

PRE-XMAS PANIC AS ROCKY DUMPS RETAILERS

NEW YORK, N.Y., Dec. 17 (IPS)--This year the traditional post-Christmas sales are taking place before Christmas, as retailers frantically try to make up for low sales for the year. A record stagnation of sales is occurring as the direct result of Rockefeller's assault on consumers' real income.

Christmas normally brings in 20 to 25 per cent of the entire year's sales in most large department stores, and this year their lives depend on it. There are early indications that Christmas sales are low--despite the "bargains"--with sales of large appliances off in particular. October sales in the leading U.S. chain stores rose 12.6 per cent over October 1973; however, when inflation is taken into account that increase all but vanishes.

On the expenditure side, retailers had to pay higher operating and interest costs. The large chain stores depend on huge amounts of short-term credit to cover their own credit sales. This year because of record rates jacked up by Rockefeller banks, interest costs were a major subtraction from the earnings of the stores. Sears, for example, felt a real pinch from growing indebtedness and higher short-term interest rates. While its operating income for the third quarter rose 11.4 per cent over 1973, its interest expenses increased 43.3 per cent.

Rocky Sets Up Grant's

Expecting a working class that will need no retail merchandising apparatus in the slave labor "development" projects, Rockefeller financial interests are cannibalizing some of their smaller brethren in the retail trade. The W. T. Grant's chain is a case in point. Grant's, whose losses tripled to \$22.5 million in the nine months through Oct. 31, last week secured \$600 million in short-term financing through June 1975, from 143 banks led by the Rockefeller-allied Morgan Guaranty. The banks were so obliging because Grant's put up \$600 million in accounts receivable and the dividend income on its securities as collateral. Grant's merchandise suppliers were none too happy about this condition, because they realize correctly that Rockefeller's banks, not the suppliers, will be the first to collect should Grant's fold--as it probably will.

The precarious situation of the department store chains is just one sign of what the capitalists are now politely terming a "recession." No Christmas tinsel can cover up the bankruptcy statistics. Dun & Bradstreet's reports a 39 per cent jump in failures of textile and apparel producers so far this year; in September the number was 53 per cent above a year ago.

Behind these bankruptcies is the collapse of orders. New orders for manufactured products fell 0.9 per cent in October

after falling 3.6 per cent in September--the first time since late 1970 that new factory orders have declined for two months in a row. Since August, factories have reduced orders for goods by \$4 billion and speeded up deliveries by \$2 billion to work off excessive inventories. Inventories--that is, unsold goods--were still rising in October. Total business inventories were up \$5.6 billion, the largest jump this year.

In response to the lower sales and orders and higher inventories, capital spending plans of U.S. corporations in the fourth quarter were pared down to an 0.5 per cent increase over the previous quarter from a 2.8 per cent gain announced earlier. The Commerce Department said flatly that the downturn would last at least until next June, with more unemployment inevitable.

ROMANIAN CP PUSHES POLYCENTRISM

Dec. 17 (IPS)--The Eleventh Congress of the Romanian Communist Party (RCP) early this month revealed that party as a major center of internal opposition to the leftward motion now sweeping the European Communist Parties. Led by General Secretary Nicolae Ceausescu, the RCP decided to continue a policy of maximum accommodation to capitalist needs and minimum commitment to the socialist movement.

The Congress featured Ceausescu as the object of a garish personality cult. One party functionary after another disgorged paeans to Ceausescu's "daring clear-sightedness, the ardent patriotism with which he leads the nation's destinies."

Ceausescu's Nationalism

Behind this "little-father" facade, meant to appeal to the nationalist disease of Romania's peasant population, Ceausescu deliberately laid out how Romania expects to survive: "The development of economic relations with all states, regardless of their social systems, is combined with Romania's active participation in the life of international economic organizations." This refers to Romania's membership in Rockefeller's International Monetary Fund--the only Soviet bloc country to join so far.

Central Committee member Ion Patan proposed to "modernize the export list" in order to "insure Romania's competitiveness in the international division of labor." Romania, of course, can do nothing of the kind, unless it obliges Rockefeller with useful services. Already, Romania's dealings with Rockefeller puppets in Argentina, Echeverria's Mexico, and several Mideast countries have served as breakthrough precedents for the whole bloc.