BUMBLING BANKERS DEMAND PRODUCTIVITY

NEW YORK, Jan. 12 (IPS)--America's most useless individuals, Wall Street's top bankers and Washington's leading economic officials, vented their frustrations this week on the "stagnating productivity" of American workers, supposedly in pursuit of an economic policy which would reverse the depression now gutting the U.S. working class.

Arthur Burns, chief of the Federal Reserve System, announced, "People dont work the way they used to". And David Rockefeller, whose record at Chase Manhattan has gained him the reputation of Wall Street's least competent financier, demanded the lowering of "all barriers to efficient production". Both ignored the fact that it is their economic decisions, above all the decline in real production, which have brought the U.S. and world economy to the shambles it's now in.

Between outbursts of infantile rage, these parasites spent their time in the least productive occupation of all: cranking out new attempts to square the circle of economic collapse. Since the capitalists do not currently have the political muscle to make workers pay for their mismanagement, their various schemes provide the sort of black-and-white evidence that, in better times, would land them in a humane institution.

At issue among the bankers is the Ford Administration's proposed $15 billion tax cut. Taken at face value, this is offered as an antidote to the collapse of individual and corporate spending as a result of the ongoing economic bust, in leiu of increased credit from the shaky, shrinking commercial banks.

But, as a White House insider conceded, the "shocking" thing about this teaspoon-sized tax relief is that it will not impede mass unemployment. No tax cut can draw down the $300 billion inventory overhang--more than two months' output of U.S. industry and harder to get rid of as more factories shut down and workers lose their jobs.

Chase Wants Big Cut

Damning Ford as incompetent, the Chase Manhattan Bank, the Rockefeller-run Committee for Economic Development and the New York Times are pumping instead for a $25 billion tax cut. But the Treasury is already short about $35 billion this fiscal year due to the shrinkage of tax revenues. To finance the resulting $60 billion deficit--the largest in American history--the Treasury would have to squeeze the banking system dry by by dumping its IOU's. This, Chase Manhattan, The New York Times, and the professors oppose. Alternately, the Treasury could prevail upon the Federal Reserve to print $60 billion one-dollar bills and hand them over for current government expenses. The consequence would be at least an additional 25 per cent inflation on the top of the current rate of price increase. Ford's antagonists do not like this either.

While David Rockefeller bears the burden of maintaining high-salaried "experts" who suggest such ridiculous things, he and other leading cabal bankers sound off for a "tough line". They take out expensive advertisements in the Times and the Washington Post for a "tough energy policy", that is, a stiff gasoline tax skimmed off at the pumps, slave labor energy products, and energy rationing. They demand a tough "productivity" policy.

But their friends in politics are not so sure. An aide to Congressman Henry Reuss (D.-Wis.) claimed he could not answer questions about Reuss's tough economic programs until he checked with Trilateral banker Robert V. Roosa!

Ford, an experienced if dull politician, would rather take the role of Herbert Hoover than that of Genghis Khan. To the infinite contempt of the economic wizards at Chase Manhattan, Ford's Jan. 20 State of the Union address will offer nothing but spit and chewing gum to hold the economy together.

De Facto Bank Holiday

A related tussle over the question of monetary expansion--whether the Federal Reserve system should make more loan money available to the commercial banking system--disappeared last week, after the Fed released banking statistics for the week ending Jan. 8. The nation's top banks responsed to the threat of mass corporate bankruptcy by locking their doors, boarding up their windows, and balancing their own books at the expense of their customers.

Previously, most financiers--led by First National City Bank, the largest in New York--called for papering over the depression with new bank credit. Objectors to this policy of throwing good money after bad included productivity-pusher Burns and Federal Reserve Board member Henry Wallich, who pointed out that more paper meant more inflation. "Infaation", Wallich said, "undermines first the liquidity and then the solvency of corporations."

This debate in the elevated realm of economic theory ended suddenly however, when easy-money advocates and tight-money advocates in banking circles discovered that they had panicked in common, slashing credit in every direction. It's a fact, however, that an easy way to raise American productivity would be to put such proven incompetents to work--perhaps digging coal with a pick and shovel.

U.S. AUTO INDUSTRY BREATHES ITS LAST

Jan. 12 (IPS)--This week the Ford Motor Company shut down 22 of its car, truck, and component plants, ending its bulk of production. 85,000 layoffs result.

Although Chrysler has pulled psywar maneuvers in reopening several of its plants at one-week shots, auto, the flagship of U.S. industry, is dead. With purchasing power shrinking, the rest of the U.S. economy is cascading into oblivion. Auto plants will open again for full-scale, full-time production only under the direction of the working class which will reconvert auto into tractor production.

By Monday, Jan. 13, there will be 280,000 unemployed auto workers whose jobs will have permanently disappeared. By February, there will be many more. Chrysler, with most of its plants closed and threatened with bankruptcy, cut car prices by $200 in a desperate attempt to liquidate its huge inventory of unsaleable cars for cash. An additional $200 rebate is offered to workers in auto-related industry if they buy a Chrysler to save their job.

The steel industry is presently hanging by a thread. Most workers temporarily laid off by the Jay Rockefeller-directed coal strike in November have not been rehired. Steel production has fallen by 15 per cent. A U.S. Steel public relations director contended that production was continuing in anticipation of huge orders from energy redevelopment projects. However, the inability of the cabal to negotiate a centralized financing scheme and the lack of a disciplined, maleable workforce has stalled these slave labor projects indefinitely.

Mass layoffs continue in the appliance industry because workers no longer have money or credit for bit purchases. This week General Electric, Westinghouse, Stellar Industries, Zenith, Kodak, and Xerox cut workers from their appliance divisions.

Unemployment centers are also filling with teamsters and