

# Vietnam War said a major cause of economic ills



Harvard economist Stephen A. Marglin is pessimistic about the future of capitalism.

By MICHAEL LENIHAN

Harvard professor of economics, Stephen A. Marglin, delivered a lecture in Tilley Hall on January 28 entitled "The crisis of world capitalism: American causes and American consequences." Marglin said the high cost of the Vietnam war was a major cause of United States and other western capitalist nations falling economic conditions.

He pointed out that the reason why the American economy had been somewhat healthy for the past century was that, unlike Europe, America had no industries destroyed in World War II, thus having a jump on its eastern allies.

Also, America was able to produce export items that other countries could not produce because of its high technology. This maintained its consistent surplus. According to Marglin this

is why the USA was able to pay higher wages to its workers than any other country in the world. He said the secrets of high technology do not remain secrets for long and the day of reckoning had to come when the US balance of payments would reflect the loss of markets, adding and including its own, to other capitalist economies. The Vietnam War brought on that day of reckoning more suddenly than it had to happen, according to Marglin. The American people had little heart in this conflict and its only outcome was to cause large deficits in the American economy, leading to full employment and inflation, he said.

He added, "The weakened position of the dollar forced the US to scramble for markets just like little fish. The New Frontier was, of course, the socialist world," saying that it was more than coincidence that US exports to

socialist countries increased more than six-fold between 1971 and 1973; from less than \$400 million to more than \$2500 million. He said, "The relationship between political detente and the expansion of trade with socialist countries was not as one sided as usually portrayed."

The economist also said inflation in food and fuel prices can be directly linked to American in Vietnam. He described the two digit inflation as the American government's "public enemy number one." Adding that the government's policies to fight this inflation in 1974 threatened two digit unemployment in 1975.

It is Marglin's belief that the US government, in its controls to help the economy, only shifted the problem from one sector to another and never really solves any of them. He said, "I view the US government more as part of the problem than as part of the solution and expect correspondingly little constructive influence from that quarter."

He also expressed concern that the only way to moderate the impact of wage demands that accompany high unemployment is to maintain a high rate of growth and worker's productivity. He added that the only way to increase productivity is to improve the quality and increase the quantity of plant and equipment. This in turn requires a high level of profits.

"The very basis of capitalist work organization - the specialization of workers to minutely divided tasks; exists not so much because of its putative efficiency, but because it helps to maintain an artificial role for the boss, as integrator of the productive process," Marglin explained.

Marglin added that society's elites, who make up only one percent of the capitalist population, often confuse its own interests with those of ordinary people, often persuading them to accept their economic values. Marglin blamed many problems of today's society on the capitalist system.

The economist argued that

President Gerald Ford has consistently indicated a clear willingness to sacrifice jobs in order to stabilize prices. However, he added that unemployment is not the only proven means of restoring a balance of class power favourable to capitalists.

The only way out of this according to Marglin, is permanent controls where wage increases would be kept in line with productivity gains. However, he added, "In practice, the calculations that would be required to determine the effects on profits of proposed price changes are mind boggling, but perhaps feasible."

He suggested that if the US becomes a planned economy, it would be hard to see how any part of the capitalist world could escape without making major adjustments.

Marglin expressed pessimism with respect to the capitalist system, saying, "More and more people are coming to believe that, whatever may have been the case in the past, capitalism is no longer a vehicle of human progress but an obstacle." Adding, "All over the world, from southeast Asia to Portugal to the United States, capitalism is on the defence. It is up to us to express the attack."



Watergate defendant John Dean is going to give a lecture at UNB in the main gym at 8:00 p.m. on February ninth. Student tickets cost \$.50.

## Transfer completed

By ALISON KING


The university has transferred 12.65 acres of land to the government to be used for the location of Fredericton's French Cultural Centre.

In exchange for this land, the university received three pieces of property which include the Montgomery St. School and the Public Works Area. These have now been leased to the government to permit continuing use of the property. The leaseback arrangements differ in all three plots of land, but the maximum period being thirty years, the property will automatically revert to the university at the end of that period. The university benefits by this exchange agreement in that the land acquired is far closer to the lower campus than that transferred to the government thus consolidating a useful landbank. An added advantage for the university is the existence of buildings already on the land.

The new Cultural Centre will be located at the corner of Regent St. and Priestman St. and will incorporate a school at all levels, as well as various facilities which will be thrown open to the community at large. Since discussions and negotiations are still going on, it is not known exactly what these facilities will include, although there will be a theatre, cafeterias and a gymnasium.

Actual construction of the cultural centre will probably not begin until Spring. The government is under contract to the S.C.R. Construction Company for the foundations and the structural steel, but has not yet tendered the main contractor for the superstructure.

By building the centre the government is accommodating the needs of the increasing influx of French-speaking people to Fredericton, said government officials.



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