Why the NEP?

On August 15th the New Economic Policy (NEP) went into effect. The NEP is not isolated, but it is a policy created to strengthen the rule of the few people who own the US and control all of the wealth. The period of inflation that we are in today has been caused by: (1) the war in Indochina; (2) defense spending; and (3) over-production of things that we don't need or can't afford to buy. It is not caused by wage increases. NEP has been formed to fill in the cracks of US monopoly capitalism. It is designed to make working people pay for the ever greater greed of the few people who own all of the wealth. It is an ATTACk ON WORKING PEOPLE. That is why we must know what it really is and how to fight it.

What is the NEP?

Phase 1 of the NEP ordered a freeze on wages and prices for a period of 90 days. Any wage increase fought for, negotiated, signed into contract, voted on, ratified, and due to be paid to workers between August 15 and November 12, said the policy, wouldn't be paid. This included cost of living increases, regularly scheduled raises, retroactive paychecks, inequality adjustments, bonuses, hardship allowances, etc. The 30% of wages and salaries due to be paid during the 90 days, regardless of when they were negotiated, haven't been paid.

New laws established by the NEP include a law which prohibits workers' right to bargain collectively and to organize strikes. The law says: "Any practice which constitutes a means to obtain a higher price, WAGE, SALARY, or rent other than is permitted by this regulation is a violation of this regulation." The next paragraph of the law says that anyone who does strike is subject to "temporary or permanent injunction or restraining order." These laws were not idle threats. The government quickly used injunctions as well as the Taft-Hartley Act against striking longshoremen on the West and East Coasts. (The Taft-Hartley is one of the most anti-labor laws on the books. It calls for 80-day back to work periods where the strikers work without a contract.)

What has gone on so far?

The first major decision of the Pay Board was to guarantee that there would be no retroactive wage increases given to working people. This means that the wage increases that working class people fought so hard for and lost during Phase I of the freeze will not be granted.

Already the pay board (with the fire top labor sellouts of America on it, voted that nearly all wage increases must not be over 5.5%, knowing that the rate of YEARLY inflation is well over 6%. Federal government workers, who had 5% laid off during Phase I, are not going to receive any pay increases until July, 1972.

There have been a few exceptions made to the 5.5% wage rate. They include those who are working under the minimum wage and those due for "hardship raises." These exceptions were made only after workers all across the country raised hell about the 5.5% limit.

The one time that industry and labor voted together on the Pay Board was to give miners a 16.8% wage increase. At first this seems very "fair" to industry, but there are underlying reasons for the position that they took. First of all, industries which are very dependent on soft coal for production were losing millions every day. Miners were on strike for 45 days and they refused to go back until they got their raise. Finally, the industrialists on the Pay Board liked the idea of the raise for miners. They even went so far as to play up the raise in their newspapers. But, THEY ONLY PRINTED HALF OF THE STORY.

THE "NEW ECONOMIC POLICY"

by REVOLUTIONARY UNION

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WHO PROFITS FROM THE NEP?

The Pay Board is supposed to represent 3 sectors of the American economy, industry, labor, and the "public." But who is really represented? Industry is represented on the Pay Board by such monopoly corporations as United States Steel (USS), and General Electric. One member, Roger Blough, made his name in the ranks of the ruling class through his "discussion group" called "Roger's Roundtable." This roundtable consisted of high ranking corporation officials and Conservatives who were planning a strategy designed to bust unions and create racial dissension and massive strikes and layoffs. They planned to allow the coming steel strike to happen so that the strike would spread and they could bring in the Army, etc. to put down the striking workers. The purpose of this was to strike fear in the hearts of working people so that they wouldn't want to fight against the bosses.

The labor seats are filled with high ranking labor bureaucrats like George Meany, Fitzsimmons, Woodcock, and others who should refuse to serve on a board that doesn't represent the interests of working people, and whose purpose is to break the backs of working people. Besides that, they don't even represent ALL working people because 70% of the working class is unorganized! The labor seats are filled with high ranking labor bureaucrats like George Meany, Fitzsimmons, Woodcock, and others who should refuse to serve on a board that doesn't represent the interests of working people, and whose purpose is to break the backs of working people. Besides that, they don't even represent ALL working people because 70% of the working class is unorganized!

And there are the so-called "public" members who are nothing but lackeys in service to men like Nixon. These include George Boldt, a long-time judge, and Arnold Weber who served on the President's Advisory Commission on Labor Management. The true worth of the public members can be seen in their voting record. Practically every vote on the board was 10%-9 with the "public" members voting along with industry. The Pay Board is a sham. It was set up to make working people think that the Government is being fair with this whole deal.

The Price Commission is made up of the same kind of "public" members as the Pay Board—lackeys of government and big business. No one represents the poor and working man and woman who must pay the prices that the commission sets.
their paper? Just like they use racism to divide us, they use this example of the "privileged" miners to divide us even further. We can learn from the tactics that the capitalists used in this case and we can also learn from the miners. The factor that made this wage raise possible was the strong and determined fight that the miners put up to the bosses. Instead of feeling jealous of the miners we should follow their example.

The Price Commission says that there is a 2.5% average price hike that they are aiming for. Already they have violated this "average" by giving Bethlehem Steel a hike of 7.6%; National Steel, 7.2%; and 8% for Crane Company (a subsidiary of G.F. Stel). This only for the first steel industry. The auto industry is to give some excessive rates hikes. Ford got a hike of 2.9% and Chrysler got a hike of 4.5%. Coal companies are expected to get even higher rate hikes. Philadelphia Electric Company, a "public" utility owned by private interests, will ask for even permission to raise their rates by 8%, giving them in excess of $30 million extra profit. The meager exceptions to the 5.5% wage rate ceiling don't weigh against the massive benefits to the monopoly corporations.

The initial action of the Price Commission was to announce all products exempted from controls. Among them were: apartment rents they will be allowed to go up if at least 10% of the rents for similar apartments in the same unit were raised during the 30 days before August 15., used cars and used homes (this is a direct attack on working people who cannot afford new homes and cars.), raw agricultural products, exports, TAXES, and government surplus materials. All of these facts and figures show how the NEP works — in the interests of the few people who own all of the wealth.

The question is; Can the NEP solve America's economic crisis? No it Cannot! The type of crisis that we face now is built into the capitalist system. It comes because the capitalist bosses who own the factories are interested in one thing only-MAKING MORE PROFITS. What the NEP is trying to do is blame all Americans for the crisis and then make working people carry the burden, while boosting up the big corporations.

**The War and Inflation**

Adding even more fuel to the so called "normal inflation" is the war waged by the government. Like everything else under capitalism, this war is being waged to increase and protect big business' profits.

Since the turn of the century, the economy of America and other major capitalist countries has been controlled by monopoly corporations. As they have explained, they have all had to extend their domination to the rest of the world in order to have larger markets give them more raw materials, and cheaper labor than in their own countries. This open access to foreign markets is a means of keeping their surplus capital earning more money.

The bosses can no longer make huge profits by selling the products made or even that they need. This creates large profits for the capitalists for a while. But eventually unsold products accumulate and the next step is massive layoffs, slowdowns, and shutdowns. The bosses, not wanting to give up their boom profits attempt to make workers produce more per hour; but also the gigantic multi-million dollar profits they use this example of the "privileged" miners to explain. They use this as an example of what the U.S. and rob us of our raw materials and work for the monopolies in this fashion.

We pay for and die in the monopolies' wars to rob other countries of their wealth. The Vietnamese, Laotians, Cambodians and other people are fighting and winning a war to liberate their countries and prevent them from becoming slices of the monopolists' pie.

**The Oil Companies in Indochina**

[Map showing oil companies in Indochina]

We can see how important Vietnam and Southeast Asia are to American corporations by looking at a map which shows who controls the waters around that area.

But now, people all over the world and especially people in Asia and Africa are tired of having their countries controlled by foreign powers and are fighting back. How would you like it if the Vietnamese people decided to take over the east coast of the U.S. and rob us of our raw materials and work for any wages they told us we had to work for? The Monopoly Capitalists are fighting desperately to keep their control over southeast Asia at the expense of the masses of American People. Not only is it the bodies of the sons of the working class who are on the line, but also the war is stoking the flames of inflation which burn up the working man's hard earned money. This happens in two ways.

The first way is to raise the money through increasing taxes. This method does not add to inflation but takes money out of the working man's pocket directly. We can see very easily where our money is going and why. For this very reason Nixon and his gang prefer not to use taxes as a means of collecting money for the war.

The second way the government has for raising money is to have the mines just print it up. They do this through a lot of complicated machinery which boils down to the government borrowing money from the big monopolies banks at interest rates of 4 to 5%, and then printing up more money in the mints to pay the banks back. This makes big profits for the monopoly banks and also adds to inflation. More greenbacks are circulating but the number of goods and services is not increasing so that the new money is worth less and causes prices to go up. While the government is not taking money out of our pockets directly to pay for the war, they are doing it by making us pay inflated prices for the goods and services we need.

Unlike taxes, this way of raising money is quiet, sneaky, invisible to the general public and mysterious in its workings; therefore it is ideal for the government's purpose of paying for an unjust and unpopular war.

This process started in the winter of 1965-66 when Defense Secretary McNamara figured that the war would cost $10 million for 1966, but wound up costing $20 million. The president decided not to ask for a tax increase and instead put in the complicated machinery of printing up money to pay the government debt. This is what the superinflation we face now really got into full swing.

Another way the war causes inflation is by causing a shortage of certain goods that people need. This again is caused because capitalists are interested in profits, and not meeting the needs of the people. It is more profitable for the big corporations to produce war supplies for the government than to produce goods and provides services that the civilian population needs. The shortage of needed goods and services on the civilian market causes their prices to go up. An example is steel. Much of the steel produced today goes for war supplies. This leaves little steel left over for new housing construction and the cost of new housing goes way up.
To begin with, up until the time that the -York investment counselling service, said in the Wall working people for years that we are to blame for before wages begin to rise faster than output. Peter L. Bernstein, president of a New inflation. This is to soften us up for bearing the government's biggest lies, right now are that the lies. While they won't admit it to us, they admit it to working man carry the burden of the economic crisis very good at lying when it is in their interests. The American people are facing corpes from three things, that the government can pay its war debt, and insurance companies could raise their freeze that would decide how high prices could rise during the freeze. 

3. shortage of certain consumer goods and services because production is geared to making the freeze. The big agribusinesses throughout the U.S. country were guaranteed no competition from foreign corporations. To do this, Nixon forced a 10% tariff on all foreign manufactured imports. Nixon says: More jobs. It sounds more like "More Layoffs". On top of this, Nixon is laying off 130,000 government employees to lower the national debt. Price fixing by monopoly corporations. But even if the capitalists didn't cheat before the freeze, the government made it easy for them to cheat during it. Wages and prices were supposed to be frozen voluntarily. Any working man or woman knows that bosses are very happy to freeze wages. As a matter of fact, they try to do it all the time. The only reason that they haven't been able to do this is because working people have fought to get the increases that they have worked for. But the capitalist bosses won't freeze prices if they can get away with it, and the government knows that every working person understands this very basic rule. So to make it look like the government is cracking down on offenders, it set up the Cost of Living Council(COLO) to control prices and wages. Its punishment power of $5,000 fines and injunctions is like whipping with a wet noodle to multi-million dollar corporations. 

The results of Phase I very clearly show us who the N.E.P. serves. During the freeze period, companies like Coca-Cola, Sears, and North American Rockwell all had profit rises way above the normal for their volume of sales increases. This shows that the extra profit that these companies got came directly from the pockets of working people. A few days after Phase I began, the Nixon Administration gave the Steel Industries a price increase of 5%.
of what is causing inflation. The real reason for uncontrollable inflation is the drive for profits. Profits are the one thing that the NEP doesn’t control; as a matter of fact, it was designed to increase profits. The wage and price controls are a stopgap method to hold back inflation without hurting monopoly capitalism. If wage-price controls are removed, inflation will break out again with more force than before.

The wage freeze. This won’t win us anything now and the Pay Board if retroactive wages weren’t with the wage-price freeze. But as fast as he raised freeze in August. Now, some of these same politicians take them back so that all working people. Black, aren’t even unified yet, but we can’t turn to creating conditions aren’t ripe for a General Strike and we besides, all of us aren’t ready for it, especially since

Meany even said he would lead a walkout of labor leaders who are on

the Pay Board if retroactive wages weren’t lifted. He and his labor bureaucrat friends but they claim they are fighting bureaucrats, like heads of the workers to “toe the line”.

The NEP, just like the leadership has taken us in and they have every chance. Sitting on boards they’ve even gone after unions who are sounds like they are ready of the NEP. The labor and do another. They are in trea
tors and downright sellouts.

Some proposals include a General Strike to fight the war freeze. This won’t win us anything now and besides, all of us aren’t ready for it, especially since the labor bureaucrats are misleading us all. The conditions aren’t ripe for a General Strike and we aren’t even unified yet, but we can’t turn to creating new unions either. We must fight in our unions to take them back so that all working people, Black, Brown, White and men and women, can benefit from them.

Black, Black, Brown, and other non-white people are the most affected by the N.E.P. The unemployment of Black people has increased. These people are the lowest paid among us, and the capitalists use that so the rest of us think we’re better than them. There’s nothing easier for the capitalists to do than to split working people up. They do it especially by racism. We aren’t winning anything by supporting the capitalists’ exploitation of these people. Our fight must be together, with the most advanced people in the lead. This means that Black and Brown people, who are fighting hardest now against the capitalist class, are leading the rest of us.

N.E.P. can definitively be defeated. The friends and benefactors of the N.E.P. are a tiny handful of people surrounded by, and isolated from the masses of the people in this country, and in other countries affair led by N.E.P., and who oppose it. Compared to the working class, they are like a gnat to an elephant. The working people produce, transport, and service everything that is produced, transported, and serviced. Without the working class, the machines stop, life stands still, and everything falls apart.

When the working class moves, nothing can stop it. Injunctions, demagogic politicians, treacherous labor leaders, not even the police and army can stop the working class.

What Can We Do Right Now?

1. We can educate our brothers and sisters in our unions as to what N.E.P. and Phase II really are.

As the U.S. finds it harder to compete on the world market and sees its position as the number one boss in the capitalist world being threatened, we will see more controls put on the American people. These controls will be designed to make our economic system produce more profits. As the monopoly capitalists attempt to strengthen their rule, the working people of this country will fight even harder against them!!!