



DOMESTIC MARKETS
NEWSLETTER

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WHAT RECOVERY?

This week's announcement by the Federal Reserve Board that industrial output rose in January by .7 per cent and the Labor Department report that the unemployment rate dropped from 8.3 to 7.8 per cent are being both naively and deliberately misrepresented as evidence of the strength of the so-called economic recovery. In its review of the latest industrial production figures the New York Times economics reporter Edwin Dale writes today that "the nation's economy continued its recovery from recession in January." President Ford speaking Feb. 6 before a audience of Northeastern Republicans from Northeastern states said that the employment figures were "very good economic news." The President then concluded that "virtually all of the jobs lost during the recession have now been recovered."

Such forecasts can best be likened to infamous remarks by Herbert Hoover about "prosperity being just around the corner." Be they aren't the blathering of some incompetent economist or the wishful thinking of some near bankrupt capitalist, the appearance in the media is politically motivated. By the time these misrepresentations have been finally conduited into major newspapers like the New York Times they have already passed through several check points at which a deliberate political decision was made to lie. Often the stories are commissioned to be written as lies.

President Ford and his incompetent advisors may sincerely believe that the hodge-podge of measures they call their economic policy is producing a "recovery." Even by their own standards however, they have tended to exaggerate all figures using them as the major substance of arguments for a reduction in federal contributions to income support programs and for reduced government spending generally. Ford has been careful in his public statements to stress that although this "recovery" has begun, it is extremely fragile, and would not stand excessive demands for wage increases during upcoming contract negotiations.

Internationally the talk of a U.S. recovery is being used to convince an export dependent Europe that the world's largest export market, the United States, is getting better. Atlanticist-linked Western European press have given prominent coverage to news of U.S. recovery. Such coverage is an attempt to prove to the disbelieving Europeans that there is little reason to consider breaking with the dollar empire.