

## The Schachtian Grab Bag

From conservative Chamber of Commerce Babbits to liberal Eastern financiers, U.S. capitalists are throwing up a grab-bag of Schachtian austerity plans for federally coordinated looting of working-class income.

With dissension among the various factions as to how to go about implementing a national fascist economic policy and with tremendous resistance from the U.S. Labor Party-organized working class, the proponents of such schemes lack the muscle to get them past the first stage, i.e. passage through Congress.

Meanwhile, on a city-by-city, industry-by-industry, plant-by-plant basis, corporate and banking chiefs are implementing their own, aggravated "cost-cutting" schemes against their workers — and their nearest capitalist competitors as well.

The U.S. Chamber of Commerce (USCC), the same trade association that spearheaded the witch-hunts and strike-breaking schemes that broke the back of the U.S. labor movement during the McCarthy years, led this week with a scheme to eliminate all income support programs. In a speech before the American Management Association, Carl Madden, chief economist of the USCC, spelled out a Third Reich policy of "full employment" based on the forced dumping of all unemployed workers and able-bodied welfare recipients onto the labor market. What Madden asked was that every worker be pushed into the over-crowded job market, by junking such income-support programs as welfare, food stamps and unemployment compensation. "Before long," the economist said, "we are going to have to look again into whether we should guarantee people a minimum cash income." President Ford's announcement this week that he will reduce by half the 18.9 million people now on food stamps coheres with the USCC scheme.

Madden also demanded that the minimum wage laws be struck from the books for teenagers to force them into make-work employment at below-subsistence wages. The Feb. 7 New York Times in a lead editorial seconded this scheme for "modifying minimum wage laws," which, according to the Times, will "avoid shutting low-skilled young people out of

jobs and man-power programs to improve their skills and access to jobs."

The enabling legislation for another scheme hailed by the New York Times managed to sneak through Congress two years ago. It revolves around Sen. Jacob Javits' (R-NY) Employee Retirement Income Security Act (ERISA) whose funding requirements for corporations "raise the prospect that the cost of compliance will cut into the pay raises of many people this year and next." Under ERISA, which was passed in 1974 and portions of which went into effect last month, the Times state hopefully, workers will have to accept lower wage increases as a trade-off for employers being forced to make additional contributions to pension funds. The Times speculated that someone — either the employers or employees — will be forced to contribute upwards of an additional 30 per cent. These funds, which have been underfunded by capitalists' own past looting practices, have continued to be looted by poor investment practices. Through corporate investment of pension monies, such diverted wages end up as a new pool of liquidity to maintain basic debt-structures — the original intention of the Javits bill.

A simultaneous assault is being conducted by large corporations on the hard-core unionized skilled workforce, through in-plant speed-up and wage looting. The whopping 49 per cent increases in fourth quarter corporate "profits" is mainly due to "higher worker productivity" and a "slower rise in labor costs," admits the Wall Street Journal. Referring to General Motors, where profits reached record levels, one Wall Street analyst confessed that "conditions in the auto industry must be hell."

GM Chairman Thomas Murphy, long known as a "go-it-alone" type among corporate layers, remains unsatisfied with current speedup levels. In the pages of the Detroit News this week he announced to hundreds of thousands of auto workers that "increased worker productivity" will be the main issue in upcoming contract negotiations. Under such conditions, workers will drop at the assembly lines like flies to maintain GM's equity.