a whole lot worse." (*Theoretical Journal, The 80's*, p. 18)

The contradictions within the U.S. monopoly capitalist class is far and beyond the contradictions in Roosevelt's time. The struggle has passed the point of just purely economic issues and has penetrated to the core of the political sphere. Whoever controls the reins of the government can pretty much decide where the bulk of the contracts, loans, etc. goes and which monopoly capitalist will benefit most—and who will be wiped out. The ABSCAM scandal, the Vance resignation, and the squabble over the budget and energy bills are all examples of these contradictions among the bourgeoisie over who is to gain and who would be cut down. Also this time around, the stakes are a lot higher. With the greatest vulnerability the economy and individual companies have ever seen, huge losses and huge gains can take place within a matter of days. Corporations and monopolies attempt to swallow each other up, hoping to gain monopoly at a higher level. It is a life or death struggle

for the U.S. monopoly capitalists. In the same article, we quoted the *U.S. News and World Report*, "Now I'd say we've got a much more brittle system today. There's less belief in the idea that come what may, it's the greatest system in the world. If a 1930's scale depression were to hit us, which I don't believe will happen, I think it would create more of a protest movement, radicalism and organized discontent today, probably than occurred in the 1930's... What I'm suggesting is this: today, the American system is less legitimate in the eyes of the people than it was, certainly, at the end of the 1950's. Hence, there's more need for it to work, to keep going than there was in the 1930's." (*U.S. News and World Report*, Jan. 7, 1980)

Thus, the bourgeoisie cannot implement Rohatyn's plan that is, under the present conditions of bourgeois democracy. So all that the presidential candidates have been pushing is a lot of hot air and fancy sounding phrases. The U.S. monopoly capitalists have to find another way out if this coalition cannot be implemented. They have to find a way to create new markets and new sources for natural resources. And to do this, they must, independent of their will, engage in a world war to divide the world and

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Committees to Avenge the CWP 5

EAST:

PITTSBURGH (412) 441-2845
 BOSTON (617) 445-3658
 NEW YORK (212) 233-0988
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 WASHINGTON (202) 678-1851
 WEST VIRGINIA (304) 596-6447
 BALTIMORE (301) 633-4335
 (301) 235-3853

NORTH:

DETROIT (313) 834-9636
 CHICAGO (312) 935-6350

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 SAN DIEGO (714) 233-1500
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 HAWAII (808) 259-5730

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HOUSTON (713) 643-3547
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 DURHAM (919) 682-1014

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hope to gain hegemony. And before they could do that, they must use force to whip the U.S. people in line—which means fascism at home. This is their other way out—world war and fascism at home for the American people. That is what they are making preparations for at this very moment.

But the American people will not tolerate another war, not since they have been exposed to the Viet Nam War and the credibility of the U.S. government is constantly breaking down. What the American people are looking for today is answers—an answer to what's going to get the U.S. out of the economic crisis and an answer to what lies ahead in the future?

The only kind of future the U.S. monopoly capitalists can offer to the American people is more suffering. Even if the bourgeoisie can resolve their contradictions and implement the reindustrialization plan, the American people would still be subjected to cruel exploitation and hardships at every corner. The only way for the reindustrialization plan to really work is under socialism. In a socialist society, the profits would go to the benefit of the majority of the people to create more industries and provide a

decent living for the people. Resources would be centralized and planned and there would be no problem with overproduction. There would be no exploitation of the majority by a handful of bloodsucking capitalists. This is the kind of future the Communist Workers Party is offering to the people.

But in order to push towards that future, the U.S. monopoly capitalist class and the state political power they hold must be smashed! Without smashing their political power, the genuine demands of the people cannot be realized. We cannot allow the U.S. monopoly capitalists to make a comeback, to try to regroup so that they can inflict more pain onto the American people. The American people have been bound to their chains too long and now is the time to rise up and prepare for the dictatorship of the proletariat—workers' rule in the 80's.

For us to accomplish that, the people must see that there is an alternative to the presidential candidates and the whole rotten system they represent, that both the Democratic and Republican parties are parties of war and fascism. The only alternative is the Party of the working class—CWP and socialism. That is the task that is ahead of us—to raise communist agitation and propaganda to the

masses, to explain to them point by point who and what the U.S. monopoly capitalists and sweet talking politicians represent, and to show them the road forward. One of the ways to do this is through our poster campaign to rally people behind our cause and what we stand for. Through that we rally them to come to the August Democratic Convention in New York City. This will be the only time in four years that the representatives of the bourgeoisie will be gathered together. This will be one of the few chances that we can publicly put them on notice. To tell them that the American people are fed up with their lies and cover ups. We're going to tell them we will not give them a moment's peace until their wretched rule is toppled and the masses in the U.S. are freed. At the Democratic Convention we will "Serve notice to the politicians and fight for workers' rule"—that is the slogan we take with us. And we urge everyone to join our ranks. No longer do the American people have to choose which candidate is better than the other, or which will do what he says. History has taught the masses bitter lessons, that no politician can be trusted. No longer do the masses have to suffer needlessly under capitalism because there is a solution—that is socialist revolution and the dictatorship of the proletariat. □



Who are the candidates trying to fool? Certainly not the masses in Liberty City, Miami, as they pelted Carter's caravan when Carter went to offer "aid" back on June 9, and certainly not the millions more Americans living in the U.S. who are daily seeing through the lies of politicians.