

"Recovery" Means Destruction of Economy and Labor Force

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June 29 (IPS) — In the nightmare world of Rockefeller and Company, "recovery" means the gutting of the economy and "productivity" means the destruction of the productive labor force.

"Recovery," to the beleaguered capitalists, means propping up corporate earnings, which have fallen approximately 50 per cent since the industrial collapse took shape last October, far below levels required to pay companies' debt service. At the turn of the June 30 payments deadline, manufacturers' ability to stay liquid by shutting down production and slashing new investments is coming to an end.

The capitalist "strategy" for the first half of 1975 was to eliminate production costs and attempt to maintain sales of their bloated inventories — taking the entire economy down ratchet-fashion. Inevitably, profits of the corporate sector plummeted faster than the collapse of production and "freed excess funds," in the Wall Street euphemism. As a result the economy is moving into the worst cash-flow crisis in capitalist history.

A glance at the terms of debt refinancing now available to debtors from the Rockefeller-dominated banks and life insurance companies indicates the real story behind talk of recovery.

*\$500 million in bonds from Robert McNamara's World Bank, now enforcing mass butchery of the populations of underdeveloped countries through Chinese-style slave farming programs.

*\$6 to \$8 billion a month in new corporate bonds, "guaranteed" by murderous levels of speed-up

throughout U.S. industry, to "retire short-term debt" of corporations before the short-term debt retires them.

*\$1 billion in bonds for New York City's man-eating Big MAC, plus similar offerings from the Commonwealth of Massachusetts and other slated victims, based on the prospect of reducing American cities to the present status of Calcutta.

Learn to Live With Zero Growth

What happens if U.S. industry junks new investments and runs old plant capacity for a "profit" at bone-killing levels of speed-up, while U.S. cities pay their debts by destroying essential services? The entire capital goods sector of industry, from steel to machine-tools, shuts down, forcing new layoffs, lopping off another sector of "demand." Cities become uninhabitable for businesses as well as residents, squeezing out entire sectors of economic life.

But Rockefeller and Company have a ready answer. "We must learn to operate at a lower level of economic activity," says FIAT's Gianni Agnelli, member of the advisory board of David Rockefeller's Chase Manhattan Bank. "General Motors has decided it can make profits with 2 million cars a year instead of 3 million" as previously, a top Wall Street economist says.

Making profits "at a lower level of economic activity" means knocking out the annoying price of supporting working-class families, and instead grinding out higher profits through the levels of speed-up which Nazi financier Hjalmar Schacht introduced into the German economy during 1934-36. Schacht, not coincidentally, has attained remarkable popularity among economists for a man who stood in the dock at the Nuremberg

trials absorb 60 per cent of internally generated earnings of non-financial corporations, Rockefeller reasons; why can't this go to debt service? Increase in labor productivity in the past have rested on improved technology; War Crimes Trials (see box below).

Strip Down Production

Read two or three paragraphs down into the latest newspaper blurb for "recovery," and note that "recovery" defined by Rockefeller means mass unemployment for the foreseeable future.

Unemployment means that a smaller number of workers can compensate for cuts in production through speed-up. Bankruptcy of certain sections of the economy means that one group of capitalists loses title to their share of the economy's pool of profits, leaving more for the corpulent Rockefeller brothers. At the trading floor level, this latter takes the form of nickel auctions on bankrupted plant and equipment, which spread the debt of the surviving capitalists over a broader asset base.

All this improves corporate earnings in the manner of a man trying to obtain nutrition by eating his leg faster than he loses through bleeding. Simply, the capitalist class will attempt to continue their game of the last eight months, "freeing funds" by cutting back production, one step further, burning out the guts of the economy: productive technology and productive labor.

"We don't have capital so we need productivity," Assistant Secretary of the Treasury Stephen Gardner told IPS. That is, every last cent of free money is needed to circulate debt, with profit-to-debt-service ratios protected by homicide on the assembly line. Capital expendi-

can't we do this some other way?

An immediate consequence of these psychotic thrashings in the area of economic policy is to push the dollar credit structure over the brink. Despite cash advances last week of \$2.5 billion from the Federal Reserve, the nation's central bank, and the accumulated looting of eight months' depression-collapse, masses of corporate bonds went unsold on the credit market last week, while bond prices fell by over 3 per cent. "The market is in a panic," said a trader for one top firm. "All the bond traders are heading for the door." At the midyear tax payments and debt

payments deadline, competition for re-financing between the Treasury, with \$100 billion to re-finance between now and June 1976, debt-strapped corporations and municipalities, as well as scavengers like the World Bank, is too fierce for every dog to get his scrap.

Week by week, the Rockefeller gang confronts the threat of a general collapse of paper values, a crash to deafen veterans of 1929-33. To avoid this they are determined to strip down capital and labor fast enough to repay current debt service. Their day-to-day actions empty the tax

coffers of state and Federal governments, empty the savings banks and life insurance companies of savings invested in Rockefeller bonds, deprive manufacturers of consumer durables of a market, and gut the investment-goods industry. This creates less real income and skyrocketing demands for debt-refinancing relative to the pool of available money — not each quarter, but each Monday morning. The Rockefeller gang is both murderous and incompetent, and their incompetence forces them to become more murderous.