

NATIONAL REPORT

Vol. III, No. 29

November 12, 1975

EC Minutes for October 30 and November 6

Resolution on Angola, from the EC

Black Commission Note

Organizational Finances, from the National Secretary's Office

NC Committees, from the EC

WP Editor's Report, by Gay S.

Economic Perspectives, by Joel G.

NOTE: There is no National Secretary's Report in this National Report, as he was travelling at the time it was published.

FOR IS AND RED TIDE MEMBERS ONLY

EC MINUTES (11-6-75)

Present: Marilyn D. Mike P., Kim M., Jack W., Gay S., Glenn W.,
Pam W. for minutes

I. National Secretary's Report

A report was given on the continuing progress of the Worker Membership Campaign, including the fact that the third publication, "Taking Care of Business--The Struggle for Workers' Power," is now out to the branches.

The report was accepted.

II. Industrial Secretary's Report

A report was given that focussed on the successful West Coast response to the TDC campaign. As a side result of these successful meetings, the industrial commission will publish in the very near future a handbook on how to use the media, based on what we learned in this experience. The new national publication continues to be a whopping success.

The report was accepted.

III. Workers' Power Report

A report was given on the content of the next issue, and the report was accepted. (See next issue for results.)

IV. Resolution on MPLA

A report was given on the current situation in Angola, and its relationship to what's happening in Portugal. A resolution in total support of an MPLA victory in Angola was introduced, and passed. Further, a motion to make systematic efforts to educate ourselves on Angola in the next few months was passed. (See this NR for full text of resolution.)

V. CLUW Line Change

A document was presented which explained our change of line on CLUW and gave the perspectives for our functioning at the upcoming convention. This document will be sent out to the members of the CLUW fraction. The report was accepted.

VI. Provisional Perspectives for Jan-June 1976

A report was given which detailed our perspectives for the period Jan-June 1976. The report was accepted, and the perspectives will be the subject of the next NC, to be held on Jan. 17 and 18.

EC Minutes (10/30/75)

Present: Glenn W., Gay S., Kim M., Jack W., Joel G., Marilyn D., Mike P., Pam W. for minutes

I. National Secretary's Report

The report covered the Worker Membership Campaign, the Portugal cadre school, the Fund Drive, and IS finances in general.

The report was accepted.

II. UAW Perspective

A report was given on the present auto work and future perspectives for work around the contract.

The report was accepted.

III. Industrial Secretary's Report

The Industrial Secretary reported on the teamster work and the red-baiting campaign now being waged against UA by the international, mostly in Louisville.

The report was accepted.

IV. Economic Perspectives

A report on our economic perspectives was given, pointing out that our position is essentially correct, to within a couple of months and a couple of points. See this national report for a complete document.

V. Agenda for Next NC

A preliminary discussion of the agenda for the next NC was held. This NC will take up perspectives for the period January-convention. A full discussion will be held at the next EC meeting.

VI. Red Tide

A report was given on the current state of the Red Tide.

The report was accepted.

RESOLUTION ON ANGOLA

Our position on the war in Angola is total support to the victory of MPLA. The MPLA is in fact the only national force in Angola. This position and part of its motivation are laid out in the WP #134 centerfold (future coverage will be forthcoming). In the next couple of weeks the events in Angola will be key to what happens in Portugal. The right wing in Portugal is trying to create chaos this weekend and immediately after to prevent the government from turning over power in Angola to MPLA.

The role of FNLA and UNITA must be clearly understood. They are supported, armed, and in some cases directly led by South Africa, the United States, France, West Germany and China. An invasion of Angola is taking place--by FNLA from Zaire, and by South Africa with the help of UNITA from the south. The aim of imperialism in Angola is to prevent the de-stabilization of southern Africa; to keep Angola safe for the fabulously profitable investments of the multinationals; and in effect to accomplish this by destroying MPLA and replacing it with a Tshombe-like FNLA/UNITA regime.

MPLA is armed by the Russians and Eastern European states. However, contrary to the Maoists who are using this as a pretext for "neutrality" or a pro-UNITA stance (e.g., CAP), this does not make MPLA a creature of "social imperialism" (i.e., Russia). MPLA has won the masses of oppressed and exploited Angolans through 15 years of armed struggle, through basing itself on the fight for national liberation rather than tribalism, through creating basic elements of national administration and through its clear opposition to the cruder forms of neo-colonial domination in Africa.

The fact that we are for the unconditional victory of MPLA means that this will be the key emphasis in our paper and any other public activity we engage in. However, we want to be sure that there are no illusions about the politics of MPLA itself. In fact, MPLA in power (which it will probably be able to consolidate in 6 months time) will face all the standard contradictions of a newly independent middle-class-led nationalist regime. Its plans include some nationalization, but much of the foreign investment will remain in the hands of its current owners. That means the struggle against neo-colonial penetration will continue. When the working class begins to move independently, as we believe it will very soon (particularly under the explosive conditions an MPLA victory will create throughout southern Africa), MPLA in power will be forced by the logic of its own program and position in society to turn against it. We do not know enough to be able to predict whether strong left-wing pro-working class currents will emerge within MPLA itself.

RESOLUTION ON ANGOLA (CONT.)

The only road forward for the liberation of the masses of Angolan people is socialist revolution. However, that is also linked to the struggles in South Africa, Rhodesia and the rest of southern Africa which will be qualitatively strengthened by the most thorough and rapid possible victory of MPLA in the current war.

November 8, 1975

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TO: All Members
FROM: Black Commission
RE: Information on the KKK, White People's Party, etc.

The Black Commission requests that any comrades who come across information on the KKK, the White People's Party, the Nazis, etc., please send it on to us as quickly as possible.

TO: Branches

FROM: National Secretary and Asst. National Secretary

RE: Organizational Finances

DATE: November 11, 1975

After a review of our expenditures for the past four months, we are pleased to report that overall we are coming in under our budget-- that is, we are spending less (slightly) than we had budgetted for. However, we are less than pleased to report that, notwithstanding our success, we are still broke. The reason we are broke, comrades, it that the income we had assumed we were getting (and which we based our budget projections upon) has not appeared. The major failing has been in the area of dues. And that is your failure, comrades.

About dues. In the past four months, at least 1/3 of the dues has not been collected by the NO. In practical terms, what this means is that the NO staff, each of whom lives on \$85 a week, is subsidizing the rest of the organization. This fact is particularly bizarre when one considers that many comrades, because of the industries we are in, are making \$7 an hour.

We understand that many comrades have heavy financial responsibilities, in the forms of debts, family responsibilities, etc. We also understand that many comrades are subsidizing the fractions and the branches in many instances. Our understanding, unfortunately, does not pay our rent. Abstractly, comrades, we sympathize; concretely, when we are trying to avoid getting evicted because our rent is two weeks late, we are less than sympathetic--particularly when we realize that many comrades are chucking money into savings accounts, buying homes and new cars, insurance, etc. Meanwhile we are trying to buy groceries for the week.

In sum, our budget was passed by the NC. This is no longer a topic of discussion--it's a fact. It is also a fact that if dues were paid up, there would be no financial crisis, at least inside our organization. Comrades and branches who are in arrears have 10 days to pay up to date. We would also like those comrades who are able to increase the amount of their dues, and that this increase be sent to the NO. Promptly.

To: All members
From: EC
Re: EC Committees
Date: 11/11/75

In discussing plans for the upcoming January EC, the EC voted to disband the EC committees. The EC committees have been in existence in some form for well over a year. In all that time they have not worked. The original purpose of the committees was to involve EC members more directly in developing policy. Therefore the first years EC committees attempted to do work that was not being done by other bodies. Each committee was headed by an EC member.

The ~~xxxxxxx~~ problem with the first set of committees was that the infrequency of EC meetings (every 3-4 months) meant that these committees could not really guide anything. Therefore the work was actually done by the EC, subcommittees of the EC, or not done at all.

During the history of these committees the organization has grown larger and far more disciplined. Much of the work these committees were conceived of doing is now being done at the center by functioning bodies set up by the EC. For ex., the black commission, the industrial dept., the education sub-committee.

The Red Tide leadership has moved to Detroit and tasks attempted by the old EC youth sub-committee are now being done much more successfully by a resident committee of the Red Tide EC and 2 members of the EC.

Because the EC and most of the EC recognized that last years EC committees did not function well, we attempted a new conception of EC committees at the last EC.

The purpose of these committees was to act as advisory bodies to the work of the organization, ex., IP committee - to review the development of the paper, the industrial committee - to review the work of the industrial department.

Although this conception made sense on paper it did not work in practice. Most EC members and most EC members felt that because ~~in~~ these committees were really only duplicating work done by other bodies they had not real function, and were a waste of time.

The one exception was the organization committee which did accomplish ~~in~~ certain specific tasks. However these tasks were extremely limited and could be accomplished just as well ~~in~~ other ways.

The other exception was the International committee. Our International work must develop and an International committee could be extremely useful. However this EC committee was more like last years committees - trying to fill a political need with an EC sub-committee. The problem ~~xxxxx~~ is also the same as with last years committees - the infrequency of meetings means that this committee cannot really function.

The EC therefore feels that the committees were a failure. It is still important to develop better methods of EC functioning, however the committees have not advanced the process.

Greater interaction and collaboration between EC members and EC members is needed. This is beginning to be developed partly through the pairing system, partly through the political ~~in~~ letters sent to the EC by the National Secretary and partly by the development of well functioning bodies at the center.

The process must be strengthened however. Those EC members who are still not actively involved in building collaboration are encouraged to do so.

Editor's Report 11/11/75

1. Going weekly has been relatively hectic. It has taken us the last month to get a sense of the flow of a weekly. Our sense is still not perfect but the following should aid the branches understand when articles must be in, etc.

WED: work begins on the new issue. The editorial board (EB) meets and discusses the issue, what is planned, etc. Reviews, centerfolds, and educational material should be in by then.

THURS: EC meets, discusses the last issue, additional articles it thinks important, and discusses the line for the editorial (if a topic has been chosen). Deadline for American Dream and Labor Notes, Which Side Are You On, labor shorts that can be in by that time.

FRI: EB meets, reviews last issue, additional plans for current issue.

MON: Last EB meeting - finalize issue plans: monday morning - last deadline for copy by mail - BEFORE 12:00 NOON. Everything else must be phoned in.

TUES: 12:00 Front page finalized. Some copy will be taken over phone if we have already agreed to it.

IMPORTANT: Our phone bills are astronomical. We will only pay for stories that must be phoned in because the time of the event meant it could not be mailed in. Short stories phoned in will be taken up to Monday evening. But we will not guarantee space for anything taken by phone after 12:00 noon Monday (unless we have given approval in advance). We will not guarantee space on anything accepted on Tuesday (again, unless previously arranged). We may even tell you to just mail it in. We will only pay for stories over 300 words if they are phoned in on Sunday. Any other time demands special permission. On Sundays stories can be called in to Dave (313-865-9733) or if he is not at home, call the office.

NOTE: We are planning to get taping equipment and may change these procedures shortly.

It is crucial that we are informed of all stories that are planned.

Unless there is plenty of time, mail all stories and pictures special delivery. If it will arrive on Saturday, send to Joel Geier, 50 Pasadena, Highland Park, MI 48203. Mark on the envelope "Deliver if no one home."

Pictures and stories (that we know about in advance) can be sent overnight by express mail. It must reach your post office by 5 pm. Do not have it delivered. Inform us of the express number and we will pick it up the next morning at the main post office in Detroit.

(That way we save \$5 and 5 hours--check details with your post office).

Last minute arrangements can also be made with Greyhound. But they are not as reliable as express mail--especially in the pre-Christmas period. Things sent Greyhound should be sent to IS Publishing Co., COD. (But with our knowledge and approval first.)

We can now process negatives the same day and do our own developing. But we can only process 35 mm black and white film. NOTHING ELSE. All branches should make sure they have access to a 35 mm camera. Developing a branch photographer who can develop their own prints is even better.

2. The Letters Page is becoming one of the best features in the paper. Most of the branches however are still not doing their share to build it. The mail-grams are to be used. We have gotten 10-15. But that is pathetic. Build the Letters Page--use the mailgrams! Comrades who have routes and contacts they sell the paper to should take the mailgrams with them.

With issue #137, we will be including more mailgrams with a letter to our readers asking them to write us and explaining why it is important. These should be stuffed into each paper that is sold until you run out.

3. The comments sheets we send to writers will now be sent to the branches with the papers. If you've written a story, get your comment sheet when you get your bundle.

The depression reached its bottom point in April. An upturn in the economy began six months ago.. Some economic indexes suggest a vigorous recovery, at least superficially.. The Gross National Product, which had declined 11% in the first quarter of this year, grew slightly by 1.9% in the 2nd quarter, and dramatically by 11.2% in the third quarter.. This was the biggest rise in GNP for any quarter since 1955..

In reality the figures are overblown.. The recovery is far from vigorous, and has a long way to go before it returns to pre-depression levels of 18 months ago.. When inventory changes are deducted from the GNP, there was real growth of only 4.4% in the third quarter, less even than the 4.6% real growth of the second quarter -when it too is adjusted for inventory changes. These figures are about normal long term growth rates. They are not the figures normally associated with a recovery rate. The expectation is that real growth in the remainder of 1975 and the better part of 1976 will average about ~~4~~ 6% - barring unforeseen difficulties. These rates are expected to be better than those of Europe or Japan, both also overcoming depression levels.. While they ~~are~~ are a recovery, it is one that is still quite modest.

Other economic indexes give the same picture. Factory utilization rates have climbed to 69% from their low point of 45%.. They are still way below the 85 - 90% rates of the 72-3 boom. Industrial production has gone up by 5.7% ~~since~~ from April to Sept. The decline in industrial production in the 9 months prior to April was approximately 14%, so the economy still has a long way to go before it reaches the industrial production level of summer 74.. Profits in the second quarter were running at about ~~20%~~ \$70 billion after taxes. They were 13% above the first quarter profits, but considerably below the record \$120 billion after tax profits of a year ago. Stockholders equity has gone from 9% in the first quarter to 11.8% in the 2nd. Again, it is far below the 16.7% of 1 year ago.

The only really impressive economic advance was the rapid rise in productivity - 9.5% in the 3rd quarter. This cut unit labor costs for the first time in years and was a considerable check on inflation.. This rate of productivity growth, associated with a sharp recovery from a recession or depression, is nonetheless quite good. It will not be repeated in future quarters, and therefore will not be the check on inflation that it was.

Indeed, during this depress there was no deflation. At best inflation was brought down to ~~4~~ 5%, and that for only a few months. This level of inflation would have been considered intolerable even during growth but a few years ago. Now it is depression level inflation, and is only a pause before inflation grows again in the coming months. Interest rates as well have declined. But they are still close to their historic highs, and higher than what they have been in post war booms. They continue to ~~have a negative impact on~~ have a negative impact on consumer spending in construction, auto and other durable goods industries

To stimulate even this modest recovery the government will borrow \$80 billion this year. The Treasury is now borrowing at a rate of \$1.5 billion a week. At 8.5% interest on supersafe securities it is draining funds from savings and loans associations, drying up mortgage credit,

and hampering a construction recovery.

The recovery is what we expected, "weak, slow in developing, and shallow in significance." It has not been able to appreciably cut into unemployment, which has declined somewhat, at least for the time being, but which is unlikely to go below $\ast\%$ in the coming period. Nonetheless wages have started to go up modestly.. Wage gains in the first year of the contract are now averaging 10.3%, but over the life of the contract they are still a dismal 7.8% a year.

The weakness ~~and~~ of the recovery, its slow pace has already raised fears in the bourgeoisie that the recovery will be aborted. There are also the unknown risks of a NY default. The fear that it might zap the weak recovery with much higher interest rates, conservative lending policies and massive restrictive capital flows.. Money being pullbacked from Europe by banks with weak positions (which happened after the failure of Penn Central), and the massive pullout of European money from the NY banks and back to Europe.

Even without the unknown of a NY default the ruling class is quite gloomy. In truth this is not primarily because ~~xxxxxxx~~ there will not be a recovery and boom as we expected (although that is a small but distinct possibility). in the immediate future. Rather it is because the long term depth of the problems are beginning to be understood, and introducing pessimism into ruling class economists. The depression of a scale not seen since the 30s, ~~xxx~~ and comparable in depth and ~~ix~~ length to pre 30s depressions, was not enough to burn out inflation from the system.. The recovery for its part will not be strong enough to overcome long term stagnation and lead to a significant period of sustained growth.. Nothing seems to work. The seeds of hyperinflation in 1977 and bust in 1978, which our convention documents expected, is now the unspoken assumptions and fears of the ruling class.

The Ford administration has no coherent policy to deal with these long term problems. Its latest gambit is to cut taxes by \$28 billion next year to maintain economic stimulus for this weak recovery.. This is to be matched by a \$395 billion budgetary ceiling in the fiscal year starting Oct. 76. This is more than ~~xxx~~ a \$28 billion cut from what the expected federal budget was expected to be. The whole move is primarily an Election year gambit.. The tax cut and economic stimulus to begin on Jan 1. The restricted spending after October and election is safely being.. The transparency of this political ploy is no more sophisticated than other Ford manoeuvres, and will run into trouble with the Democratic controlled Congress.

In reality the Ford Administration has had a policy of zig zag. It has no lasting solutions. It went from old time religion to cure inflation, to a 2 year budgetary deficit of \$125 billion to get out of depression. It solved neither inflation or stagnation.. It is now playing will allowing big capitals (such as NY city) to go bankrupt. This would write off saving other financially troubled cities. Politically it would make it difficult if not impossible to save great corporations threatened with collapse. He though of the free market is a capitalist nightmare. They cannot have an executive committee which allows great capitals to go under, and to further threaten the system. No doubt, big capital will well finance an acceptable DP alternative to Ford to in the coming elections. After all even if the next boom will be short and hyperinflationary, that's the best it can hope for in the immediate future.