

# U.S. in recess

Lee Webb

1970

WASHINGTON, D.C.—Nixon's public relations men are calling it an "economic readjustment," but in English it's a full blown economic recession.

U.S. Labor Dept. unemployment figures show joblessness for April at 4.8%, the highest since 1965, when U.S. "escalation" of the Vietnam war began.

Lines at unemployment compensation offices in Detroit, Chicago, Los Angeles, and Birmingham, Ala. are spilling out onto the sidewalks. 3,700,000 Americans can't find jobs—and that's one million more than a year ago.

A recession for workers happens to be a boom for business: corporations are planning an unprecedented \$83.6 billion investment in new plants and equipment for 1970, a 10.6% jump from 1969.

And Nixon's policies help businessmen in other ways: workers are less likely to demand big wage increases and less likely to back up their demands with a strike if there is an "army of unemployed" on the streets looking for work.

Just how many men and women Nixon is prepared to throw out of work is still not known. A close friend of Nixon's, Pierre A. Rinfret, recently admitted to the Senate Banking Committee that he expected an unemployment rate of 5.5% by the end of 1970.

Perhaps a more accurate perspective comes from Dr. Charles C. Killingworth, a respected manpower economist at Michigan State. He told the House Select Subcommittee on Labor that predictions of a 6% jobless rate for next year were "optimistic."

"If Milton Friedman (right wing economist at the University of Chicago) is right when he argues that we have virtually assured a recession by excessively prolonging the 'tight money' policy, an unemployment rate of 7% or 8% by mid-1971 would be well within the range of reasonable possibility," Dr. Killingworth said.

# fifth Estate

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Fifth Estate #105, May 14-27, 1970

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