

# The Workers' Advocate

WORKERS OF ALL COUNTRIES, UNITE!

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## The Issue Is Not to "Save" Chrysler But to Step Up the Struggle Against It!

The Chrysler billionnaires have lost over \$460 million in the last eighteen months and are in danger of collapsing. The problems of Chrysler are a manifestation of the deepening crisis of the monopoly capitalist system. Embroiled in hopeless difficulties, the representatives of this crisis-ridden and decaying system are rushing about the country to convince the masses that the prime objective of mankind must be to "SAVE THE RICH". Under this tattered banner the Chrysler billionnaires, the monopoly capitalist government and the UAW big shots with the arch-class traitor Doug Fraser at the head have turned their united energies to forcing the workers to "sacrifice" in order that Chrysler might be saved. Each of the various "rescue" schemes has this same basic theme — devastate the workers through enormous layoffs, extreme overwork, and severe wage cuts. And all of this so that Chrysler executives can continue to live like kings, so that Chrysler may recoup its losses of millions of dollars, so that the big banks and other financial godfathers of Chrysler may maintain their enormous interest payments. The workers cannot accept any of these "rescue" schemes of the moneybags and labor traitors. They must organize independently to wage determined mass struggle to defend their jobs. The workers' jobs can't be preserved by sacrificing to save Chrysler, but only by using the company's predicament as a time to step up the fight against Chrysler. Now is the time for the workers to intensify their struggle against the job-eliminating productivity drive of the auto billionnaires, against the massive layoffs and the monopoly capitalists' wage-cutting offensive. Now is the time, not to save the rich, but to intensify the struggle against them.

### BILLIONAIRES WON'T SACRIFICE TO SAVE CHRYSLER

Chrysler, the 10th largest capitalist industry in the U.S. and the 14th largest in the world, is in crisis. In 1978 it lost \$204 million. In the first six months of 1979 it has already lost \$260 million. And by the end of the year it is expected to lose over \$1 billion, the biggest amount ever lost by an industrial firm in a single year. With such unprecedented losses Chrysler is in danger of totally collapsing. The difficulties of the Chrysler billionnaires are the product of the dog-eat-dog loss of the monopoly capitalist system. And the threat that Chrysler will collapse is a manifestation of the deepening and all-sided crisis of this rotting system. Today, not only are the small and medium sized capitalist companies going bankrupt in ever larger numbers. But now Chrysler too, one of the world's mightiest monopoly capitalist corporations, is being bankrupted and driven out of business.

From these facts, however, it should not be concluded that Chrysler has stopped extracting enormous surplus value from the sweat and blood of the auto workers. Even with losses in the hundreds of millions of dollars, Chrysler continues to pay out huge sums of money to further enrich the monopoly capitalist moneybags. Chrysler's top executives continue to live like

kings. Much publicity was given to Chrysler president Lee Iacocca's "sacrifice" of his \$360,000 annual salary as his "share" to help out the corporation. Meanwhile, Iacocca was paid in excess of \$6 million only last year as an "incentive" to come to Chrysler from Ford, and he gets a \$1.5 million per year bonus on top of his salary. In any event this salary is only "deferred" and he will recover it with interest in a year or two unless the company is completely bankrupted. Even Fraser was forced to admit that Iacocca's "salary cut" is a hoax, but nevertheless, he added "it is great P. R.", "just what we needed" — that is, to hoodwink the workers into thinking the rich are "sacrificing" "equally". Furthermore, Chrysler continues to pay out over \$28 million annually in dividends on its preferred stocks. And finally, Chrysler continues to pay off well over \$2 billion in loans from banks, insurance companies and other monopoly capitalist financial institutions, which means that these financial godfathers continue to rake in millions of profits, surplus value extracted from the work and sweat of the Chrysler workers. But, of course, when the question of "sacrificing" to save Chrysler comes up, sacrificing these enormous profits is not even considered. The profits of almighty capital are held sacred. In fact, the government wants to "guarantee" the loans of the financial magnates. Whether Chrysler survives or not, the Carter government is determined to save the huge profits of the multi-billionaire bankers. This is the significance of all of the schemes to save Chrysler. They are all, in the final analysis, schemes to save the enormous profits of the rich. And to this end the workers are being forced to sacrifice. The monopoly capitalists and their government are striving to put the full burden of their crisis onto the backs of the working class.

### RESCUE SCHEMES AIM TO DEVASTATE THE WORKERS

Chrysler is trying to save itself from total collapse and recoup its losses by devastating the workers with massive layoffs, extreme overwork and severe wage cuts. Chrysler has already thrown 29,000 workers into the ranks of the unemployed. For many, their paltry and short-lived unemployment benefits have already run out, while the SUB fund (Supplemental Unemployment Benefit) has totally run out for workers with less than ten years seniority. While throwing thousands of workers into the streets with no source of income, Chrysler is at the same time intensifying the labor of the remaining employed workers to the maximum. Through a program of closing down "inefficient" plants, speeding up machinery, introducing new equipment, speeding up the lines, combining jobs, etc., Chrysler is imposing extreme overwork on the production workers. For example, at its Dodge Main assembly plant in Hamtramck, Michigan, after laying off over 3,400 workers and announcing its plant is close from the plant altogether, the remaining workers are now being forced to work 54-hour weeks at a feverish pace. But even this extreme devastation of the workers is not enough for these auto billion-

aires. Chrysler is now proposing to starve its employed workforce, as well as those workers it has already thrown out of their jobs. It is calling for a massive wage cut of over 25% of the workers' pay through the combined effects of a two year "wage freeze" and soaring double digit inflation. From this massive destruction of the workers, Chrysler is trying to save itself from destruction. For the sake of its capitalist dividends, the workers are being driven to utter desolation.

And now the government of the rich has rushed in to assist Chrysler in its devastation of the workers. On August 9th, the Carter government announced that it would provide millions of dollars in loan guarantees so that Chrysler may have the necessary capital to retool and more "efficiently" overwork its employed workers while laying off thousands of others. The government has also promised to assist Chrysler in its wage-cutting schemes. In the same announcement in which the Carter government promised loan guarantees, the Secretary of the Treasury, G. William Miller, said that the government would demand "substan-

tive contributions or concession from... employees" of Chrysler. And so to save this major monopoly capitalist corporation, Carter has promised the full backing of the capitalist state to force onto the workers massive layoffs, extreme overwork, and unprecedented wage cuts.

### SACRIFICING FOR CHRYSLER WON'T SAVE THE WORKERS' JOBS

All of these schemes to "rescue" Chrysler are being advocated under the outrageous fraud that to save Chrysler will save the jobs of the auto workers. This claim has no truth in fact, but is a criminal hoax aimed at fooling the workers into peacefully agreeing to their own devastation.

In the first place a rescue of Chrysler which preserves the productivity drive of the auto billionnaires will not save the workers' jobs. In a very real sense, the loss of the workers' jobs is due to the barbarous productivity drive of the monopoly capitalists, and not to the collapse of

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## Fraser is ruining the Chrysler workers to save the rich

The rich have launched a big campaign to make the workers pay for the economic crisis. Because the Chrysler billionnaires are in financial difficulty, the monopoly capitalists, the Carter government and the UAW chief executives are demanding that the workers make enormous sacrifices to "save" Chrysler. But sacrificing to save Chrysler benefits the rich alone. It is an attempt to make the workers pay so that Chrysler may restore their lost profits, so that the big banks and financiers are assured their enormous interest payments. The workers cannot defend their jobs or their livelihood by sacrificing for Chrysler, but only by using the corporation's present difficulties as an opportunity to step up the fight against Chrysler. Chrysler's chairman, Lee Iacocca, has admitted that these moneybags can't "stand much of a strike anyway." So now is the time to intensify the struggle to defend the workers' jobs, to fight against the monopoly capitalist productivity drive and wage-cutting offensive. Now is the time to utilize the mass anger against the savage capitalist exploitation to organize a powerful revolutionary movement. Now is not the time to save the rich, but to step up the fight against them.

In this difficult situation for the auto workers, the UAW bureaucrats headed by Douglas Fraser, have marched forward as the biggest defenders of the rich, as the kindest proponents that the workers should sacrifice so that the profits of the rich can be saved. Fraser has put on the most disgusting spectacle of belly-aching at the feet of the rich, holding their hands, lavishing them with praise, and making to serve their every demand. When the government demanded that the workers make "substantial contributions or concessions", Fraser rushed to Washington promising to force the workers to live up to their "responsibilities". And to show his "good faith" he immediately hand-

ed over to the Chrysler billionnaires \$200 million from the workers' pension fund. When Lee Iacocca demanded that "Now is the time for all good unions to come to the aid of their company," Fraser fell all over himself agreeing that "This is going to be different from any other negotiations. They're coming to us rather than we trying to extract things from them." In fact since the time Iacocca first demanded that the workers agree to a "wage freeze", Fraser has promised to provide "whatever is needed for the survival of Chrysler". Fraser is head over heels in love with these rich bloodsuckers. Iacocca is the author and organizer of the plant closings and the large-scale layoffs, the overwork and savage exploitation of the Chrysler workers. But when a congressman raised questions about the Chrysler management, Fraser praised Iacocca saying "Actually, I'd wish he'd have got here five years ago." There is no depths to which Fraser won't sink in his loyal service to the rich exploiters.

### FRASER IS RUINING THE CHRYSLER WORKERS

On every single issue, whether jobs, wages, pensions or other benefits, Fraser is selling out the interests of the workers to ensure that his monopoly capitalist masters can continue to thrive and enrich themselves. Fraser is sacrificing the workers' jobs to save the profits of the rich. Already 29,000 workers have been laid off, but Fraser has not lifted a finger to defend them. Already the Supplemental Unemployment Benefits have run out for the workers with under ten years seniority, but Fraser has not even raised the issue. With this year's contract, however, Fraser has promised that Chrysler may step up its job-eliminating productivity drive. Fraser is even

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### Tripartite Pay Board Set Up to Cut Wages

## DOWN WITH CARTER'S "NATIONAL ACCORD" WITH THE TRADE UNION HACKS!

On September 28, 1979, the Carter administration announced that it had signed a "national accord" with the top bureaucrats of the AFL-CIO. This "national accord" is the latest step of Carter's vicious offensives to suppress the workers' movement, cut wages and increase capitalist profits under the guise of "fighting inflation". The "national accord" calls for the setting up of a tripartite Pay Advisory Committee to be composed of representatives of the government, business and labor. The pay board will draw up new wage guidelines for Carter and help to impose them on the working class. With innocent flattery, Teamsters president Frank Fitzsimmons and UAW president Douglas Fraser jumped up to endorse the accord reached in negotiations between Carter and the AFL-CIO, and have said that they expect to serve on the pay board.

The signing of the "national accord" is a further glaring exposure of the totally anti-working class character of Carter's Democratic Party, which bills itself as a "friend of labor and the minorities". Since coming to office three years ago, Carter has imposed fascist Taft-Hartley injunctions and resorted to mass jailings and violent police suppression against numerous strikes of the workers. Through his "voluntary" wage controls program, the monopoly capitalists have organized a vicious wage-cutting offensive in which the workers' purchasing power was reduced 2.3% in 1978 and 4.3% in the first eight months of 1979 alone! And Carter directly collaborated with the oil monopolies to impose both the fake "natural gas shortage" of 1974 and the equally fraudulent

"gasoline shortage" of last spring and summer, to jack up prices to the skies, further enrich the over-gorged oil billionnaires and bleed the working people dry. Carter has well earned the hatred felt for him by the masses.

The top officials of the trade unions are making but sly and sycophantic accompaniment of the Democratic Party and of the brutal offensive it is waging against the workers on behalf of the monopoly capitalists. Their signing of the "national accord" with Carter is a big exposure of their sycophantic character as labor lackeys of the capitalist class. At a time when the brutal offensive of the rich demands the intensified resistance and struggle of the working class, the labor traitors are "betting out the kais for American labor's involvement and cooperation" with the class enemy. Carter stands so utterly exposed and despised by the masses of people that his administration is near collapse and he walks about a "crisis of confidence". Yet right at this moment, instead of calling on the workers to expedite their struggles against the monopoly capitalists and the Carter government, the top union officials sign a "national accord" with Carter and call for total capitulation and surrender! In so doing, the labor traitors are attempting to disintegrate the working class movement, shift Carter from the wealth of the masses and prop up the rotten rule of the rich.

Lane Kirkland, secretary-treasurer of the AFL-CIO and chief architect of the three-page "national accord", and Carter himself have discussed this agreement as a "social contract" between labor and government. They have declared publicly,

for a social contract in our relationship of class collaboration, a statement of faith and loyalty to the bourgeoisie. In setting up a tripartite board for negotiating the trade union bureaucracy in the administration of the reactionary policy of the monopoly capitalist government, Carter has taken another step down the path of corporate stage-lies, similar to that staged by the Soviet Union. The "national accord" is the natural result of the alliance between the trade union bureaucrats and the Democratic Party. Besides the promises to establish the pay board, the "national accord" contains statements strongly supporting Carter's energy program, a portion of the shenanigans to freeze the people and hand over billions of dollars to the energy monopolies. It also says Carter's "fight against inflation", which is a code word for Carter's fight against the workers, a fight to suppress strikes and to impose severe wage cuts and a brutal productivity drive in order to swell capitalist profits. Full of double-minded chicanery, the accord calls for a "strong merchant marine", expanded "Americanizing shipping", and "fair trade" to prevent "unfair competition" in American goods and services, so as to strengthen U.S. imperialism's exploitation and plunder around the world. Carefully, the "national accord" is a statement of abandonment for the whole range of anti-working class policies and programs of the Carter administration.

The main emphasis of the "national accord" is an inflation "War against inflation," it states, "must be the top priority of government and of

private individuals and institutions." It will "mean periods of individual and collective sacrifices," echoes Kirkland, and will help "ensure that the austere Carter says the nation must accept is shared evenly by all segments of the population." Likewise, UAW president Douglas Fraser, endorsing the accord, declared that "the UAW has supported and will continue to support anti-inflation policies based on equal sacrifices by all sectors of our society." Thus the "national accord" is based on the fraudulent bourgeois theory of "equality of sacrifice" to "beat" inflation. The logic of this theory is that since all sectors of society supposedly suffer equally from inflation, then if all sectors sacrifice equally, inflation can be controlled. But this is not true. Wages increase do not offset the general level of prices and are not a cause of inflation. Inflation comes about through expansion of the money supply in excess of the growth of actual production, such as through credit spending and financial speculation. Furthermore, inflation does not strike above classes, affecting all sections equally. The effects of inflation further impoverish the workers and the poor while further increasing the profits and fabulous wealth of the rich. The more the workers' wages are cut, as through wage controls, the more the capitalists' profits go up.

In the name of implementing "equality of sacrifice" in the fight against inflation, a 15-member tripartite Pay Advisory Committee has been set up headed by John J. Dingell. So the "labor" representatives, the representatives of the capitalist class, and the government are

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# Fight Fraser's Sellout Auto Contract! Defy Carter's Wage Controls!

Working hand in hand, the auto billionaires and the top UAW leadership of Fraser and co., have been working overtime to force a sellout auto contract onto the auto workers. The GM and Ford contracts are a gross betrayal of the workers' interests. In negotiating these contracts and in brutally imposing them on the workers despite massive opposition among the rank-and-file, Fraser has further proved himself to be a loyal flunkie of the auto monopolies, brazenly ignoring every single demand that he had promised the workers he would fight for. And now, Fraser is going even further down the road of class treason, promising his masters in the Chrysler board-rooms and the halls of Congress in Washington to force down the throats of the Chrysler workers an even more outrageous sellout of the workers' interests than the pattern contract.

The GM-Ford pattern agreement is completely consistent with Fraser's collaboration with Carter's wage-cutting offensive. The UAW leadership, as well as the AFL-CIO and Teamster leaderships, have just agreed to a nine page document called "a document of national accord" with the government of the rich. Under this accord Fraser and the top UAW labor traitors pledge their support for Carter's new "Pay Advisory Committee". This new pay board is to be composed of 15 members from business, government and labor unions handpicked by Carter. Its purpose is to enforce government wage controls. Fraser's endorsement of this wage-cutting board is an open betrayal of the workers' struggle. Only a few months ago Fraser was telling the workers that Carter's wage controls had "self-destructed". But this was just a lie to put the workers off guard during the contract struggle. All the while Fraser was actually collaborating behind the scenes with Carter to set up this new Nixonite pay board. It is no wonder that Fraser, who is so enthusiastic to assist Carter and the rich to enforce fascist wage controls, is also so unenthusiastic about fighting for higher wages for the auto workers. The two are directly related. Fraser has been dead set against an auto strike because a powerful strike of the 750,000 auto workers would become a further rallying point for the whole working class to defy Carter's wage controls.

In short, the pattern agreement is the worst sort of bellycrawling capitulation to the wage-cutting offensive of the Carter government. Yet, Carter's controls are set so low that even the sellout auto pattern contract breaks the 7% wage and benefit guideline. Fraser and the auto magnates stopped short of cutting the auto workers' wages down to the 7% starvation level for fear of a rebellion by the workers. If Fraser was at all interested in the workers' struggle against Carter's fascist controls, he would openly declare that the new auto workers' contract defied the controls and that all the other workers should do the same. But no! His only interest is in helping Carter shield and strengthen wage controls, and to keep workers' wages as low as possible.

The auto workers' struggle against the '79 contract sellout has been gaining momentum. In mid-September Fraser and co. were arrogantly bragging that there would be "unanimous" approval of their sellout contract, and that there was "no opposition" for them to worry about. But they met a rude awakening.

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Chrysler per se. If all things were equal, the fact that Chrysler stops producing cars would only mean that GM or Ford would increase their production to take over Chrysler's share of the market. And in order to increase their production the other auto billionaires would have to hire on as many workers as Chrysler threw out of their jobs. But due to the monopoly capitalists' productivity drive this is not taking place. GM has already taken over a substantial portion of Chrysler's share of the market and it has increased its production accordingly. But GM has not substantially increased its workforce. That is because by intensifying the labor of the workers, by lengthening the working day, and by retooling the industry to more efficiently exploit the workers, the auto capitalists have been able to greatly increase their production and profits while not hiring on additional workers. For example, over the last ten years in the auto industry the output per worker has increased on the average of about 4% per year. If the 13.43 million motor vehicles produced in 1978 had been produced at the same rate per worker as in 1968 (i.e. about 15.36 units per worker) then 130,000 more auto workers would be employed today. That is, as many workers as the total employment at Chrysler. Thus it is the auto billionaires drive to intensify the exploitation of the workers through a system of extreme overwork which is the basic source of the unemployment of the auto workers today.

In the second place, none of the schemes to rescue Chrysler have the aim of eliminating this productivity drive of the auto billionaires, but, in fact, they aim to intensify it. Whether it is the scheme of labor traitor Fraser, or that of the government or Chrysler itself, all of the rescue plans seek to amass a large amount of capital. Chrysler is to invest this capital to overhaul its entire operation (as it has already begun to do), and bring in new machinery, retool old plants, and in general intensify the workers' labor. In fact, neither the government nor Fraser believe that Chrysler will do a good enough job at imposing extreme overwork and layoffs on the workers. So both Fraser and the Carter government are demanding to have some government control over Chrysler to insure that it becomes as "efficient"

And the voting at GM and Ford locals, far from being "unanimous", was an embarrassment for Fraser. The sellout was overwhelmingly rejected at Lordstown, Ohio, and elsewhere. At many locals in the Detroit area, workers were angry to see the alleged vote counts released by the UAW. At Willow Run plant in Ypsilanti, many workers walked off their jobs to protest the sellout contract. Yet this local was promoted by the UAW as a model of a 5-1 vote for the contract. Many workers said that the top officers had stuffed the

ballot boxes by automatically counting workers who had not voted as having voted "yes". But even with this tampering with the vote, even according to the UAW's official claims, there was major opposition to the contract.

Also, at many auto plants militants joined with Marxist-Leninist workers to massively distribute literature against Fraser's sellout both inside and in front of auto plants. Fraser was so infuriated by this literature that he made declarations at the national GM council meeting in Dallas that

this literature was "garbage" and "lies", but was unable to refute a single one of these so-called "lies". In fact, the workers recognize that it was the Marxist-Leninists and not the UAW top traitors who tell the truth.

The auto workers are seething with anger against the ever more intolerable exploitation at the hands of the auto monopolies, against Carter's wage controls and against Fraser's monumental sellout.

## The Provisions of the GM-Ford Pattern Agreement Are a Sellout

### 1. NO "SUBSTANTIAL INCREASE" IN WAGES:

The program of the UAW leaders adopted at their bargaining convention last April called for a "substantial increase" in wages and "updating the COLA formula". But Doug Fraser and co. have completely betrayed this demand. They have agreed to no "substantial increase" in wages whatsoever. In fact, under the tentative settlement the workers will receive further cuts in real wages in the face of inflation which is skyrocketing at a 14% annual rate.

The tentative agreement contains the very same wage settlement as the previous contract: a 3% annual raise in base pay (which is nothing but the "annual improvement factor" which is supposedly a "bonus" for increased worker productivity), plus the same COLA adjustment as before for the first two years and a slightly improved COLA for the third year of the contract. But cancelling out any improved COLA in the third year, the workers will actually lose part of their COLA increases with a new provision to divert a total of 14¢ an hour to the pension funds by the end of the third year.

Under this wage settlement the workers' wage level will continue to drag just behind the increases in the Consumer Price Index. But the government's CPI actually minimizes the burden placed on the workers by soaring prices by not taking into account the particularly staggering price increases for food, fuel and other necessities. Furthermore, real take home earnings will be cut by heavier taxes.

### 2. NO COLA ON PENSIONS:

The auto capitalists and the UAW leaders are trying to jam the sellout contract down the workers' throats with the lying claim that it has realized an "historic breakthrough" in protecting retirees from inflation. But in fact, "COLA for retirees", the much ballyhooed "top priority" of the bargaining convention, was totally abandoned by Fraser and co. Fraser's settlement on pensions provides nothing "new" or "momentous" at all — except that the active workers, instead of the company, for the first time will have to make three years of payments from their COLA increases into the pension funds.

While the tentative settlement will raise monthly pension benefits which are at starvation levels, without a COLA escalator these increases will rapidly be eaten up by inflation. For example: a worker retiring under the 30-and-out program in the first year of the contract will receive \$800 a month this year and after a series of increases

will receive \$915 by the end of this contract in 1982. But by September 1982, if inflation keeps up at the present soaring rate of 14% over the next three years, that \$915 will only be worth \$618 in today's dollars — \$82 a month less than the \$700 benefits in the present contract! What an "historic breakthrough" for retirees! A cut in real pension benefits!

### 3. NO RELIEF FROM COMPULSORY OVERTIME:

The sellout contract offers no measures to reduce compulsory overtime or to shorten the workweek. For years the workers have been demanding an end to the long hours of compulsory overtime that they are forced to work. The bargaining convention called for "concrete steps to reduce overtime". But under this agreement workers will continue to slave 54, 58 and even 82 hours a week in the auto plants.

Fraser boasts that this contract has 14 extra PPH days. But this too is a lie as four of these PPH days won't come until after the 1982 contract. The workers need a real shortening of the workweek in order to provide much needed relief from the grueling overwork. And it is clear that eight or nine Paid Personal Holidays (PPH's) in a year's time will not satisfy this need any more than the seven PPH's did last year.

### 4. MORE SPEEDUP, OVERWORK AND AUTOMATION:

The pattern agreement doesn't even address this life and death issue. The auto magnates' productivity drive to sweat more labor out of the workers in a shorter and shorter period of time is literally crippling the auto workers and sending them to an early grave. Furthermore, by increasing the productivity of the workers by means of both terrific speedup and overwork and the introduction of robots and other new automation, more cars are being built by fewer and fewer workers. Tens of thousands of auto workers' jobs have been permanently eliminated and 100,000 auto workers are currently on layoff. But, as in the past, the UAW leadership has not raised a finger on the questions of line speeds, workloads and job elimination. Oh, no! According to Fraser and co., increased worker productivity through speedup, job combination, etc., means "progress"! Why, he even wrote a letter to the *Detroit News* during negotiations declaring that "The key to higher living standards" (what higher living standards!) "is higher productivity."

programs to further impoverish the workers in order to save the profits of the rich. The monopoly capitalists have proven themselves completely unfit to rule. They cannot even ensure that the workers can continue to eat and live. Only the working class has the solution to these problems. By carrying out the socialist revolution to overthrow the monopoly capitalist government and to expropriate the rich, the working class will organize production so that all are employed and so

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spending days on end in Washington pleading that the government must give Chrysler millions of dollars so that they can continue to close down plants, retool and extend the most modern automation to other plants, and step up the entire process whereby thousands of workers are overworked to the extreme so that thousands more are thrown into the streets jobless.

Fraser is sacrificing the workers' pay so that the Chrysler moneybags can again amass enormous profits. Chrysler has demanded that the workers accept a two year "freeze" on their wages and benefits. And while Fraser has publicly balked at such a freeze, he is reported to have told Chrysler that a wage freeze will be more palatable to the workers if they continue to receive a cost-of-living allowance (COLA). This means that Fraser has agreed to a serious cut in the workers' wages. In the three years since the last auto contract, even with a yearly 3% wage boost in addition to COLA, the workers' pay has fallen behind the soaring inflation increases. So with COLA alone the workers will lose over 3% in their real wages.

Fraser is also sacrificing the workers' pensions so that the rich can be saved. Under the GM-Ford sellout contract the workers were forced to give up other benefits including wage increases, in order to increase their pension. Even here, because the pensions aren't protected by COLA which Fraser had promised, they will tend to be eaten away by inflation. But with the Chrysler contract, Fraser is going further to sacrifice the pensions themselves. According to the federal government, payments are due to Chrysler retirees and workers of about \$2.6 billion. But Chrysler has only \$1.4 billion in its pension fund. It is known that because of this situation,

### 5. VICIOUS DISCIPLINARY MEASURES AGAINST ABSENTEEISM:

In order to enforce their productivity drive, to squeeze the most blood and sweat out of the workers, the auto plant managements want to chain the workers to the assembly lines like the robots that are replacing the workers' jobs. The workers are treated like dogs and expected to think of nothing but producing for the profits of their masters. Among other means to regiment the workers, the capitalists have been pushing for an even stronger hand for the Labor Relations office in punishing and harassing workers for absenteeism. The "pattern" contract includes a joint UAW-Company board to cut absenteeism which is a new vicious measure to discipline absentees and keep the workers chained to their machines. This is another "historic breakthrough" — for the GM, Ford and Chrysler slave drivers!

### 6. SELLOUT OF THE WORKERS' JOB AND INCOME SECURITY:

The GM contract does nothing to build up the SUB funds, and in a most brazen sellout, Fraser has agreed to allow Ford to take money out of the SUB fund to pay for other parts of the contract. The issue for the workers is to strengthen the SUB fund in the face of the present massive layoffs. But Fraser actually is weakening it, is giving it away to Henry Ford!

Almost 100,000 auto workers have already been thrown into the streets and thousands more are laid off every week. And it is the productivity drive of the auto corporations, a campaign for which Fraser openly declared his support, which is wiping out the workers' jobs. On top of this, the contract does nothing about plant closings. These are crucial issues of job and income security facing the auto workers, and here again they are sold out.

### 7. WAGE AND BENEFIT CUTS FOR NEW HIRES:

The pattern agreement includes cuts in wages and health care benefits for new hires. This section of the workers who are already worked-like slaves with no rights whatsoever will now start at 60¢ an hour less than seniority employees, and will no longer be able to recover this loss when they get 90 days in. Furthermore, they will receive health insurance even later than now, and Sickness and Accident benefits will be at a lower rate until they have one year seniority, etc. This criminal treatment of the new hires is an attack on all the workers.

that all who work share the constantly growing benefits of their social labor.

Today the workers must fight bravely to defend their jobs and livelihood against the onslaught of the monopoly capitalist moneybags. And in this determined struggle the workers should not forget that this is the preparation for an ever greater battle in the future, that noble revolution to eradicate mankind from the monstrous oppression of the monopoly capitalists.

If Chrysler collapses, the workers will lose up to 25% of their pension, even with government guarantees. Yet Fraser has already allowed Chrysler to indefinitely defer the payment of \$200 million into the Chrysler pension fund. So the workers' pension system is being undermined to ensure that the monopoly capitalists can enrich themselves.

## THE HOPE OF "EQUALITY OF SACRIFICE"

Fraser is claiming that all of his "concessions" to Chrysler are only made because there is an "equality of sacrifice". With this fraud, Fraser is trying to claim there is a common interest between the capitalist exploiters and their working wage slaves, who must sacrifice equally for the common good. But where is this common interest? Either the workers must sacrifice so that the rich can maintain and extend their wealth. Or the workers defend their jobs and livelihood by making the rich pay the price. The workers are not against all sacrifice. The working class constantly makes heroic sacrifices in the struggle against the rich, in long hard-fought strikes, and in building a revolutionary movement in the interests of all the working and oppressed people the world over. But if the workers were out in favor of sacrificing to save the rich's rich, to sentence themselves to devastating cuts in pay, large-scale unemployment and overwork.

The deepening economic crisis brings forcefully to the workers' minds the thought of socialism, of overthrowing the exploiters. The rich are now fighting themselves as unfit to rule. Even corporate giants like the Chrysler Corp. are threatened with collapse. At these times the class struggle between the rich and the poor takes on acute form. The class collaborationism of Fraser, his "bargain" (Cont. on page 4; see FRASER SAVES THE RICH



# DEFY CARTER'S WAGE CONTROLS!

The monopoly capitalists are carrying out a vicious offensive against the economic livelihood of the workers. They are raising prices sky-high at a 14% annual rate while trying to restrict wage increases to 7% a year through Carter's wage controls. As capitalist profits soar, the workers' purchasing power is falling drastically, declining 3.4% in the first six months of 1979 alone. Particularly hard hit have been the workers in small unions, the unorganized, and the workers in the public sector in general. The wage controls have proven to be an extremely vicious attack on the proletariat.

The workers are seething with anger at this fascist offensive of the bourgeoisie and are launching numerous struggles to resist this wage cutting. They are struggling for higher pay to protect themselves from the rising cost of living and are fighting against the government's wage controls. Despite the repression of the government and the sabotage of the trade union bureaucrats, many fighting contingents of the proletariat have waged vigorous struggles and broken through Carter's 7% guideline. Few sections of the workers have achieved wage settlements equal to the rise in the cost of living, but many sections have been able to win wage increases of about 9-10% a year. Thus a number of sections of the workers have at least defended themselves from the more extreme wage cuts that are suffered when the workers are held to the 7% pay limit. More importantly, these struggles have handed Carter's wage controls a series of defeats and provide encouragement to the other sections of the working class to also wage vigorous mass struggles for higher wages

and to fight against the wage controls. They have provided an impetus toward the development of the powerful class-wide struggle of the workers against the savage wage cutting of the bourgeoisie. They have helped to foster a growing spirit of rebellion among the entire proletariat against the wage controls and the monopoly capitalist government behind them. This prospect panics the bourgeoisie and its agents.

In an attempt to prevent the breaking out of a powerful class-wide struggle against the wage controls and to save them from defeat, the government, in close collaboration with the labor traitors, is presenting the illusion that the controls are not really being defied. Toward this end Carter has come up with his "guideline math" by which wage settlements that far surpass the 7% guideline are magically transformed to be in compliance with it. The labor traitors are assisting the government here as well. They present the illusion that the guideline-breaking settlements have only "bent" the controls a little, but are fundamentally in compliance with them. They are trying to discourage the workers and make them give up any thought of waging vigorous mass struggle, and to instead resign themselves to having the 7% guideline jammed down their throats. In this way the monopoly capitalist government and its agents in the trade union bureaucracy are striving with might and main to save the wage controls from the defeats they have suffered. They are striving to negate the significance of the struggles that have broken through the controls and to prevent the other sections of the proletariat from following these examples. They are

trying to prevent the development of the powerful struggle of the entire proletariat to defy Carter's wage controls.

The capitalist employers are always interested in increasing the exploitation of their employees and in reducing wages. Carter's wage controls, however, are a weapon of the government, of the capitalists as a class, to impose severe wage cuts on the entire proletariat at the same time. The wage controls are an example of how the monopoly capitalist class uses all the means at its disposal to wage its struggle against the working class. They use their economic power, the laws and armed apparatus of the state machine, and their newspapers and other mass media to suppress the working class movement. They use their labor lieutenants to undermine the workers' struggles from within to compel the workers to submit to their anti-working class offensive. They have their political voice and utilize their political parties, their government representatives such as Carter, to issue their battle cries against the workers, in this case their call for "Wage Controls!" ("Wage cuts for the workers! Fatter profits for us!")

To rally their own class against the capitalists' wage-cutting offensive the workers need their own battle cry: "Defy Carter's Wage Controls!" Furthermore, the workers need to raise their own political voice against all the attacks of the monopoly capitalists. The working class needs its own politics in order to gather together all its forces against the bourgeoisie. Just as the resistance of individual workers is insufficient against the power of the capitalist class, so too

are the separate trade union struggles, the economic struggles of separate trades, factories and industries, insufficient against this power. The working class must go further and organize itself as a class to fight for its own interests. Neither the Republican or Democratic Parties are of any use to the workers because they fight for the interests of the rich. The working class needs its own independent political activity separate from and in opposition to the bourgeois parties. The independent political activity of the workers is quite different from the politics of the rich. It is not running around telling lies and making false promises. It is not selling oneself to the highest bidder, nor is it wheeling and dealing in smoke-filled rooms. The political activity of the workers is for the purpose of organizing the working class movement, for uniting and mobilizing all of the powerful forces of the working class to resist all of the attacks of the monopoly capitalists and to prepare for the revolution.

The tremendous strength of the proletariat lies in its crucial role in society and in its huge numbers once united by organization. To advance the organization of their own class, the workers need to study and distribute revolutionary literature. They must organize discussion of the important political events that are taking place and take part in all aspects of the revolutionary movement against the capitalists and the government. They should build their vanguard political organization, the Marxist-Leninist Party. Marxist-Leninist politics are the politics of the working class. With these politics the workers can unite to wage the revolutionary struggle to emancipate their class. □

## COUSML wages a big campaign to organize the auto workers' struggle

A big struggle is being waged over this year's auto contract. The auto workers are under savage attack. The auto monopoly capitalists are cutting the workers' wages, 100,000 auto workers have been thrown out of their jobs, and the remaining workers are being overworked through extreme speedup and job combinations, through long overtime hours and automation. The Carter government has created a "national accord" with the top bureaucrats from the UAW, Teamsters, and AFL-CIO to step up the offensive to cut the pay of all the workers through wage controls. And together the auto billionaires, the Carter government, the UAW bureaucrats and the monopoly capitalist news media have gone all out to keep the auto workers silent, to suppress every attempt at resistance, to demoralize the workers and ensure through lies and violence that there is "no opposition" to the present sellout of the auto workers, that there is "unanimous" approval of the betrayal of the working class. The revisionist and opportunist organizations also joined this vicious onslaught against the workers. They did not lift a finger to defend the auto workers, but have proved once again that they are nothing but the tail of the trade union bureaucrats and their plots to stifle the workers' resistance.

The workers were burning with rage against these savage attacks, but they were thrown into disarray by the UAW bureaucrats and their opportunist hangers-on. In this difficult situation, the COUSML boldly marched forward and launched a big campaign to organize the auto workers' struggle. In auto plants all across the country, from the Ford-Mahwah complex in New Jersey to GM-Fremont in California, COUSML has called on the workers to "PREPARE FOR STRUGGLE!" and to "DEFY CARTER'S WAGE CONTROLS!" At more than 75 auto factories in over 20 cities, the agitation of the COUSML has encouraged the fighting spirit of the workers and has given them one national voice, orienting them against the class enemies and exposing the sinister maneuvers and betrayal of the UAW misleaders. Through its work at the factory gates, its demonstrations and agitational pickets, through its distribution networks inside the factories and its struggle at the local union meetings, the COUSML has worked to make the workers conscious of their own great strength. It has further encouraged all the opposition currents and inspired many militants to link up with the Marxist-Leninist workers to spread even wider the struggle against the UAW chieftains' sellout contracts, against the auto billionaires and Carter's wage controls.

A month before the first contract deadline, the COUSML came out with a special supplement of *The Workers' Advocate* devoted entirely to the auto workers' struggle. This paper explained the significance of the fight against the barbarous wage-cutting offensive of the Carter government, set the fighting task to defy Carter's wage controls, and called on the workers to split from the politics of the rich and take up independent political activity based on the interests of the working class and its revolutionary struggle for emancipation. The paper showed how the UAW president, Douglas Fraser, has always supported the government's wage-cutting offensive and exposed that his lying claim that wage controls had "self-destructed" was an attempt to lull the workers to sleep and keep them from embarking on an open and conscious revolt against the government. It was exposed that in his lies about wage controls and in his plea for "a fair share of the profits", Fraser was even then preparing to throw overboard the union's own demand for a "substantial wage increase". It was pointed out as well that Fraser's scheme to make the workers give "concessions" to Chrysler and "sacrifice" for the profits of the rich moneybags will not defend the workers' jobs. And the paper told the truth that

"The Issue Is Not to 'Save' Chrysler, But to Intensify the Struggle Against It". In every article *The Workers' Advocate* showed that the organization of the workers and their mass struggle alone can defend the workers' livelihood and contribute to the struggle of the entire working class against Carter's wage controls and the monopoly capitalist wage-cutting offensive.



Besides this special supplement, the COUSML also put out special bulletins of *The Workers' Advocate* at the important turns in the contract struggle. On September 17, two days after the tentative GM contract was signed, COUSML distributed a special bulletin calling on the workers to "Fight Fraser's Sellout Contract! Defy Carter's Wage Controls!" This bulletin exposed that Fraser had betrayed every promise he had made to the workers and showed that this new contract means continued wage cuts, overwork and layoffs. On October 7, two days after the tentative Ford contract was signed, another special bulletin was distributed exposing the sellout Ford contract and showing how Fraser has all along been working behind the scenes to strengthen the wage controls of the Carter government.

Auto workers all over the country were enthusiastic when they received these papers and leaflets, and they seriously read and discussed them. The largest concentration of auto workers is in southeastern Michigan. And in this area alone over 84,000 pieces of literature have been distributed to the auto workers so far (41,500 copies of the special supplement and then over 42,700 copies of the special bulletins). Whether in Detroit, Flint and Pontiac, or in Norwood, Ohio or other cities throughout the country, the workers were buzzing with excitement as the fighting truth of *The Workers' Advocate* spread throughout the auto factories. At many plants militants joined with the Marxist-Leninist workers to distribute the papers and leaflets widely both inside and in front of the auto plants. In a number of cases militants on their way into work stopped not only to get their own copies, but also took stacks of the leaflets and distributed them to other workers right in front of the plant gates. For weeks on end these *Workers' Advocate* supplements and bulletins were the constant topic of discussion among the auto workers. And the facts these papers presented and the orientation they gave showed the workers the way to fight and strengthened their resolve to do so. "The Marxist-Leninists tell the truth," one worker said. And his words summed up the feelings of many.

Along with the widespread distribution of *The Workers' Advocate* supplement and bulletins, the COUSML organized many other activities to inspire and rally the workers for the fight against the auto billionaires and Carter's wage controls. Carrying a bright red banner emblazoned with the slogan "DEFY CARTER'S WAGE CONTROLS!", the Marxist-Leninist workers demonstrated at the Detroit meeting of the UAW Bargaining Council to protest against the sellout GM contract that the UAW chieftains had signed. Propaganda demonstrations were held through the markets

and working class communities. Agitational pickets were organized at plant gates on the nights of the contract deadlines. And the Marxist-Leninist workers agitated at many local union informational meetings and contract ratification meetings. Wherever auto workers gathered, there the Marxist-Leninists could be found, explaining the burning issues and pointing the direction for the fight.

The monopoly capitalists and the UAW hacks organized an enormous propaganda campaign in order to steamroller through their sellout contract. With the aim of demoralizing the workers and disorganizing all resistance they created the big lie that there was "no opposition" to the sellout and that the contracts would receive "unanimous" approval. Fraser repeated this big lie at every opportunity and the news media of the rich chanted this same theme night and day. They even wrote lengthy "news" articles to "prove" that there was "no opposition" by quoting various opportunists who readily admitted that they were doing nothing to fight the sellout, and who tried to create the false opinion that nothing could be done. But this big lie was burst like a bubble by the wide-ranging work of the COUSML. The masses of workers could see with their own eyes that there is an opposition, and that the Marxist-Leninists are organizing it.

The monopoly capitalists and the UAW chieftains used not only lies and deception, but turned to threats and reactionary violence in their frantic efforts to silence the COUSML and to suppress any outbreak of struggle. The UAW sent goon squads of trade union bureaucrats to the plant gates and the local union meetings to try and intimidate the Marxist-Leninist workers and to violently stop the distribution of *The Workers' Advocate* bulletins. But the Marxist-Leninist workers stood up to the trade union hacks and exposed their treachery. When the other workers saw the staunch stand of the Marxist-Leninists, they pushed the UAW hacks aside, they came up to get copies of the communist bulletins, and they laughed and joked that it was "about time someone stood up to the union hacks."

When the UAW goon squads could not silence the Marxist-Leninists, they called in the auto company guards. After the guards failed, they called in the police. But no force could silence the COUSML. The Marxist-Leninists continued to organize the opposition and they gave the trade union sellouts no peace.

In order to hide from the angry auto workers, Fraser had called a big union meeting in Dallas, Texas, far away from the centers of the auto industry. But even as Fraser and his entourage were boarding the plane for Dallas, a Marxist-Leninist worker was leafletting the UAW delegates with *The Workers' Advocate* bulletin that called on the workers to "Fight Fraser's Sellout Contract! Defy Carter's Wage Controls!" Fraser himself was cornered by the comrade. Hoping

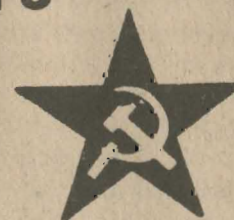
to intimidate this worker and make the claim that the leaflet was from outsiders who knew nothing, Fraser demanded that the worker tell where he was from. The worker replied that he was laid off from the Dodge Main plant. Fraser was taken aback by his obvious exposure and blurted out his contempt for the auto workers by demanding to know why a laid off worker wanted to fight against overtime. Again the answer exposed Fraser, because the worker pointed out that while over two-thirds of the Dodge Main workers are laid off, because of the capitulation of the UAW bureaucrats the remaining workers are again being forced to work long overtime hours. On issue after issue the Marxist-Leninist worker exposed Fraser and his sellout contract, while Fraser was completely unable to refute even a single word of the truth of the Marxist-Leninist analysis. Made a fool of by a single Marxist-Leninist worker, Fraser, this prestigious UAW president, this "mighty" capitalist trade union hack supreme, fled to his airplane to escape the opposition which he had been claiming didn't even exist. Everywhere the trade union hacks turned, in the factories, in the communities, in the union meetings, even boarding a plane, they were confronted by the COUSML. Frustrated, intimidated and increasingly isolated by the growing opposition, Fraser was forced to drop his big lies of "unanimity" and "no opposition". When he got off the plane in Dallas, Fraser began blurted out to television reporters his hatred at the "small group of dissidents" who were upsetting his sellout plans.

The myth that the workers are in favor of the sellout contract has been smashed. And with it, the entire sellout campaign of the UAW bureaucrats is collapsing. Only a short while ago Fraser was singing the praises of what he called a "momentous" and "historic" contract. But stung by the sharp exposures by the COUSML and the growing opposition of masses of the workers, today Fraser has begun to moan that, after all, this is "not... the greatest contract ever." The workers are turning to struggle. Already small walkouts have occurred against the contracts. Workers have staged slowdowns and smashed up cars in protest against the massive layoffs. And farm equipment workers have begun contract strikes. The auto contract fight is still on. And the opposition is gaining strength.

The nationwide campaign of the COUSML has been an important weapon for the organization of the auto workers' struggle. With its Marxist-Leninist analysis and its fiery agitation, the COUSML has shown the workers their own great strength and has brought consciousness and a clear-cut orientation to the struggle against the auto billionaires and the government's wage controls. With their own eyes the masses of workers have seen that the Marxist-Leninists are on their side, and that they have found their own vanguard revolutionary force in the COUSML. □

### The Workers' Advocate

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# DOWN WITH CARTER'S "NATIONAL ACCORD" WITH THE TRADE UNION HACKS!

## "NATIONAL ACCORD"

Continued from page 1

and five "public" representatives (including Dunlop) are to sit together. But to do what? To establish a new set of wage controls and pass judgment on workers' wage settlements so as to cut the workers' pay and ensure fatter profits for the capitalists. Furthermore, at the same time as the big push to set up this wage-cutting board, the price guidelines have actually been loosened, allowing prices to rise by another percentage point at a time when wholesale prices are rising at a rate of some 18% a year and inflation is nearly 14%! And setting up the Price Advisory Committee is "less pressing" than the pay board, according to anti-inflation czar Alfred E. Kahn, and it will have merely five representatives of the "public", all appointed by the government of the rich. These treacherous activities show that what Carter and the labor traitors really have in mind is not equality of sacrifice but workers' sacrifice. Hence, for government: cut the federal employees' wages; for business: cut the workers' wages; for the workers: "voluntarily" accept these wage cuts. Such is their program of "tripartite sacrifice and austerity"!

To have a voice and directly participate in the government's administering of wage cuts was the actual aim of the labor bureaucrats in negotiating their "national accord". The AFL-CIO News (Sept. 29, 1979) reported that "Kirkland said at a White House briefing that the AFL-CIO's cooperation was achieved because labor was directly involved in shaping the new wage advisory machinery. By contrast, when the guidelines were

announced last year, labor was 'vouchsafed (granted) an audience' but was not a part of the process and was kept 'very much at arm's length'." According to the September 29 Washington Post, Kirkland also said that, if not for this, "we would have been prepared to negotiate this same kind of program this time last year." The labor bureaucrats are positively gleeful at now being accepted by Carter as equal partners in the process of writing new wage guidelines for the cutting of the workers' wages.

The disgusting desire of the labor traitors to have a voice in cutting wages is nothing new. These bootlickers did the same thing in 1971 during the Nixon regime. George Meany and other labor bureaucrats had repeatedly called for wage controls. Then when Nixon declared his "New Economic Policy" of a 90-day wage freeze followed by compulsory wage-price controls, the labor bureaucrats made noisy criticism — but only because they wanted to be the ones to administer the fascist wage controls. So on October 8, 1971, when Nixon ended the freeze, he set up a tripartite pay board (the Cost of Living Council) headed by the same Mr. John Dunlop and including the top union officials. The pay board limited wage increases to 5.5% and greatly slashed the wage settlements of millions of workers, including aerospace workers and longshoremen. Finally, after the pay board had made and enforced all the major decisions, all the labor traitors except Fitzsimmons walked out (not forgetting, however, to assure the capitalists of their full cooperation in the future!).

Today, the "national accord" and "Pay Advisory Committee" represent the latest step by the Car-

ter administration toward imposing fully mandatory wage controls on the working class. They go even farther in establishing the ideological justification, the rules and the mechanism to administer fully mandatory controls. In April 1978 Carter launched Phase I of his "anti-inflation" program: "voluntary" guidelines to limit pay increases to 5.1-5.6%. But Phase I went bankrupt in the face of the resolute struggles of the postal workers, railroad workers, school teachers, and others. So on October 28, 1978, Carter announced Phase II: "voluntary" guidelines which placed the combined wage and benefit increase at 7% and added measures of compulsion, such as withdrawal of government contracts from companies which didn't sufficiently cut the workers' wages. The essence of Phase II — wage cuts for the workers — was warmly received by the top labor officials. Teamsters boss Fitzsimmons hailed it, while the UAW Executive Board voted unanimously to support it and Fraser praised it to the skies. George Meany and the AFL-CIO made noise against it, but only because they wanted fully mandatory controls right away.

The Phase II controls were designed to be a club against the '78-'79 contract struggles of the truck drivers, rubber workers, electrical workers, garment workers, auto workers and other significant sections of the proletariat. But during the past year, many fighting contingents of the proletariat waged vigorous struggles and broke through the guidelines, some by substantial margins, but even these workers are not keeping up with the cost of living. To try to prevent these struggles from developing into a powerful class-wide movement against the controls and to save

them from defeat, the government and the labor traitors worked to demoralize the workers with the illusion that the controls were not really being defied and badly damaged, but just "bent" a little, or even that they had "self-destructed". Now, trying to strengthen the battered controls, impose them more effectively on the workers and undermine the workers' resistance, Carter has brought the labor traitors openly into the government's wage-cutting "Pay Advisory Committee".

Carter's wage controls are part of the overall offensive by the entire monopoly capitalist class and their government against the entire working class to make the workers pay for the economic crisis. The controls aim to cut the wages and increase the exploitation of the workers so as to swell capitalist profits. In the face of this offensive, the top labor bureaucrats with their "national accord" are calling for the workers to surrender, to ally with their class enemies, to submit to wage cuts and further impoverishment. This is utter betrayal of the working class. For the workers to defend their livelihood and their standard of living requires not "accords" and alliances with the "Democrats" but resolute mass struggle to defy Carter's wage controls and resist the offensive of the rich. □

## The "equality of sacrifice" slogan is a hoax to cut the workers' wages

By raising the "equality of sacrifice" slogan the representatives of monopoly capital are trying to create the illusion that inflation is an economic ailment which afflicts all classes in society, capitalist and worker, rich and poor alike. They claim that while it is true that the working masses have to pay more for the necessities of life, the capitalists, too, must pay higher labor and other costs, etc., — and so the argument goes, over and over again. The natural conclusion drawn from this deceptive logic is that all classes should "sacrifice equally", the workers should give up their struggles for higher wages and the capitalists should curb their price increases and in this way inflation will be brought under control.

But this logic is a fraud. Inflation does not stand above classes. The effects of inflation further impoverish the workers and the poor on the one hand and further increase the profits and the fabulous wealth of the rich on the other.

In fact, inflation is a special device whereby monopoly capitalists as a class cut the wages of the working class as a whole. The rate of profit realized by a given capitalist firm is directly tied to the wage levels of its workers and hence, the never ending efforts of the employers to cut the wages of their employees. However, acting through their state power, by way of government inflation of the currency, the capitalist monopolies bring about a general increase of prices and a general devaluation of the workers' wages — a massive wage cut for the workers on a class-wide scale and a corresponding increase in profits for the entire class of capitalist parasites.

The actual effects which soaring rates of inflation have had over the last several years of economic crisis — the decline in the real wages of the workers and the parallel increase in the profits of the capitalist moneybags — completely expose the hoax of the "equality of sacrifice" slogan and reveal the true class character of inflation.

### THE WORKING PEOPLE ARE ALREADY SACRIFICING GREATLY DUE TO INFLATION

While the mass media of the bourgeoisie creates hysteria about how it is the workers' wage demands which are the source of price increases and therefore the workers must sacrifice in the fight against inflation, it is the working people, not the rich, who are the ones already sacrificing due to inflation.

From 1972, the year before the onset of the present and ongoing economic crisis, to date, the working masses have been burdened with enormous increases in the cost of living as shown by the government's Consumer Price Index (CPI) figures:

Year	CPI (all items) 1967=100
1972	125.3
1973	133.1
1974	147.7
1975	161.2
1976	170.5
1977	181.5
1978	195.3
1979 (June)	216.6

This means that the same item that cost \$12.53 in 1972, cost \$21.66 in June of 1979. That is, prices increased by over 70% in a six and a half year period. Furthermore, these CPI figures actually minimize the effects of inflation on the masses.

In 1978, due to inflation, prices rose at a soaring rate of 9% according to the CPI, an annual rate of increase surpassed only twice before in U.S. history. This however does not take into account the still greater rate of price increases for the basic necessities of life, increases which hit the masses, particularly the poorest sections

of the working people, especially hard. According to a study recently released by the National Center for Economic Alternatives, a bourgeois economics "think tank", such basic necessities required by the working people as food, shelter, medical care and energy, constitute 70% of the consumer spending of 80% of American households. The study reported as an example that these basic necessities rose at an annual rate of 15% between March and June 1978, a 4% higher rate than the CPI. Thus, according to the study, the workers' real wages, after compensating for inflation and taxes, were cut by 3% in the first half of 1978 alone! This figure is twice the decline in real wages calculated by the government which itself admits to a devastating decline of 3% in the workers' real wages over the whole of last year.

These figures show the utterly intolerable burden, the bitter sacrifice, which is being shouldered by the workers today due to inflation. In response, the workers have been waging countless strikes and a stern struggle to raise their wages and maintain their standard of living. Nevertheless, the workers' real spendable income has continued to decline over the last years of economic crisis due to inflation. This can be seen in the following figures which give the average weekly spendable real earnings (after taxes) of a worker with three dependents in the private sector (shown in constant 1967 dollars, calculated on the basis of the CPI).

Year	Average wages in constant 1967 dollars
1972	97.11
1973	95.70
1974	91.13
1975	90.35
1976	91.42
1977	93.63
1978	92.53
1979 (June)	89.84

Thus, while the workers through tenacious struggle increased their dollar wages by about 60% since 1972, the workers' real wages have, in fact, been cut by over 7% over the same period according to the government's minimized figures. It is crystal clear that it is the working class which has already sacrificed plenty due to inflation, and its sacrifice is increasing all the time. For the workers to restrain their wage demands, to give up their strike struggles for wage increases can only mean further devastation and ruin at the hands of the capitalist billionaires. For the workers to submit to further sacrifices in the name of "fighting inflation" means to sacrifice at the altar of the profits of the capitalist financiers whose vast wealth increases in direct proportion to the impoverishment of the working masses through inflation.

### THE CAPITALIST MONEYBAGS ARE THE ONES WHO BENEFIT FROM INFLATION

Far from afflicting all classes alike, soaring inflation has brought a rain of gold into the bank vaults of the capitalist moneybags. Throughout the entire period of the capitalist economic crisis — a crisis which broke out in full force in 1974 with drastic cutbacks in industrial production and corresponding crises in the financial and other spheres, a crisis which continues at present with severely stagnating industrial production — throughout this entire period, monopoly capital has been able to keep its profits intact and has even increased its profits at the expense of the working people. This is due, in part, to the soaring rate of inflation. The general raising of prices has meant that, while sales of commodities decline or stagnate, profit margins are protected or even increase. The following figures on corporate profits show just how little the capitalist billionaires have sacrificed during the period of

galloping inflation from 1972-1978.

Year	Corporate Profits (before taxes) in billions of dollars	
	Constant 1967 dollars	Current dollars
1972	76.8	96.2
1973	87.0	115.8
1974	85.9	126.9
1975	74.7	120.4
1976	91.4	155.9
1977	95.8	173.9
1978	99.6	202.1

Thus, over the same period when the workers' real wages have been cut, the profits of the big bourgeoisie have increased considerably in real terms. In fact, the decline in the real wages of the workers due to inflation has meant a corresponding increase in the profits of the capitalist monopolies. Just as Karl Marx pointed out, while a general decline or increase in the wages of the workers does not and cannot effect a general decline or increase in prices, it does and can determine a decline or increase in the rate of profit of capital.

Therefore the "equality of sacrifice" slogan is clearly absurd in that inflation has a definite class nature. On the one hand, for the workers to sacrifice their wages, as they are presently being forced to do, only means greater benefits, bigger profits for the capitalist moneybags. Where is there a trace of "equality of sacrifice" in this? And on the other hand, to expect the big monopolies to "sacrifice", to "hold down prices", to "limit profits" or any such thing in the "fight against inflation", is simply nonsensical. Soaring inflation serves the rich in the first place and has been created by monopoly capital itself. It is a special weapon in the hands of the big bourgeoisie to realize maximum profits through the impoverishment and ruin of the working class and people.

### INFLATION IS A DEVICE OF THE CAPITALIST MONOPOLIES TO STEP UP THEIR ROBBERY OF THE WORKING PEOPLE

Rampant inflation in the U.S. is a product of the capitalist-imperialist system and the deep crisis confronting this decaying system on a world scale. Faced with the revolt of the proletariat and the oppressed people everywhere, the entire capitalist-revisionist world has been gripped by a severe economic crisis and the maintenance of the profits and superprofits of the imperialist monopolies has become ever more difficult. The creation of soaring rates of inflation is a device for protecting these profits, for shifting the burden of the crisis onto the backs of the workers and the oppressed peoples. It is a means for intensifying the process whereby the rich get richer and the poor get poorer.

Furthermore, the creation of inflation is directly connected with the terrific growth of the bureaucratic-military state machine, the pillar of the monopoly capitalist dictatorship, with the financing of the enormous police forces, overgrown bureaucracy and colossal army for the suppression and exploitation of the working class and people at home and for aggression and war abroad.

Inflation comes about through the expansion of the money supply in excess of the growth of actual production. An excess of paper currency or its equivalent in relation to the amount required for the circulation of commodities results in inflation, a depreciation of the currency. In the first place, the currency is inflated to cover the huge budget deficits to finance the reactionary activities of the ever-expanding state apparatus.

Besides deficit spending, the money supply is also increased by the wild speculation of the big monopoly financiers in investments of various

sorts which swells the paper values of finance capital, also independent of the actual growth of production. Part of the stocks and bonds thus created by the wizards of financial speculation also circulate as money, so this increase in paper values also inflates the currency.

On the basis of this inflation of the currency, the capitalists, especially the powerful monopolies, raise their prices resulting in a general increase in the cost of living for the working people. Only wages, the price of the only commodity the workers own — their labor power — do not increase as readily. For the workers to raise their wages, a stern struggle and fierce strikes are necessary and even then these wages raise generally cannot keep pace with the rise in prices. And so, through inflation a hidden tax has been placed on the workers and their real wages have been cut at the expense of the profits of the capitalist billionaires.

### REVOLUTIONARY STRUGGLE AGAINST THE RICH — NOT "EQUALITY OF SACRIFICE" — IS THE WORKERS' ONLY ANSWER TO SOARING INFLATION

Thus, the cry for the workers and the capitalists to "pull together" to make "equal sacrifices" in a common "fight against inflation", is a monstrous hoax. Inflation is not a misfortune imposed from the heavens afflicting one and all. Soaring inflation is a product of the monopoly capitalist system, created by capital to step up its exploitation of the workers, to fatten the profits of a handful of monopolies on the one hand and to starve the masses on the other. Therefore, for the workers, the disastrous consequences of the class collaborationist line of "making sacrifices" to "control" inflation, are quite obvious. The only course open to the working class is a resolute and uncompromising struggle against the rich, for higher wages and for better conditions of life.

The working class must prepare for struggle. The class collaborationist demand for "equality of sacrifice" being foisted on the masses by capitalist chieftain Carter and his "friends", the labor traitors, must be rejected as a capitalist fraud. The workers must vigorously develop their strike movement and organize revolutionary mass struggle against the anti-working class wage controls of the Carter administration and against the entire fascist offensive of the monopoly capitalist dictators. Revolutionary struggle against the rich is the workers' only answer to soaring inflation. Only the revolutionary struggle of the proletariat can make the rich bear the burden of the crisis and overthrow the man-eating monopoly capitalist system once and for all. □

### FRASER SAVES THE RICH

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attempts to serve the rich, shows that he is a class traitor. He is on the other side of the barricades. The workers must fight the rich, force them to pay for their crisis and utilize the day-to-day struggle to build a powerful revolutionary movement for the overthrow of the rule of the rich.

The auto workers are correctly turning against the UAW chieftains' monumental sellout and beginning mass struggle to defend their own interests. When the workers at the Lynch Road plant in Detroit began to rebel, smashing up the cars and plant and saying "If we don't eat, then Iacocca don't eat either," they were right. If the monopoly capitalists, the Carter government and the UAW hacks want to save Chrysler, then let them sacrifice, make them pay the price. For the workers the issue is not to sacrifice to save Chrysler. To defend their jobs, to ensure their livelihood, mass revolutionary struggle against the rich and their government is the only sure course. □