A RIGHTWING PORTRAYAL OF INTERNATIONALISM

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from pulling out and leaving vast numbers of unemployed and broken local economies, or they transfer to 3rd world countries where labor and transportation are cheap, which leaves thousands of Americans jobless.

The rules of capital have been obliterated; the costs for the reproduction of labor are shifted to the working class. The rise of the paper economy and speculative capital has been cause and consequence of the ruinous deregulation of the American economy.

The big gains of the 1980s were not in investments which would spur a renaissance in American productivity, as supply side economics based its theory, but on consumer spending. The invester boom that was supposed to occur actually declined below that of the previous three decades. On the other hand, the combination of falling taxes and explosive military spending caused enormous budget deficits and fueled the rampage of consumer spending.

The many regressive economic policies of the Reagan administration produced the opposite effect of increased savings: a consumer binge by high income groups whose purchasing power was increased with lower personal and corporate taxes. Not only did investment decline during the Reagan years, but transfer of public taxes to the military and its industrial complex from the social services sector actually accelerated government expansion, which Reaganomics sought to prevent (although its primary goal of gutting social services was accomplished). Savings from deregulation were used either to raid other industries or to stave off corporate raiders instead of being productively invested.

The rupture between corporate profit and national economic growth is seen in the dependence of the private sector's profits on looting the public treasury, pillaging the natural environment and reducing social services instead of developing new technology and enlarging markets through the expansion of goods and services. Pillage of public money is manifested by banks — the bailout of the savings and loan industry is a prime example — which are then reprivatized. Also hundreds of millions of dollars appropriated in important areas like health care and housing without fulfilling their private mandate. The private pillage of the public domain extends to natural resources — land, seabeds and timber are stripped or despoiled without regard for longterm consequences.

Private pillage of the state reflects the declining capacity of U.S. capital to compete on the world market. The major source of private profit in the United States is no longer longterm, large scale investment in goods and products, but is instead based on seizing and appropriating public resources. Corporate America's flight from competition, production and marketing gave rise to the paper economy of buying and selling fictitious capital which catastrophically erodes the base of the national economy.

Corporate raiders and investment bankers made a lot of quick money in the 1980s, buying firms and selling them back to the public. Leveraged buyouts (LBOs) of corporations worked by swapping debt for stock ownership, a practice rewarded by the tax system, which allows debtors to deduct interest payments. Investment bankers, like their corporate raiders cohorts, assume that a company's parts are worth more than the whole, and pay debts incurred by the buyoff by selling off the firm's assets. The threat and devastation of corporate takeovers force corporations to focus on short term profits to stockholders; longrange planning is discouraged and investment in research and development is slashed. The frenzy of corporate takeovers has created a mountain of debt that threatens to turn the current recession into deep depression. Many corporations defaulted on loans when LBO prices started to skyrocket and by 1990 several of the nation's producers filed bankruptcy. Loan defaults to 3rd world countries have been predicted to precipitate an international collapse but the threat of corporate defaults is at least as ominous a problem to the American economy and by extension to international stability.

The decision, of course, is to sacrifice production and employees of financially endangered firms. Top executives who engineered company takeovers and whose mismanagement created bankruptcy, receive golden parachutes but the rank and file take the fall.

The power of labor unions as a force to represent and protect the rights of workers in American industry has faded over the past decades. This erosion of social and political equity of the people who produce the products and goods of the American economy is due in part to an increasing global economy and to international competition and ease of capital flight. Union strike power is less vulnerable to diversified megacorporations, especially in highly automated industries, and is virtually

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