

# What's good for business is bad for us

The current layoffs in the steel, rubber, television and other industries are among the more dramatic instances of the general trend in the U.S. and the other industrial capitalist countries toward high unemployment and low investment, even in the midst of what experts call "recovery."

The upturn from the last recession allegedly started in March 1975, and now, well into its third year, the best it can manage is 7 percent unemployment and lower investments than early in the recession year of 1974. "Stagflation"—rising prices in the midst of flagging demand and high unemployment—continues unabated.

A month ago, the Business Roundtable, consisting of executives of America's largest corporations, told President Carter that business was in good shape and that the administration should do little more than it is already doing. But good shape for business is hard times for the people. It is a "problem of both excessively high unemployment and excessively high inflation," one to which, as chairman of the Senate Banking Committee William Proxmire (D-Wisc.) put it, "there is no answer."

The Senator is repeating conventional wisdom and revealing the bankruptcy of prevalent business and political thought. We agree with him that there is no answer within the closed circle of capitalist economics. But there are answers to be found in "new frontiers" beyond it. If the partisans of corporate capitalism have given up the pioneer spirit in order to preserve their system, others will take up this spirit in quest of the good society.

The American people are looking for answers, but they will not be short of seeing the problem not as stagflation but as capitalism. Briefly, world capitalism by the late '60s had returned to the classic bind of overproduction and excess capacity relative to effective demand that has plagued it since before World War I. In this century, two world wars, a great depression, and imperialist expansion destroyed excess capacity and created new demand. Except for depression, those avenues out of the bind are not readily available.

## The experts agree.

As American economist-laureate Paul Samuelson says, "The miracle of Europe's and Japan's postwar growth is now over, so we find the growing competition between capitals for existing world markets forcing down profits." From *Business Week* to the OECD, authorities now agree that capitalists are responding to lowered profits from excess capital by raising prices on declining output and by refusing to invest in more capacity. The result is unemployment and inflation.

What is euphemistically called the "profit incentive" and lauded as the engine of progress is in reality the hydraulic brake on economic development and well-being. In pursuit of profit, corporations are closing plants, laying off workers, raising prices and interest rates, and paying out record dividends to stockholders. Profits are less and less a requisite surplus for the expansion or improvement of productive capacities. It is increasingly a social ransom demanded by capitalists as the condition for the people using their means of production. General Electric chairman Reginald H. Jones stated it succinctly: "Businessmen are... holding back... because they do not have, under today's conditions, either the confidence or the incentive to invest."

**Too important to leave to business.** The economy and the people's well-being



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are too important to leave to the "confidence" and "incentive" of businessmen. As long as capitalists retain the ultimate authority over employment of labor and productive capacities, the people will suffer unemployment, inflation and the social dislocations both bring. Replacing the profit incentive with a social incentive—in rising real incomes, better social services, and full employment—would solve the problem of "stagflation," but only by moving to put an end to capitalism.

The partisans of capitalism seek to confine political debate to conventional alternatives that prevent raising such a question in the political mainstream. Consider the most prominent of those alternatives:

- Fiscal and monetary policy that leaves capitalism in place is universally

conceded to be ineffective in producing full employment with or without inflation.

- "Free trade" (or the "open door") is recommended as best suited to extending markets, thereby creating more jobs, and stemming inflation through international competition. But it is precisely "free trade" that has brought world capitalism since the end of World War II to its present impasse. It is, moreover, increasingly facilitating the export of jobs and import of expensive goods. The chief competition free trade provokes is between American and foreign workers.

- Protection is urged as a way of preserving jobs and production levels at home. But in an interdependent world economy, protection would not resolve the problem of excess capacity relative

to effective demand and will probably aggravate it.

None of these alternatives are solutions; all of them mean prolonged injury to the working people. But they are all the partisans of capitalism have to offer.

## Protectionism.

Imbedded in the idea of protection, however, lies a broader principle that by leading beyond capitalism goes to the heart of the matter. It is the principle of the social control of the market. A social investment system subject to democratic control would prevent capitalists from shutting down or running away with plants and disrupting the lives of countless employees and whole communities. It would prevent capitalists from playing off American workers against lower paid foreign workers and causing animosity between them. It would prevent capitalists from exporting goods that could be used at home, and importing goods of which there are plenty at home, in the pursuit of higher profit margins. It would make investment decisions, their purpose and their pace, responsible to social needs and aspirations instead of to absentee financiers and stockholders. It would make possible stable trade relations with other countries on the basis of full employment planning here and abroad, the best basis for expanding employment and rising living standards in the U.S. and other countries.

## Socialist issues.

These are the kind of issues American socialists can raise in public debate. In the meantime, we can also address ourselves directly, on a short-term basis, to the desperate fear of unemployment among working people now expressing itself in protectionist sentiments. We can work for laws against runaway shops or shutting down plants without community approval, and laws that provide for the assumption of public ownership and worker control of plants businessmen refuse to keep in production. We can propose a public banking system that would help finance the transition to public ownership and the establishment of new public enterprises.

We can propose that in the case of industries given protection against imports more be done to protect workers and consumers: In such cases there should be price controls and excess profits taxes; the businesses involved should be required to make full disclosure of their costs, expenditures, and profits; they should be required to recognize unions (if they do not already) chosen by their workers, and to bargain in good faith; they should be required to guarantee against layoffs and to inaugurate programs for taking on and training young workers.

If businesses are to be the beneficiaries of public protection, then they should be obliged to be responsible to the public in such ways as these.

Socialists, in other words, may turn the issue of protection, as the other issues of free trade, fiscal and monetary policy, unemployment, and inflation, to the issue of a social as against the capitalist investment system.

It is an issue that would more effectively turn the American people's attention to becoming a more helpful partner to other peoples of the world in their aspirations for development and well-being. And it is the issue that must lead the American labor movement and American socialists to join hands with foreign labor movements and socialists in replacing business internationalism with not just rhetorical but a real working-class internationalism. ■

# Letters

## Happy anniversary

Editor:

Just a First Anniversary note to let you know how much I appreciate your newspaper. I'm one of those "veterans of the '60s" who became very cautious and (I hope) discriminating about what he's going to believe in. *ITT* definitely makes it. Your articles are thoughtful, honest and broadening; your approach to the problem of building a socialist movement is coherent, non-dogmatic, and does not depend upon excluding unpleasant truths from political debate.

I'm happy to see the incorporation of ecological insight into your general analysis. From time to time during the year I had misgivings, but in retrospect now I can see that they were all trivial; furthermore, and amazingly enough, *ITT* seems to be slowly and steadily improving. I thought the David Milton China article (Oct. 12) was the most succinct and perceptive article on China I have ever read. It's good to know you're around. Happy anniversary. And many more.

-Martin Glass  
Oakland, Calif.

## One good fern deserves another

Editor:

Re: "Teng for President" (*ITT*, Oct. 19); Don't give Karman a column—give him the paper.

-Milt Wolff  
El Cerrito, Calif.

## Mideast malarkey?

Editor:

Sorry I must take strong issue with you for the grotesque cartoon of Israel's Begin leading a blindfolded Uncle Sam by the beard (*ITT*, Oct. 12). Your anti-Israel bias displays itself also in your front page picture of Begin. Your photographer either deliberately or by accident caught the worst possible view of a man speaking with heartfelt passion, but the fault is yours for publishing it so prominently. Would you have chosen to publish on your front page a picture of Arafat with guns on hip striding into the United Nations as an honored guest? Methinks not.

The editorial that accompanies the cartoon is, in part, a direct contradiction. You state Israel and the Palestinians are both "little more than pawns in great power world- and oil-politics." Pawns do not, as a rule, lead anyone by the beard. That refugee Palestinians are pawns for their Arab masters there can be no doubt, since they could have been all assimilated easily long ago within the numerous oil-rich Arab states, with room to spare. Instead Arab rulers preferred to help subsidize refugee camps on Israel's harassed flank to serve as a thorn in her side and a goad against a peaceful Israel.

As for the PLO, that bloody, dictatorial cabal no more represents the majority of Palestinians than Taiwan represents Mainland China. The PLO chiefs look only for wealth and power, their interest in people's rights is non-existent.

If peace in the Mideast is to become a reality, both Israel and the Arabs will have to bend, but for heaven's sake, don't give us that malarkey of an "intransigent" Israel. If your life was at stake after the same party had attempted to stab you time and again, you would be a fool not to take every precaution that it does not happen again by taking the knife away. You don't reward an assassin by returning the weapon. Israel does not intend to commit suicide just to make friends and influence people.

-Shirley Wolf  
Chicago

## Libertarians and socialists

Editor:

I must take issue with Joshua Dressler's either/or approach to socialism and libertarianism (*ITT*, Oct. 5). There are as many kinds of libertarians as there are socialists (and you know how many different varieties of *that* label exist. To assume that the Libertarian party's philosophy represents all libertarians is as ingenuous as assuming that the Socialist party speaks for all socialists.

Regarding the helmet laws of which Dressler speaks, if only libertarians opposed them (and not motorcyclists), Dressler might have a point. But cyclists form the core of the opposition to such laws. Perhaps this is because they are well aware that the sense of freedom and movement that a motorcycle imparts is achieved as part of a conscious trade-off with the relative safety available within the frame of a car. Bikers sans helmets, like skateboarders, know they are taking a chance—a risk that they relish.

If all motorcyclists wanted to wear helmets, helmet laws would be redundant. As it is, the social value of helmet laws is in granting a slight protective margin to other-motorists by reducing the potential for injury to the cyclist in case of accident.

I do not think it unreasonable to suggest that libertarians and socialists have much to learn from each other. In fact, there is a growing segment of the left that characterizes itself as libertarian socialist—a segment highly aware of the tendency of socialist (or quasi-socialist) governments to congeal into bureaucratic monoliths.

-Jay Kinney  
San Francisco

## A convert?

Editor:

You put out a very good paper. I just let my *Guardian* sub lapse because I cringed almost every page at the hard-edge rhetoric; and felt a bit guilty about doing so, but who needs to read screaming, positive, "militant" headlines over stories that are all too often blah or simply negative? I'd rather decide for myself whether the week's news is up or down. *ITT* allows for an intelligent readership.

-Jon Livingston  
Berkeley, Calif.

## Protest Shah's U.S. visit

Editor:

By early November, the despotic Shah of Iran will be visiting the U.S. to receive the "reaffirmation of U.S. support" and be embraced by his new boss in the White House.

Aside from the usual huff and puff public gestures about "human rights," the dictatorial Shah and Mr. Carter are basically to conclude the following plots against the Iranian people:

1. Shah is to be briefed on the results of the Carter administration's six-month study on Iran and the Persian gulf. This study broadens the direct military involvement of the U.S. in this region and includes plans for invasion in case the Shah's regime and U.S. corporate interests are seriously threatened either by the liberation movements in the area or by competition by the Soviet Union.

2. Conclude arms agreements with the Shah promising him a continuation of the Nixon administration's *carte blanche* arms sale policy for his regime.

3. Apply make-up to the notorious image of the Shah who is known as a vicious dictator and his regime as the most oppressive in the world. In this way, Carter hopes to hide the glaring contradiction between continued support for the Shah and his rhetoric on human rights.

Iranian Students Association in the U.S. strongly urges all freedom-loving people to oppose and condemn the Shah's visit, and to rally behind the Iranian people in this just struggle for independence and democracy.

-Iranian Students Assoc.  
P.O. Box A3575  
Chicago

## In praise of "terror"

Editor:

Your, and Diana Johnstone's use of the highly charged and relatively irrational terms "terrorists" and "desperadoes" when referring to the Baader-Meinhoff RAF people in Germany sent me to my dictionary. So here are these violent criminal bomb throwers and their victims, the poor Nazis! And of course, a few upper middle class university Marxists, theorizing their way to Mecca or Bethlehem or wherever university Marxists are going.

Who is being "terrorized"? And who is performing the criminal violence that drives some of its victims to acts of desperation? Your simplistic application of these terms is no different, in essence, from the mass media analysis of the SLA/Patty Hearst events of a few years ago. Because a millionaires was kidnapped by a band of revolutionaries, the people were expected to quake in fear of "the terrorists."

As though the average American was a member of the Hearst family! Most Americans, not being university theorists, were hardly worried about the "terror" of the SLA, having to deal with the daily terror of programmed reality. I have a feeling that the average German has much more to be concerned about than whether a millionaire gets kidnapped.

The terror and criminality we encounter and participate in every day, the lying, stealing, cheating, the rape and murder of mind and body, should concern radicals and socialists. Not the perpetuation of ruling class ideology through language pollution, however cosmeticized by leftist jargon. "Terrorists and their victims" indeed. The only time the various 'sects' of the left unite is when something too practical occurs in the real world.

Which side are you on, folks?

-Frank Scott  
San Rafael, Calif.

## For women in name only

Editor:

As far as I could tell the CACOSH conference on Women and Occupational Health (*ITT*, Oct. 19) was notable for its non-women orientation: males leading workshops contributed to making the day a woman's day in name only. Particularly ironic was the OSHA workshop with two white male discussion leaders representing the workers and a white woman and a chicano man representing OSH. They talked procedure and forms until most of us fell asleep.

One woman factory worker broke the drone of voices with genuine indignation at the situation in her workplace and her supervisor's nonresponsiveness. The men soothed her into uncertainty, insecurity and silence by pointing out her stupidity in not going through channels, which admittedly often take years, if they work at all. ("Give us a break," smiled Mr. Besuited Chicano charmingly, "we're snowed under." The "we're all pals in the backroom" air prevailed. Levied Cacoshers grin sheepishly. "Sure, we know you're snowed under, but safety is an immediate matter.")

The conference was notable also for the absence of anyone asking why health and safety continues to be a mounting problem—that includes pollution of air, water, and minds.

The political economics of health and safety was carefully skirted. Except for one friend's statistic on better records in Russia, ancient communist fears of raising questions of roots, of placing the problem in an historical context hung heavy in the union hall as Joe McCarthy's cigar smoke.

-Teena Brown  
Chicago

## Blue Collars losing turf

Editor:

Now that most informed people no longer hold to the once-popular notion that the blue collar worker in the U.S. was all but wiped out by cybernetics, a new, more dazzling and possibly a more

desperate notion is being offered: that the very turf of the blue collar workers is being wiped out—that Chicago, Detroit, Pittsburgh, Milwaukee, New York are about to be buried, and from their ashes there is arising a new industrial center in the New South.

Stanley Aronowitz' guest column (*ITT*, Oct. 18) reworks this rickety, unproved theory. However, there are no reliable figures to show that industrial growth in the South during the last ten years has been significantly more rapid than it has been in the North, or that the sophisticated Wall Street banks are losing out to folksy southern financial institutions. Although petroleum production, natural gas operations, and ranching conglomerates are flourishing in Texas and Oklahoma rather than in the Berkshire Hills or the Catskills, there isn't really very much else to point to.

The advantages of the open shop, cheap labor, tax breaks, absence of controls, were once upon a time substantial incentives for industry to locate in the South. But of course this life-belt for a troubled industry has been pretty well deflated in recent years, and not surprisingly northern capitalists are as smart as their southern kin folk in controlling labor and in wheedling government subsidies. Much more pertinent to the crisis of American capitalism in both the North and the South is the insurgent movements of workers, blacks, women, and the development of industry in the non-capitalist world.

-Charles Spencer  
author of *Blue Collar*  
Chicago

## Eleanor Miller

Eleanor Miller, an activist for many years in progressive causes, died Oct. 9 in Philadelphia after a long illness. A talented sculptor, she also pioneered in teaching sculpture to the blind. She leaves her husband Joseph, her son David, and her three daughters, Wendy, Rima and Beth.

*Editor's Note: Please try to keep letters under 250 words in length. Otherwise we have to make drastic cuts, which may change what you want to say. Also, if possible, please type and double-space letters—or at least write clearly and with wide margins.*

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