



**Domestic Markets
Newsletter**

NEW SOLIDARITY International Press Service

P. O. Box 1972, G. P. O.
New York, New York 10001
Editorial (212)279-5950
Customer Service (212)564-8529

Strike Wave In U.S. Determines Economic Reality

Developments over the past week, with the opening of the most concentrated period of trade union contract negotiations in recent American history, have transformed the economic outlook for 1976. The first in a string of major national contracts covering more than 10 million American workers, this week's Teamster rearguard victory has spurred excitement and ferment throughout the working class. Several auto plants were closed explicitly to preempt threatened sympathy strikes during the four day Teamster walkout. Machinists, pulp and paper workers, brewery workers and broadcast workers have walked out demanding higher wages. Together with the explosive general strike situation in San Francisco sparked by municipal workers' resistance to a mandated wage cut (see report in U.S. Newsletter) and even the irresolute New York City transit "settlement," these developments mark the emergence of a mass strike wave in the United States whose wage gains against austerity can only be met under the U.S. labor Party's Emergency Employment Act (EEA) and International Development Bank proposals.

Wall Street and the major bourgeois political factions have closed ranks to defend the integrity of dollar debt at the risk of losing a head-on confrontation with the working class. This week, from the reactionary Wall Street Journal to the Democratic Party-allied "liberal" Washington Post, the call went up to smash the trade unions and eliminate income support programs. The New York Times followed its panicky call for wage controls several weeks ago with a broadside editorial attack on municipal unions and a denunciation of the "inflationary" perspective Teamster settlement a few days in advance of the final agreement. Railing against even the miserable no-wage transit "settlement" which averted a transit strike April 1 — "for this city to have surrendered once again to a strike club..." — the Times condemned Transit Workers Union "exactions" and demanded "a sharp rise in productivity." Similarly, asserting that municipal workers "control" the city, the April 2 Wall Street Journal demands merely that the newly passed Municipal Bankruptcy Act's provision for ripping up collective bargaining agreements be underwritten with the scrapping of any possible "overriding" federal, state or local labor laws.

The emphatic unanimity of capitalist commitment to an anti-union, anti-inflation fight was underscored in the March 30 Washington Post's editorial repudiation of the Humphrey-Hawkins "full employment" legislation, sponsored and propagandized by the Averill Harriman, Democratic Party-linked circles for whom the Post serves as a mouthpiece, for its "inflationary bias." Echoing the corporate groupings around the Ford Administration (whose views have been consistently represented by Federal Reserve Board

Chairman Arthur Burns' repeated dictum that "full employment without inflation" cannot be realized except with an incomes policy and the elimination of income maintenance programs) the Post explains its new conviction that breaking the trade unions takes precedence over jobs. "The inflationary pressure does not come mainly from the direct costs of public jobs," the Post insists, "It comes from the effect of a tightening labor market on wage rates." To make themselves perfectly clear, the Post concludes with a blast at Senator Hubert Humphrey's (D-Minn) inability "to say no" to labor.

Even as Wall Street cranked out marching orders for a tight-fisted war against the trade unions, Secretary of Labor W.J. Usery was announcing his minions' retreat, publicly admitting the capitalists' manifest political weakness in the face of a threatened political mass strike. Commenting to the press on today's Teamster settlement which gave the union a \$1.75 per hour raise and unlimited COL (or essentially what they were demanding immediately prior to the strike) Usery, the Ford Administration's chief union buster, could offer his condolences, "If you take into account what we were facing, its the best we could get."

What Wall Street faced was a mass political strike led by the Labor Party which threatens to engulf the country. They noted the precautionary lockouts in Pontiac, Mich. and Wilmington Del. of auto plants where sympathy for the Teamsters was reaching strike point. They noted carefully the skyrocketing sales of New Solidarity amongst all layers of the working class. They calculated that before an 80-day Taft-Hartley cooling off period had expired, rubber and construction workers' contracts would come up. Ford never bothered to put the Taft-Hartley machinery into operation.

Elaborate plans by the Federal Preparedness Agency (FPA) and other government agencies for national emergency mobilization of troops and strikebreakers to guarantee the flow of vital supplies had to be thrown out the window. Only the day before the strike began on April 1, government sources had blustered about the intention to use troops if necessary to bust the strike.

A spokesman for a Chicago trucking company expressed the industry's fury and bewilderment caught between the dictates of Wall Street and their own balance sheets on the one hand and the threat of a political mass strike on the other. "This wasn't a contract," he said, "this was an execution. Usery forced us to settle when we could have held out for weeks."

The capitalists were thus forced to back off. Their tactical defeat is already reverberating from San Francisco to New York. Even after the settlement, sympathy strikes and support actions are occurring.

This tactical retreat under fire will further undermine Wall

Street's tenuous hold over Western Europe, as European workers and anti-Atlanticist forces among European businessmen and politicians take note of the fact that the Atlanticists, who have demanded genocidal levels of austerity on the continent to prop up the bankrupt dollar, cannot deliver on their Schachtian dictates in their own backyard.

The "Recovery" Backfires

The irony of the capitalists' current predicament is the fact that their own insane psywar campaign on the allegedly

robust "recovery" has contributed and continues to contribute not insignificantly to the very mass strike ferment which threatens to be their political undoing.

The U.S. economy is currently operating at negative rates of profit but the hoked-up statistics and indexes that pour out of the Ford Administration's offices daily into the nation's press to "prove" the existence of a recovery in the U.S. — a ploy intended principally to prevent Europe from cutting loose from the Dollar Empire — have bolstered workers in their conviction that austerity is not only criminal but patently unnecessary.

Big MAC's Rohatyn: There's No Monetary System, So We Must Bust The Unions

NEW YORK, April 1 (IPS — In an interview this week, an aide of Municipal Assistance Corporation chairman Felix Rohatyn summarized the perspective of the MAC chairman on the present international, national and local developments as follows:

"We don't have a monetary system. This Thursday and Friday (at the meeting of EEC finance ministers in Luxembourg) we won't get anywhere. The West Germans and the French won't buy our "safety net", nor will the Germans allow a fixed parity system with restructured parities that will hurt their trade. We have a problem and we've got to solve it. The only way available under the circumstances is confrontation with labor. We've no choice. We're quite right to be worried about hyperinflation if we go along with any Humphrey-Hawkins (full employment-slave labor) type programs. The critical thing is keep wages low...then maybe we've got a chance. There's no money and somebody down the pike has to bear the consequences.

"Specifically on the U.S., we've got no choice but to bust unions and break strikes. Once that's done we can try to

sneak ICNEP (the fascist national planning proposal named after its originators the Initiative Committee for National Economic Planning—ed.) through the back door. Last time we blew it by giving it too darn much publicity. Also (President) Ford's honeymoon was much shorter than we'd expected. So the way to do it is set precedent with labor and then get ICNEP going.

"On the New York Transit Worker's strike, well, we've got an injunction out. If they decide to go ahead anyway Ted Kheel (labor mediator and New York trade union controller) will settle the thing with a package that will say 'Look guys, if you want a 10 per cent increase, we'll give it to you. How about taking a 20 per cent increase two years from now.'"

Then addressing himself to the U.S. Labor Party's analysis of the present conjuncture, the Rohatyn aide said, "Yes, yes, we know your International Development Bank solution is the one that will avoid the confrontation approach... You are right about a worker upsurge and mass strike. It's the debt moratorium everybody wants to avoid. Otherwise your approach is OK, just the debt moratorium...well, the bankers won't go along with that."