

Agenda for 'guild socialism'

Laurence Hecht's exclusive coverage of Heritage Foundation and Fabian Society collaboration in Washington.

Three subjects of the British Crown, among them Stuart Butler of the U.S. Heritage Foundation, proclaimed in Washington, D.C. Jan. 15 that what America needs is "guild socialism." By this, the three Britons made clear, they mean the elimination of big industry, repeal of the minimum wage, and a general lowering of wage rates, replacing employed labor with the unemployed.

These recommendations for the Reagan administration and the new Congress were put forth at the second session of the National Urban Policy Roundtable, called to promote the creation of "enterprise zones" in U.S. inner-city areas. Modeled on Hong Kong and Singapore, the proposed enterprise zones would offer tax and other incentives, including repeal of minimum wage laws, to lure sweatshop industry into the area.

The enterprise zones have already become law in Great Britain since a March 1980 announcement of Chancellor of the Exchequer Sir Geoffrey Howe. Howe had endorsed the Heritage Foundation's Stuart Butler's proposal for introducing the zones into the United States.

Sponsors and proposals

Sponsors of the enterprise zone event included a purportedly conservative U.S. think tank, the Heritage Foundation, the American Council of Life Insurance, and the Willy Brandt-founded German Marshall Fund. The Fund, which features Carter advisers Cyrus Vance and Averell Harriman, entirely paid for the Socialist International's conference on Eurosocialism held in Washington in December. The German Marshall Fund has adopted implementation of the enterprise zones as the major focus of their U.S. activity this year.

The enterprise zone proposal, as speakers Stuart Butler, senior economist of the Heritage Foundation, and British socialist Fabian Society leader Peter Hall agreed, is part of a plan to adjust America to what they call "postindustrial society."

This notion, which is shared by the Socialist International, the Heritage Foundation, and the Carter-appointed presidential Commission for a National Agenda for the '80s, argues that the era of industrial

expansion is over. The United States should prepare to lose its basic industries such as steel, auto, and heavy manufacturing, and shift approximately 70 percent of the labor force into services.

"Once you have sweatshops and people work in them, they move on as in Japan, Hong Kong, Singapore," Prof. Peter Hall told a questioner in the educated accent appropriate to a scion of Britain's Vickers munitions family. "The question is whether enterprise zones can do that, as I think sweatshops, now existing illegally and employing illegal aliens, are doing," Hall said.

"I would like to concur with that," said Stuart Butler, the 34-year old graduate of St. Andrews University in Scotland, who joined the Heritage Foundation in 1979.

"I see the enterprise zone as being a step on the ladder up, in terms of input and skill. Thus the labor opposition. But if paying less than the minimum wage gives people a job, you are starting an upward movement."

Heritage socialists

"And with regard to the peculiar coalition around this idea," Butler continued, "it is also true in Great Britain as here. Peter Hall is an active member of the Fabian Society, and I am a conservative, and we are not in any real disagreement at all. I think this is also true of neoconservatives and the liberal movement, especially urban liberals and radical leftists in the cities here. We are seeing a very important coming together of people who should have been together for a long time. The enterprise zone is a way of bringing them together," the Heritage Foundation economist declared.

Reporting on the British development, Peter Hall told the Washington audience, "These zones could be administered as a British Crown Colony on the Hong Kong model." Paul McQuail, Britain's shaggy undersecretary in the Department of the Environment was brought over, at the expense of the German Marshall Fund, to report on this "experiment."

A bill to promote enterprise zones in the United States was introduced into the last session of Congress



Peter Hall at the Washington conference.

NSIPS

placed workers ought to move south, to replace “wet-backs”—undocumented Mexican laborers—in low-wage jobs.

As Peter Hall, his eyes darting around the room as he furiously chewed off a hunk of romaine lettuce from the buffet lunch, told me: “We are introducing a new idea here that may not be accepted by everybody right away. . . . But you could say that the enterprise zone is a lot like the old guild socialism.”

Peter Hall discusses America's future

From an interview by Laurence Hecht with Peter Hall of the University of Reading, England, former chairman of the British Fabian Society.

by Representatives Jack Kemp (R-N.Y.) and Robert Garcia (D-N.Y.). A new version of the Kemp-Garcia enterprise zone bill is being planned for introduction this year.

A lesser evil?

Outrageous as the enterprise zone proposal is, its proponents are offering it to troubled cities as “lesser evil.” The “greater evil” is the scheme exposed six years ago by this news service and now revived by the President’s Commission for a National Agenda for the ’80s, to let the northern industrial cities die and move the population south and west.

The report of the President’s Commission was conveniently leaked to the press prematurely last month, creating a furor among big city mayors and politicians, and setting them up to accept the enterprise zones.

In fact, the proponents of the enterprise zone sweatshops and the boxcar relocators base their proposals on the same theory—Harvard sociologist Daniel Bell’s thesis that America must move into the “postindustrial era.”

Asked what he thought of the proposal that New York’s South Bronx residents simply relocate to jobs elsewhere, enterprise zoner Butler replied: “I don’t think there should be obstacles to stop them.”

Rutgers University Professor George Sternlieb who appeared at the event as the house opposition to the enterprise zones, simply puts forward another way to destroy American labor and industry. “This is the post-industrial era,” Sternlieb told the *Executive Intelligence Review* last week. “Cities like Scranton, . . . Wilkes Barre [Pa.]

to go. Youngstown, Ohio, is going to have to die, and the faster it dies, the less will be the human agony accompanying the tragedy.” Sternlieb said that dis-

EIR: I’m interested in what you said about the convergence of left and right in adopting the enterprise zone concept. It seems to me unlikely that the labor movement would accept this idea.

Hall: Yes, well, much of the Labour Party in Britain is opposing it, saying it’s an attempt to break the union’s power and so forth. But you have to distinguish the attitudes of people in politics and the philosophical development of ideas. We are introducing a new idea here that may not be accepted by everybody right away. You could say that the enterprise zone is a lot like the old guild socialism.

EIR: But the union wing of the social democracies and the major corporations both are based on big industry. Won’t they oppose it?

Hall: Well, some socialists see the model of large public bureaucracies failing completely or not performing. Even most left-wing socialists believe this.

EIR: And the major corporations?

Hall: Well, the large interests will act as a brake on development.

EIR: As I see it, you view the whole industrial structure changing so that many of the major corporations and industries today may not exist much longer?

Hall: I do firmly believe that many corporations that came from innovations of a century ago—General Motors and Ford for example—if you think about it, I think you would admit that these industries are really a century old—they are in deep potential trouble.