

Subscription: payment of 15 French Francs (or equivalent) to cover the period of time which will be determined by the cost of each bulletin. Specify whether you want the English or the French edition. To obtain the texts mentioned in the bulletin, write directly to the addresses given. Only the texts mentioned as produced by Echanges will be sent by us after payment of the price indicated.

Correspondence and payments to:

France: Echanges et Mouvement, BP 241, 75866 Paris Cedex 18  
 Great Britain: BM Box 91, London WC1V 6XX  
 Holland: Daad en Gedachte, Schouw 48-11, Lelystad  
 W. Germany: Steinbrecherstrasse 16, D-330 Braunschweig.

The USA and the crisis

from Anne Simon, January 1981

The crisis continues to affect the United States in spite of the slight revival that seems to have begun in December and despite the growth in the number of jobs by 1 million since July. The official unemployment figure is 7,5%. The percentage of people out of work varies considerably from state to state: for example 15% in Michigan; it is not also spread equally over the different population and age groups: in the big cities some 50% of the young blacks have no work. Long queues are beginning to appear for a few jobs. Last September, in Baltimore, 75 not well paid office jobs were offered (the salaries varied from 7.210 to 11.565 dollars a year). On the first day 10.000 people came, the next day there was a queue of 26.000.

Since 1960 the supremacy of the USA is declining. The national investment figure (in % of the GNP) is the lowest of all main industrial countries. Since 1960 it is 17% against 25% for West Germany and 33% for Japan. This figure is the most important indicator to determine whether capitalism is in a period of decline or prosperity. Investments are most vital for the development of capital. When the investments become less or even zero, unemployment grows. To the workers the present situation becomes apparent not only in growing unemployment, but also in a nearly forced obligation to reduce wages and in worsening working conditions. Under the threat of closures and massive sackings the unions will do anything to have the workers accept heavy cuts in the things they obtained in the past. At this moment the unions can achieve this without much difficulty.

The wage reductions have already taken place in many industries and services, after approval by the workers. The New York Times of 25.1.1981 reported the following: at *Braniff*, on the 22nd of October last, the 3.700 pilots and flight engineers accepted a wage reduction of 10%; at *Uniroyal*, wage reduction of 13%, cutting back of some social benefits, withdrawal of cola, all this in spite of a strike in twelve factories last year lasting forty days; at *Chrysler*, the workers accepted a wage reduction of 13%, less days off and changes in the pension system; at *Kaiser Steel* (California), a reduction in social benefits in July last and in this region, just for a start, a cut back of 1.000 in the number of jobs. Such measures are bound to become the normal picture in electronics and textiles. When the workers refuse the proposals of the management 'to save jobs', the management tries to have the workers accept changes in the working conditions, which are said to be necessary then, like a speed-up or other things to raise the productivity. This has happened at *Firestone*, where in October last the workers did not agree with proposed wage reductions; they however accepted a new contract proposed by the management, that meant working in shifts on Saturdays and Sundays without extra pay; the classification of different sorts of work had to be also revised in a way to get a 30-40% productivity growth; furthermore withdrawal of cola and no other wage rises than because of personal merit. At *International Harvester* the same kind of measures were pushed through in spite of a 6-month strike against them last year. The railroad companies *Delaware* and *Hudson* want to diminish the number of workers on each shift and a change in the work regulations. This has already been done by another, almost bankrupt railroad company, *Conrail*. At *Armour*, the rhythm of the production lines was speeded up to avoid the closure of the slaughterhouse at Hereford (Texas). At the *Public Service Electric and Gas Corporation* the working week was extended from 35 to 40 hours without extra wages.

When the workers say no to all proposals of the management, the managers simply close the factories, as happened at *Interlake Inc.* (steelworks in Newport and Wilder, Kentucky): in July the workers refused a wage freeze for one year and the next day the steelworks closed down. But even if the workers accept worse working conditions and lower wages because of the blackmail with closure, the sackings go on anyhow. This is made a lot easier by a lack of solidarity on a wider scale. The management can rely on the divisions between workers of different factories. In the steel industry, *US Steel* in 1979 used the classical way of bargaining with the workers: accept wage reductions or we shall close the factories. The first vote ended in refusal by the workers, but under union pressure they reconsidered their position and certain plants accepted what the management wanted. Those factories will not be closed by *US Steel* - there were only two willing factories in Pennsylvania - but those that refused will be shut down.

Some collective agreements expired this spring. What will happen to the miners<sup>1</sup> will be particularly interesting. There also, the management wanted to increase the productivity by a change of work regulations which to a great extent are controlled by the unions. After their long strike in 1978 the companies have almost succeeded in imposing a quick deterioration of the pension conditions and insurance against illness. The miners union now controls only 44% of the workforce against 70% in 1970 and this percentage represents only one third of production. The companies wanted to introduce shift work to make the machines pay better and they wanted to get rid of the security controls imposed by the unions.

Because of the bosses' attacks and unemployment spreading everywhere, the fear for loss of work at this moment is leading to individual defense reactions and acceptance of the bosses' conditions. Nowhere yet one encounters a solidarity trying to defeat the measures. In 1980 the strike figures were the lowest since 1965. For two years the net wages have gone down, the longest continuous period since world war II: 9,8% less, measured in fixed dollars of 1967. The non-unionised workers have been affected even more than the others.

The main pillars of the new government policy will lead to more calls upon the workers for sacrifices, as Reagans policy consists of reducing state expenditure in the social fields, more money for weapons and reducing federal controls on the economy. At this moment the measures in the social field have still to be taken. The enormous mass of jobless and other people who receive state aid and who are dependant on various social funds cannot be refused the necessary help without big uncontrollable reactions like in Miami. But the contradictions of the system have reached a stage where no consistent measure whatever is possible. Nevertheless, the public sector is damaged already everywhere after the drainage of the state budgets. The two main reasons for the empty funds are: the closure of numerous industries and new laws enforcing tax reductions. Not long ago this meant for Boston the sacking of one third of the firemen and 900 cops, the closure of 27 schools, the teachers made redundant. In other places special benefits for schools and universities disappear. The government just ended the bilingual programmes in the schools. This affects the poorest ethnic minorities. The social welfare services are cut back even now when the new measures are not yet accepted. Those people who needed food stamps will have to try to find work, because if they don't try, they will not get them any longer.

The unemployment benefits in the USA are administered by the states themselves and the system varies from state to state. Because of the empty funds they had to borrow money from the federal government, whose aid is given piecemeal and depends on the balance of power. Most debts are made by Pennsylvania (1,3 billion dollars), Illinois (984 million dollars) and Michigan (822 million dollars). In Pennsylvania the unemployed used to receive benefits for a period of 30 weeks, after July '80 it became 26 weeks. Sometimes a company has its own unemployment benefits, but they are in no way guaranteed: in the steel industry for example there was at first a diminution from 115 to 34\$ extra a week and then the benefits disappeared altogether because of factory closures and the following running dry of the funds. Only 70% of all workers are covered by a system of unemployment benefits. Some states give only money after one has worked and waited for a certain period. In many states these benefits are below the welfare benefits. Only big industries like the car and steel industry have (had) private funds which give extra benefits to workers who have worked there for at least 7 years. Those people will receive 90-95% of their former salaries for one year.

The retired workers are also very poorly paid by the social security system of the federal government who is responsible for these people. The system was created in the thirties and the pensions were meant as something additional to private pension benefits paid by the companies. So, they are very low. However, more than 50% of the workers cannot count on the private funds as they never participated in a pension scheme. The average pension from the social security system is 338 dollars a month, the maximum is 677 dollars. The private pension funds, whether they are controlled by the company or by the unions, are in fact the biggest swindle of everything the retired workers have to endure: only 25% of the workers who are covered in principle by such a pension scheme will also really see the Promised Pension Land. An example: a van driver from Chicago, having worked for his company for 20 years was forced to retire in 1977 because his eyesight wasn't good enough any longer. He thought that he was covered by the pension scheme but didn't remember that he had been out of work for three months in 1960. That meant that he hadn't been working all the time and so had lost his right to the pension. One could mention a host of cases like this. Moreover, in case of bankruptcy or if companies merge, the workers loose their pension if there isn't enough money left in the bank. But, even the 'fortunate' minority who do get the money have not so much to enjoy really. In 1974 the average pension (in addition to the benefits of the social security system) was 133 dollars a month. The pension funds are quite rich. The money is often reinvested by the companies and with good luck (banks, insurance companies), profits are considerable. One understands why the unions want and often also do have a big say in the administration of the funds: in this way they have much power, like the UMW - the miners union and the International Brotherhood of Electrical Workers. But in 1973 only 9% of the private funds were administered - and then only partly - by the unions.

The limits of government intervention in economy are being reached now and the capitalists are confronted with a cruel dilemma: they have to be against any growth in

state expenditure and let the capitalist economy follow its natural tendency to cyclic crises, although the state remains the institution that can help the economy; or will they have to choose for a state-planned economy together with destruction of the private sector. The recent measures such as the withdrawal of government control of industry in the field of environment and health indicate that the capitalists aren't ready to forget about free enterprise in exchange for a kind of state capitalism.

Discussions among economists are really worrying: war seems to be the solution where logic must end. "With little perspective to revival at this moment the governments will take more and more refuge to protectionist measures while they at the same time try to push exports. This could end in a war between certain industrialised countries (Business Week 2.2.1981). Already the USA expenditure on arms has risen by 10% and it was already 7,8 of the GNP, the highest figure of all western countries.

-----  
(1) A new miners strike broke out at the end of March after an agreement was reached. I shall talk about this later. One can read about the struggles in the years before, esp. about the miners, in the two brochures from Echanges on the United States: *USA, a changing reality (1977)*, *A l'Ouest rien de nouveau, the USA 1977-1978*.

-----  
In addition to this article we can give information from recent letters of friends in the USA: "I don't know what the European press comments are on the brilliant measures Reagan is taking to push economy, but it begins to arouse a general outcry from liberals, who fear - quite rightly - for revolts. The cuts in the welfare system and food stamps are really heavy. In New York only, some 20% of the population get this help for the poor. According to the New York Times it is 60% in Detroit." Another letter from San Francisco confirms that "groups like the American Civil Liberties Union and the National Organization of Women are flooded with members who are determined to fight the fascist and moralising scum of the nation. The underlying thought, or what they have admitted, is that all their smart tricks which they have used till now aren't really working (they have never worked of course). They feel that the purposes and methods have to be redefined. Many people aren't that categorical but this is what it really is all about."

#### International meetings

It is too early to report on the discussions from the meeting last Easter in Osnabrück. Next time we shall also talk about a meeting, organised by various groups, in London last Easter, for which the PIC (Jeune Taupe) has received a text from us. We got other information in return.

#### Received publications

In the Cahiers du cendocri no. 2 (Librairie La Commune, 11 rue Barrault 75013 Paris) is a very interesting article with a translated interview with J. Staniskis, who left the experts committee in Gdansk because she didn't want to hide the bureaucratic manoeuvres in the MKS (the interview was also published in the German Tageszeitung of 17 + 21.10.80). Furthermore a first bibliography on Poland 1980 and an interview from Pliutch and Haraszti on the same subject. We later shall discuss another article on the dockers strike in Barcelona.

Portugal - 5 years on, brochure in english from: Combate/Contre a corrente, Rue da Atalaia 204-206, 1200 Lisboa, Portugal. We want to translate this pamphlet in french, which is about the present situation in Portugal.

Solidarity, (adress: 123 Lathom Road, London E6), no. 15 "Winter 81" contains articles on the situation in Great Britain looked at from various angles.

Collegamenti (italian magazine, available from G. Carozza, CP 1362, 50100 Firenze), Cahier no. 3, is about workers councils and council communism, the council movement and the development of the council ideology (by Marco Balushi), the council movement in Germany 1919-1936 (by Canne Meijer), the communism of the left and the communism of the councils, (an interpretation from Cosimo Scarinzi) + bibliography.

Cahier no. 2 "Technica di una sconfitta, Il soggetta operaia del Dopo Fiat. We hope to publish a translation in french together with a discussion on the problems that are broached in this brochure.

Proletario, no. 1 of March '81 is about the new emigration from Florence and community struggles.

#### Paul Mattick

In Cambridge (Massachusetts) where he lived, Paul Mattick has died at the age of 76. For 60 years he has been a critic of capitalist society in general and of its representatives in particular. He also criticised the movement that calls itself 'labor movement'. In the eyes of Paul Mattick this was just a capitalist movement in which the workers took part.

He was born in 1904 in Berlin in a workers family. His father belonged to the Spartacus movement; his son, toolmaker at the age of 14, took part in the Free Socialist Youth.

At the beginning of the twenties he became a member of the KAPD, a party that was anti-parliamentary and very soon criticised bolshevism and the Third International. In 1926 Paul Mattick left Germany for the USA, where he found work as a toolmaker in Chicago and became a member of the IWW. He started publishing articles in council magazines, like Council Correspondence, Living Marxism and New Essays. He was very much impressed by the ideas of Rühle, Pannekoek, Korsch and Grossmann; he was always eager to unmask the social-democrat or bolshevist myths. Apart from that he tried to demonstrate the poorness of the official economic science. His most important work is on Marx and Keynes, a book in which he argues against the illusion that capitalist crises can be avoided by Keynesian methods. As a writer of the council movement, Mattick has always insisted on the fact that the proletarian revolution does not need an ideal or myths and is nothing but the action of the masses themselves. This struggle against the myths and illusions makes the importance of Paul Mattick. Tirelessly unmasking them without mercy was his great merit.

~

PRINTED MATTER

IMPRIMÉ

DRUCKSACHE

from: Echanges  
p/a A.v.Ammelrooy  
Eikbosserweg 87  
1213 RT Hilversum  
HOLLAND