

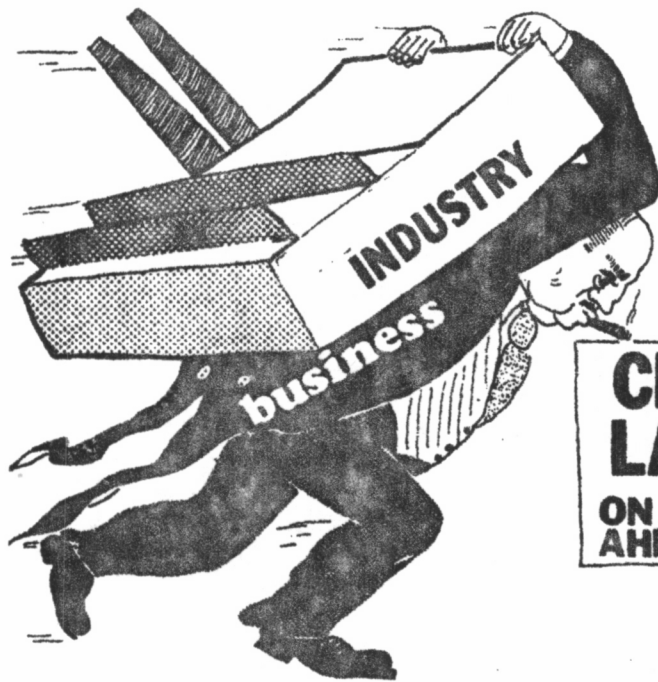
# DETROIT REVOLUTIONARY MOVEMENT RECORDS

BOX 11 OF 16

FOLDER 32

CCC RUNAWAY SHOPS M  
HUNGERFORD AND B EWEN  
JAN 1974

# RUNAWAY SHOPS



Credit: Dayton Workers' Voice

WHITE SUPREMACIST  
SOUTH AFRICA

ROCKEFELLERS  
SOUTH  
AMERICA

U.S. ARMY'S  
SOUTH KOREA

WALLACE'S  
ALABAMA

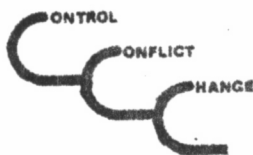
THIS CARTOON WAS SUGGESTED BY A FRIENDLY WORKER

**Presentations by**

**MARY HUNGERFORD**  
of the Alliance

**BRUCE EWEN**  
of the Motor City Labor League

**January 15,**  
**1974**



**Socialist Education  
Institute**

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RUNAWAY SHOPS

This is a transcript of presentations made by Mary Hungerford of the Planning Committee and the Alliance and Bruce Ewen of the Planning Committee and the Motor City Labor League. It's subject centers around the runaway shop and the role of the Multi-national Corporation in worldwide imperialist competition. Between the two speakers the General Motors film "The Beatle and the Bug" was shown. Also included here are questions and comments addressed to a panel consisting of Bruce Ewen, Mary Hungerford and John Taylor, of the Motor City Labor League.

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The presentations were made to attending members and guests of Control, Conflict and Change on Tuesday January 15, 1974 at Central Methodist Church, Detroit, Michigan.

Runaway Shops was the fourth session of the fourth year of the program of CCC, a socialist educational program sponsored by The Alliance and The Motor City Labor League.

For Further Information:

Control, Conflict & Change  
17404 John R.  
Detroit, Michigan 48203  
867-2917

SPEAKER -- MARY HUNGERFORD OF THE PLANNING COMMITTEE  
AND THE ALLIANCE

Tonight's session is on international runaway shops. More broadly, it is about international expansion of monopoly capitalism backed up by military force: commonly referred to as imperialism. Our focus tonight is four dimensional: (1) The nature of imperialism, especially U.S. imperialism, as demonstrated by the multinational corporations. (2) Effects of imperialism, in particular, runaway shops, on all workers--here and abroad. (3) The multinational corporations' attempts to 'educate' workers with their propaganda designed to pit workers against one another internationally; and perpetuate a false sense of consciousness about the dynamics of imperialism and its solution. (4) The role of trade unionism in the struggle against runaway shops and imperialism generally.

An important theme flowing through tonight's session, as well as previous sessions related to workers struggles against our bosses, is the position that the struggle between the interests of the rulers (the bourgeoisie who own and control the means of production) and the workers (the producers) is irreconcilable. The rulers have collectivized their power over workers on an international scale; the workers, the proletariat, must do the same. Not simply to gain some concessions, but ultimately to place the means of production where they rightfully belong: In the hands of the workers.

The film we'll be seeing tonight, "The Beetle and the Bug," made by GM for the "education" of primarily production workers, is an example of imperialist propaganda. Why are we told by GM that the problem is all those nasty VWs and other bugs "invading" the American auto market? Why are we told that the cause of the problem is the workers themselves: (1) The U.S. auto workers because they don't work hard enough and don't "care" about their product, and besides, keep on buying those beetles and bugs; and (2) the auto workers in other countries with whom U.S. workers must compete with by passively following the orders of their bosses?

The fact that U.S. corporations like GM, Ford, Chrysler, ITT, Honeywell, etc., etc., are expanding to various parts of the U.S., and the world in search of more markets and cheaper labor for greater profit in competition with other imperialist nations in Western Europe and Japan is not mentioned in the film. This is why, for example, it's more profitable to lay-off workers in Detroit on a regular

basis, restrict employment, over-work existing workers in a plant, and produce the Dodge Colt, or the Chrysler Love Truck in Japan an 1/3 the labor cost. This is why, for example Mr. Ford sees "an attractive supply of cheap labor" in South Korea, Taiwan, and Indonesia. He can pay the workers in South Korea \$40 a month, and the U.S. puppet government over there sees to it that workers don't openly complain.

The pamphlet on "International Runaway Shops" speaks effectively to this, and the fact that through imperialism both workers here and abroad suffer consequences of oppression. To name just a few: U.S. workers are being blackmailed into accepting lower wages by the threat of runaway shops; corporations use their runaway shops to break and/or prevent strikes; runaway shops are used to force speedup in production. What resulted in the recent wildcat strikes of Chrysler workers in Detroit, what kind of wage increases were obtained, working conditions changed? The miserable concessions made to the workers were not only attributable to the UAW reactionary leadership's but to international imperialist competition and the threat of runaway shops. At the same time runaway shops force workers abroad to work for next to nothing wages under governments "sympathetic" to the U.S. multinationals, wherein the right to strike or demand higher wages is forbidden. All workers are exploited in the process. All workers have a common enemy: imperialism, the highest form of capitalism.

What's the multinationals' formula for an ideal runaway shop? To quote the "Runaway Shop" pamphlet: "Find a country under U.S. domination. Move your machines there. Pay rock bottom wages. Sell in the U.S., under a U.S. brand name, at inflated U.S. prices...When the working people of these countries rise up against their dictatorial governments, when they struggle against their rotten living conditions and low wages, call in the entire arsenal of the U.S. government, from dollars to guns." (pg. 14)

Example, in 1963, the people of the Dominican Republic elected by a majority a government pledged to take away U.S. business privileges. It backed a new tax on sugar profits that would have cost U.S. owned Gulf & Western \$25 million. It threatened a deal the previous Dominican Republican government had made with Standard Oil to set up an oil refinery. In retaliation, a U.S. supported military coup installed a government \$175 million friendly to U.S. investments. When the Dominican people rebelled in 1965 in order to restore the elected government, LBJ sent in 21,000 U.S. Marines to "restore order" and to "protect the people from Communists"--in other words to save the pro-U.S. government and the big U.S. investments.

Now, whenever possible, U.S. multinationals, say, U.S. government, utilizes the armed forces of a given country they have a vested interest in their attempts to control the proletariat: Example, in South Africa, U.S. multinationals, like the International Harvester, GM, and Firestone pay taxes directly to the South African "defense budget". A former South African minister of defense explained "Do not think we are arming to fight a foreign army, we are not. We are arming to shoot down the Black masses." (RS pg. 15) Example, Portuguese troops protect Gult installations worth some \$250 million from the Angolan liberation forces in Angola, a Portuguese colony. By Jan. 1962...Portuguese planes bombed African villages with napalm still marked, "property of U.S. Air Force." (RS, pg. 16) Example, in 1951, U.S. foreign aid to Iran shot up from \$1 million to \$23 million in 1952-53. "Using this aid as an excuse to send in "technicians" and "advisers," including CIA agents, the U.S. government organized and financed a right-wing coup in August 1953. A pro-U.S., pro-Big Oil government took over. Standard Oil, Texaco, Mobil, and Gulf got a 40% cut of Iranian oil. And last but not least, the Vietnam War was 'vietnamized.' Vietnam's location is strategic for major U.S. oil companies' interest in S.E. Asia, among other kinds of corporate interests there. (RS. pg. 20)

If one were to define a "big multinational" corporation as one with sales above \$100 million, operations in at least six countries and overseas subsidiaries accounting for at least 20% of its assets, some 4,000 companies originating from the U.S. and Western Europe qualify, accounting for 15% of the gross world product. Thirteen of these top twenty are U.S. multinationals: GM, Exxon, Ford, GE, IBM, Mobil Oil, Chrysler, Texaco, ITT, Gulf Oil, Westinghouse Electric, Du Pont, and RCA. (RS. pg. 20).

In "The Average Citizen's Guide to the Multinational Corporation," put out by DARG, the multinationals, such as GM, Ford, Honeywell, ITT, and Chrysler all which many Detroiters work under are described as not faceless monsters run by thousands of faceless bureaucrats obeying orders from computers. These corporations are run by, and controlled by a specific group of people who BENEFIT from the way those corporations are operated. Legal authority for the way a corporation is run is given to a Board of Directors. These directors are 'elected' by the stockholders of the corporation. But those elections are 'rigged' because the number of votes any stockholder has is dependent upon the number of shares he/she holds. The chance of nominating someone to represent YOUR interests is entirely dependent upon you either controlling a very large number of shares of stock or having some other control over the corporation (being a banker who has loaned that corporation money, etc.)"

"When we look at GM, Ford, Honeywell, ITT and Chrysler, we can look at the approximately 85 men (no women included) who have the legal authority to make decisions about what should be produced, where plants in foreign countries are located, who should put pressure on the U.S. government and how, and what kinds of contracts are signed with the unions. We can see what kind of men they are and what kinds of interests they represent. And the first clear fact to emerge is that they do NOT represent you and me! These 85 men are directors of 233 different corporations, banks, investment houses, insurance companies and utilities. On the average, these men hold almost three positions apiece, in the biggest firms in the United States." (pg. 15)

These men are part of a ruling class, which is the dominant economic-political power in the U.S. Exposing the fact that there is such a ruling class, not only in the U.S. but in other imperialist and smaller capitalist countries (generally referred to as the 'free world'), by careful research and documentation, is an important step in raising political, that is, class consciousness.

Recent liberation movements throughout the third world have sprung up in opposition to such imperialist ruling classes and their lackies. In Southeast Asia, in South Africa, in South America, in the middle East, workers are fighting overtly and covertly for their own national self-determination against imperialist powers. This is an important step toward international self-determination of all workers. This can only be accomplished by national socialist revolutions, supportive of each other. That is because of the utter absurdity of hoping that those with the economic-political power, the imperialists, the capitalists, will gracefully give us that power: Chile, among other examples, is a stark reminder of the falsity of that hope.

But a socialist revolution is not an event, it is a process. As "The Guide to the Multinationals" points out: "In many ways, average folks can begin to change a system which now operates for the profit and pleasure of the multinational corporations. We can't do it all at once and we can't do it over night. But all over the world, other 'average' folks are changing their systems--are building systems where 'profits' are translated into free universities, free medical services, and subsidized housing. Decisions and control in factories and offices in these Socialist systems are in the hands of the people who do the work, NOT in the hands of a ruling class.

We can't 'copy' anybody else's system. We must build a society that reflects what we, as Americans, value and

cherish. Because we love our country, we want to change it. It is possible and we can do it." (pg. 17)

One question commonly raised is what role have the most powerful U.S. trade unions played as the so-called leading proletariat institutions struggling in behalf of the workers. What, for example, has the UAW done to counter the lies and distortions in the film we're going to view made by GM? What has the UAW done to educate workers about the dynamics of runaway shops? Nothing. What, in general, have trade unions like the UAW and AFL-CIO done on behalf of workers? They have gained some expediant economic concessions for the workers in turn for forsaking the ultimate goal: returning the means of production back to the producers. Their behavior has been primarily opportunistic, in that they have failed to educate the workers as the objective class dynamics operating between the bourgeoisie and the proletariat in any given circumstance, and have invariably ended up compromising with capitalists to ensure their own positions with the blessing and monetary padding of the ruling class.

For example, what has the AFL-CIO leadership done to educate the workers about runaway shops and how have they attempted to deal with runaway shops? Well, in 1971 they came up with a "Five Point Plan" which they claimed would stop runaway shops:

1. The government should tax runaway firms sufficiently to make it less attractive for them to go overseas...
2. The government should regulate, supervise and curb large outflows of American capital for investment by U.S. companies in foreign operations.
3. The government should regulate the foreign license and patent arrangements of U.S. companies to curb the export of American technology...
4. The government should press for international fair-labor standards in world trade.
5. The government should set up an orderly system to regulate the flow of imports into the U.S.

Either one of two assumptions come to mind: Either the AFL-CIO leadership is naive about the relationship between imperialist dominated countries and the government of such countries, or that they are misleading people.



George Meany, in a "Conference on Jobs," in July of 1971 remarked, "In a nutshell, organized labor is not going to allow cheap foreign imports to destroy the American standard of living." (pg. 23-RS)

In order to directly prevent "foreign imports" and runaway shops, AFL-CIO and other unions are promoting a "Buy-American" campaign. Does that mean foreign made products made by the U.S. multinationals included? Why of course, U.S. imperialists are competing with imperialists of other countries world wide for markets, cheap labor and profits, and the AFL-CIO seems to be doing its best in helping them along.

It is CCC's position that trade unionism is not sufficient to unite all workers against their oppressor, capitalism in all its modern-day manifestations, but it in fact pits them off against one another on the basis of nationality, and fails to educate us in what imperialism is about, and fails to help us, we the victims of imperialism, nationally and internationally.

But what of extreme left trade unionism? It certainly has revolutionary tendencies. We bring this up because if one were reading the "Runaway Shop" pamphlet in order to find out what can be done to ultimately counter imperialism, the pamphlet suggests some vague notion of revolutionary international trade unionism as the solution to imperialism. Now we are talking about anarcho-syndicalism. Wm. Z. Foster defines anarcho-syndicalism as: "that tendency in the labor movement to confine the revolutionary class struggle of the workers in the economic field, to practically ignore the state, and to reduce the whole fight of the working class to simply a question of trade union action. It's fighting organization is the trade union; its basic method of class warfare is the strike; with the general strike as the revolutionary weapon; and its revolutionary goal is the setting up of a trade union 'state' to conduct industry and all other social activities." (pg. 20 in History of the Labor Movement in the U.S., Vol. 4, by Phillip Foner)

Anarcho-syndicalism relies almost exclusively on spontaneous demonstrations and strikes by workers. It's battle cry is unite against oppression, but just how, and why and to what specific end is left unclear. The folding-up of the League of Black Revolutionary Workers was partially just because of such spontaneity. The correct vehicle for socialist change is through a Marxist-Socialist party geared toward raising class consciousness in workers and developing a valid class analysis and strategy which would make Socialist revolution possible.

Speech by Bruce Ewen

There are a bushel-basket full of analyses concerning the rapid expansion of the multinational corporations in the last twenty years - a new stage in the process of imperialist expansion and contraction in the capitalist world. Just as Great Britain's leadership and power on the international scene declined rapidly with the rise of other capitalist power in Germany, the U.S., Italy and Japan; with the destruction of two world wars, and, most importantly, the emergence of a socialist alternative and the exploding national independence movements, the United States, the leading industrial and military power in the capitalist world today, is seeing its empire and political influence decline. The contradictions between capitalism and working people in both advanced capitalist and third world nations are becoming apparent so fast that we're all having to run like hell to figure out what they all mean.

It is necessary to analyze the trends, predict what is going to happen, and formulate strategies for toppling the trees as they try frantically to keep bending in the wind. We are living in the era of socialist revolutions, and it appears that they are not going to be restricted to third world areas. The responsibility for ensuring that the spontaneous revolts occurring in the capitalist world (the wildcat strikes, slowdowns, demonstrations, boycotts, etc.) assume a direction that lead to an overthrow of the capitalist system and the building of a world socialist system, is in our hands, as well as in the hands of Japanese workers, German workers, British workers, French workers, Vietnamese workers, Angolan workers, Chilean workers, and of course workers in already-established socialist systems.

How this occurs depends on a number of factors, one of which is an evaluation of the latest activities of the

multinational corporations, and of the effects of the spread of monopoly capital into an ever-more-sophisticated network of techniques for exploiting other nations and wreaking havoc on the operation of the American economy for the expansion of profits for the wealthy families - the Rockfellers, Mellons, Harrimans, Fords, and DuPonts.

The runaway shops phenomenon, described in the pamphlet we are using for this session, is one of the mechanisms of imperialist expansion, of the international penetration of capital; and the consolidation of an international division of labor under the centralized control of the largest industrial and military power (so far), the United States. The multinational corporation has, in its striving for sources of investment of its surplus capital, for cheaper raw materials needed in the production process, for tax havens, and for non-unionized, low paid labor, operated in a fashion that has accentuated the problems of inflation, unemployment, shortages, and balance of payments crises in both its own home territory and in the areas in which it exerts control. ITT's interference in the Chilean economy, Rockefeller and Ford's interference in the Philippines, Polaroid's assistance to the apartheid regime in South Africa, are but small examples of the potential of these massive enterprises whose sources of funds exceed the total gross national product of many nations. The ability of these firms to override national economic controls and regulations is becoming increasingly alarming even to the U.S. Senate, which has been conducting investigation of the MNC. And the Senate represents the bourgeoisie, but a different variety of capitalist. It is possible that contradictions between the capitalists in the MNCs and

and capitalists in more domestically-based production sectors has given rise to the incredible leakages of information that have shaken our government and the faith in the capitalist system on the part of large amounts of workers --- the Pentagon Papers, the ITT memos, Watergate, Spiro's Folly, and whatever we are going to find out next.

Lenin's analysis of imperialism has been helpful in explaining why certain things occur, and in predicting some of the conflicts that will occur. His Imperialism: The Highest Stage of Capitalism has been the key methodological foundation of most of the left research of 20th Century imperialism. He defines imperialism as having five basic features: (1) the concentration of production and capital has developed to such a stage that it has created monopolies which play a decisive role in economic life; (2) the merging of bank capital with industrial capital, and the creation, on the basis of the "finance capital", of a financial oligarchy; (3) the export of capital as distinguished from the export of commodities, acquires exceptional importance; (4) the formation of international capitalist associations which share the world among themselves; and (5) the territorial division of the whole world among the biggest capitalist powers is completed. (P. 233, Selected Works)

The U.S. multinational corporation is precisely the extension of the most monopolized industries (monopoly capital) in the American economy. The 500 largest industrial firms in the U.S. represent 65% of sales, 3/4 of the profits and employment of all U.S. industrial corporations. 187 of these top 500 firms account for over

80 percent of the U.S. foreign investments, and over half the volume of U.S. manufactured exports. These large monopoly corporations have access to or control the nation's and the world's money supply through their integration with banks, with each other, and through their penetration of the world's economy. There are two things that are really important in that, in terms of the information that is recently becoming available. This is the Detroit News, Monday January 7, 1974: "Big firms controlled by several banks, Senate study says." The study found that seven New York banks hold 17% of the stock in Mobil Oil, the nation's sixth largest firm, 10.8% in Atlantic Richfield, 11.8% in Continental Oil, 2.7% in Ashland Oil. The Chase-Manhattan Bank was the single largest stockholder in 20 companies, First National City Bank in 9, Morgan Guaranty and Trust in 4, and so on. Folks, probably remember that, and in terms of the international banking scene, the Wall Street Journal, Monday, January 14, 1974: "Where you compete, we compete, the First National Bank of Chicago, Amsterdam, Antwerp, Athens, Atlanta, Bangkok, Beirut, Bogota, Brussels, Dublin, Dusseldorf, Frankfurt, Geneva, Guatemala City, Hong Kong, Houston, Jakarta, Kingston, London, Los Angeles, Madrid, Mexico City, Milan, Nairobi, New York, Panama City, Paris, Rome, Sao Paulo, Singapore, Stockholm, Sidney, Toyko, Toronto -- we do everything the other great international banks do, but we are committed to doing it faster, better, and more certainly because we are managed and organized to compete."

By 1985, it is estimated that the amalgamated giants will control over 80% of the West's corporate assets. They will be among 300 supergiants (U.S., European, Japanese) who will produce more than 1/2 of the world's

industrial output at this time. But they will employ only about 1/10 of the world's labor supply -- and their investment is geared to expand their profits by actually reducing the involvement of workers in the process of production -- automation and continued shifting of the point of production to low cost (raw materials, taxes, labor) areas. They are now and will continue to be responsible for uncontrollable inflation, rising unemployment, increased balance-of-payments difficulties, and further polarization between the wealthy and the poor in all the countries in which they are involved.

The multinational corporation is mostly an American institution (of the top 100 MNC's, 63 are U.S.-based, 29 are European, 8 are Japanese). It is characterized by a parent firm and a cluster of subsidiaries or branches in various countries. There is a common pool of managerial, financial and technical resources. The parent operates the whole in terms of a coordinated, global strategy. Purchasing, production, marketing, research etc., are organized and managed by the parent in order to achieve its long-term goal of corporate growth. The motivation behind direct investment and the possession of foreign branches is primarily the acquisition of markets and control. Direct investment in the 20th century by U.S. corporations has been largely in manufacturing, and particularly in advanced or rapidly developing economies (Europe, Canada, South Africa, Brazil), and in petroleum, although the limit to expansion in these areas was pretty much evident in the latter half of the 1950's, and waves of capital began to flow to third world areas. Lenin talks about the great concern of imperialist powers to exploit not only present sources of high profits from foreign investments, but also potential

sources. Magdoff, in The Age of Imperialism, shows that total profits from foreign investments are far greater in the advanced capitalist nations, that is, the profit rate is far greater in new areas of investment, like Latin America, Australia, and Southeast Asia.

These investments take different forms in different areas. The most capital intensive, that is, highly automated, low labor involvement, like Opel plants, steel production, manufacturing processes tend to go to areas where labor costs are relatively high, and investment within the home base country tends to be labor-displacing -- increased automation which reduces employment. The processes which involve labor intensive production are transferred to the lowest cost labor areas -- in many cases authoritarian regimes where wages are controlled, standards of living of the workers are kept down, and of course, the unions have made the least inroads. As the Runaway Shops pamphlet showed, the plants which get transferred to third world nations are primarily labor intensive ones. For example, the major recipients of U.S. runaways have been Puerto Rico, Mexico, and Southeast Asia. Northern Mexico's Twin Plants Project involves 257 U.S. firms employing over 41,000 workers largely in textiles and electronics. The fastest growing sector of Mexican industry, the Twin Plants export over \$500 million a year in merchandise to the U.S. -- thus assisting Mexico's employment and balance of payments problems at the same time. U.S. parts and components are shipped over the border where Mexican workers assemble them for 30 cents an hour, replacing Milwaukee women who once earned \$2.50 per hour. Whole Southeast Asia countries are building their economies on the basis of the runaway shop. Singapore is the most spectacular example

and electronics its fastest growing industry. U.S., Japanese, and Western European companies have established subsidiaries there. Singapore, like other Southeast Asian countries, promises generous tax conditions and a docile, controlled, and low-paid labor force. Companies are tax-exempt for five years and are taxed at a four percent rate over the next ten rather than the normal 40 percent rate on profits. Low wages are government enforced, sick pay and sick leave are severely restricted, and management is virtually able to hire and fire at will. Most electronics workers are young women between the ages of 16 and 20. Although they are educated, they receive among the lowest wages in Singapore -- \$1 a day.

Puerto Rico, Mexico, and Southeast Asia are not the only recipients or the runaway shop. Haiti, Jamaica and the Dominican Republic have a growing share. Goodyear makes shoes in Guatemala, Sears makes them in Spain and Weyenberg Manufacturers of Milwaukee have a plant in Northern Ireland which exports its entire product to the U.S. General Investment makes TV tuners and other components in Portugal, and so on.

In the 1970's the MNC will have three-quarters of its production and sales outside the home country. Despite Business Week's claims that capital spending is staying at home to take advantage of the boom and to compensate for overseas overextension in the last five years, Ford has slated 46 percent of its 1973 investments for overseas. and Goodyear, General Tire, DuPont, and the oil companies will be spending more overseas than ever before.

Foreign penetration of U.S. banks accompanies investment by U.S. firms. They move in, grab control of the



credit resources of the country, and channel most of the money into the hands of foreign investors from their home country. First National City Corporation has 293 branches in 60 nations. The Bank of America has branches and affiliations in 80 countries. Chase Manhattan was one of the first banks in Saigon and is the first to have a correspondent relationship with the People's Republic of China. International finance capital is crucial to the expansion of the MNC, for it has come under intense pressure to cut its flows of capital -- for these capital flows have hurt the balance of payments. Most of the expansion of the MNC, once a branch plant is located in a country, is done from retained earnings or from borrowing from its related branch banks.

Global rationalization of the production process is another way in which the MNC places the components-parts of its global assembly line in those areas which have the lowest taxes and the least restrictions on repatriated profits and labor exploitation; just like the component parts of the Big Three are made in small shops in the suburbs where, in many cases, the pay is half what the Big Three workers get.

What is the effect of the global assembly line and what does it mean for us? (1) Foreign investment produces unemployment. Although the branch plants buy U.S. manufactured exports, and thus create jobs back home, (direct foreign investment is responsible for over 1/4 of all U.S. exports and 1/2 of all manufactured goods exports), the jobs which it creates through this process are primarily for skilled, highly educated white collar workers. It throws unskilled workers out of jobs, and has a devastating impact on minority and female employment.

The loss of employment from the runaway shops has exceeded 700,000 jobs -- these are direct shifts of jobs outside the U.S. The only reason unemployment hasn't reached phenomenally high rates in the U.S. since WWII has been the rapid expansion of service (non-commodity-production) jobs, primarily governmental. By the year 200, 7 out of 10 workers in the advanced industrial countries will be in the service sector, and 3 out of 10 will be in production. In 1960, the reverse was the case. We are, if the present trend continues, going to become a nation of unskilled, menial and service workers, and of highly educated managers and owners (or coupon clippers, to use Lenin's description of the trend in Great Britain following World War I).

There is an interesting kind of article that I saw in January 1974 Fortune which talks about that process. It gives us a little bit of an example about Fortune's attitude toward workers, and what is happening in this nation. It is called, "Who will do dirty work tomorrow?" We have gone about as far as we can go in mechanizing menial jobs away; we will have to pay more for menial work and get more of it done by young people. In the computer age millions of men and women are still earning wages by carrying food trays, pushing brooms, shovelling dirt, and performing countless other menial tasks in ways that haven't changed much in centuries. It shows how these jobs are expanding; before these jobs had been taken by people with no choice: high school dropouts, immigrants with language difficulties, members of racial minorities, women and young people, as well as unemployed family heads in desperate straits and disproportionate numbers of ex-convicts, alcoholics, the mentally retarded and people with personality disorders. But various

currents of change are tending to make it harder to fill such jobs as time goes by. Some observers indeed foresee an eventual drying up of the pool of labor available to do menial work.

The article goes on to describe what is happening: "No replacement for elbow grease," the incentives not to work because there are all these people on welfare that should be doing menial work; "Towards self-sufficiency in dirty work - the U.S. is in a better position than many countries to move toward a state of self-sufficiency in dirty work. Americans are usually free of the European ingrained class consciousness and under certain conditions are rather flexible about the jobs they will take . . . and in recent years, some white Americans have been moving into low status jobs as black Americans move up. Most of these native born recruits to menial work are women or young people . . . the desire of some women to pursue careers in managerial and professional fields should certainly not preclude employment of a different kind of woman in a different kind of situation; the woman who is not a bread winner, that does not want a career, but does want the freedom to divide her life between house-keeping and periods of work that entail no incumbering commitments between employer and employee." Isn't that nice?

(2) The growth rate of the American economy will grind to a halt (stagnation) -- and the growth will take place outside the U.S., wherever the MNC invests its capital. Increased shortages of essential commodities -- oil, housing, clothing, certain foods, etc. -- as the MNC invests only in the higher profit commodities, and in the higher profit market areas; (3) Increased dependency on imports

and tremendous pressure on the U.S. Balance of Payments. Although the returns from foreign investment greatly exceed the capital flowing abroad in recent years, helping our Balance of Payments, most (1/2) of this income comes from oil investments, not from manufacturing. (4) The source of taxes -- from the profits of the monopoly corporations -- will shrink rapidly, causing a precipitous increase in taxes on working people to pay for increased government employment and welfare and unemployment compensation programs. As the tax base leaves, the comparison here is inner city Detroit versus the suburbs -- as the firms move out to the suburbs the tax base shrinks -- the tax on property owners, small property owners here goes up. The same thing is happening on a global scale. (5) The competitive position of the U.S. in the world economy will continue to decline -- most increases in productivity will occur where U.S. investments are made. Also runaway inflation will continue because of the ability of the MNC to control world prices and resist any national pressure to control them. (6) Increased competition from other capitalist nations -- an increased investment in the U.S. economy by Japanese and West Germans -- in highly automated industries -- but primarily in areas of low labor costs -- the same areas that firms in the Northern U.S. are running away to. (7) There will be an increased frequency of serious crises within the U.S. and its effects will spread worldwide. More and more devaluations of the dollar, to pay for the increased dependency on imports. The loss of industrial and military power of the U.S. and increased reliance of the MNC on international institutions like the International Monetary Fund, the World Bank, NATO, etc., -- the use of the international state to control the conflicts between nations in the international network.

(8) Rapidly increasing socialization of the production process on a world-wide scale develops proletarian consciousness on the part of third world workers as they become integrated into the capitalist system. The global assembly line produces global dependency. Lenin talks about this process in reference to Great Britain, France, and Germany prior to World War II. Their scheme of production entailed actual production outside of the country thus creating a group of coupon clippers dependent on production and thus workers outside of the home base. Compare this with Detroit Forge and the effect of the wildcat strike on Detroit Forge. Detroit Forge was a central strategic place for the components, the forging of axles for all the Chrysler cars. Folks were out three days this last August. They shut down Detroit Forge and their brothers and sisters in the rest of the Chrysler plants all over the Detroit area and in other states got a few day days off. That is one of the potentials that is created by the global assembly line as that process continues. Lenin puts in under the category, in Imperialism: The Highest Stage of Capitalism, of parasitism and the decay of capitalism. It puts the power in the hands of the most exploited people in that sense.

The monopolies are forced to act in an increasingly defensive manner. They must expand imperialism while it is contracting. That is, they must intensify the exploitation of both foreign countries and the home country. The mechanisms as we know include the shops that runaway to the south and southwest, increasing wage controls, speed-up, bogus "quality control for service workers" and so on. All of this must be enforced by more surveillance and control or larger and larger sections of the population. As this process occurs, the antagonisms in all areas

As Lenin states in Imperialism: The Highest Stage of Capitalism: "Imperialism is the epoch of finance capital and of monopolies which introduce everywhere the striving for domination, not for freedom. Whatever the political system, the result of these tendencies is everywhere reaction and an extreme intensification of antagonisms in this field. Particularly intensified become the yoke of national oppression and the striving for annexations, that is the violation of national independence (the violation of the right to self determination -- note that the annexation of the capitalist enterprises is the new imperialism -- not the annexation of nations -- but it has the same effect). . . . the capital imported into these nations intensifies antagonisms and excites against the intruders the constantly growing resistance of the peoples who are awakening to national consciousness . . . . The movement - for national independence (in this case for socialist revolutions) threatens -- capital in its most valuable and most promising fields of exploitation, and capital can maintain its domination only by continually increasing its military forces." (Selected Works, P. 257,258)

"The receipt of high monopoly profits by the capitalists in one of the numerous branches of industry, in one of the numerous countries, etc., makes it economically possible for them to bribe certain sections of the workers, and for a time fairly considerable minority of them, and win them to the side of the bourgeoisie of a given industry or given nation against all the others. The intensification of antagonisms between imperialist nations . . . increases this urge. And so there is created that bond between imperialism and opportunism." (Selected Works, page 261) . For examples we need only turn to the AFL/CIO

activities support of the war for the jobs created by defense contracts, etc.

It was only when, in fact, the negative results of the Vietnam War, of rising taxes, inflation and declining real wages began to make themselves felt in the latter half of the 1960's that increasing segments of the UAW and the AFL/CIO turned against the war. They began to support unions who had been against it all along like the United Radio and Electronics Workers, the UE.

Lenin shows that the ruling class of Great Britain understood the relationship between opportunism and imperialism (and hence the relation between the class struggle and national liberation movements.)

"Chamberlain advocated imperialism as a "true, wise and economical policy." and pointed particularly to the German, American and Belgian competition which Great Britain was encountering in the world market. Salvation lies in monopoly, said the monopolists as they formed the cartels, syndicates and trusts." (Selected Works, P. 225) Cecil Rhodes, millionaire, a king of finance, a man who was chiefly responsible for the Anglo-Boer War, said in 1895, "I was in the East End of London (a working class quarter) yesterday and attended a meeting of the unemployed. I listened to the wild speeches, which were just a cry for "bread"! "bread"! and on my way home I pondered over the scene and I became more than ever convinced of the need for imperialism . . . My cherished idea is a solution for the social problem, i.e. in order to save the 40 million inhabitants of the United Kingdom from a bloody civil war, we colonial statesmen must acquire new lands to settle the surplus population, to provide new markets for the

goods produced in the factories and mines. The Empire, as I have always said, is a bread and butter question. If you want to avoid civil war, you must become imperialists." (Selected Works, P. 225)

What we are seeing now is the contraction of the world imperialist system, despite its complicated and manipulative strivings for world order, the creation of an international state, and an international bourgeoisie. Its impact on American workers, and even segments of the capitalist class, can't be understated.

Will we have a civil war? What form will it take? How long will it take? Will it have socialist leadership, so that the American workers have an alternative to fight for? We on the left have a tremendous responsibility to analyze, predict, develop socialist consciousness and leadership among our fellow workers --- and to support, in concrete ways, the struggles of other workers to extricate themselves from the yoke of imperialist aggression and the national bourgeoisie. We have a responsibility to actively oppose imperialist aggression at home and overthrow the capitalist system which has for too long bent against the winds of change. The higher levels of organization, centralization and coordination of the bourgeoisie can only be met by higher levels of organization, centralization and coordination by the proletariat throughout the imperialist network. And we WILL WIN!