TABLE 1
Employment by Sector, 1939-47
(In Millions)

Year	Armed Forces	Civilian	Manufacturing	Unemployed
1939	0.37	55.75	10.28	9.48
1940	0.54	55.64	10.99	8.12
1941	1.62	55.91	13.19	5.56
1942	3.97	56.41	15.28	2.66
1943	9.02	55.54	17.60	1.07
1944	11.41	54.63	17.33	0.67
1945	11.44	53.86	15.52	1.04
1946	3.45	57.52	14.70	2.27
1947	1.59	60.17	15.55	2.36

Solving Unemployment, Through Production

Using the Reconstruction Finance Corporation as a fulcrum, Roosevelt's approach was a total success. It absolutely defeated the Depression, and went far beyond. It used a crash mobilization, behind a scientific mission, incorporating the extraordinary infrastructure built during the New Deal.

Table 1 shows the change in the labor force. In 1939, the official number of unemployed, at 9.5 million, was almost as large as the total number of the manufacturing workforce, at 10.3 million. By 1944, the unemployment level had fallen to 0.67 million; there was an acute labor shortage throughout all sectors of industry. This represented a reduction of the unemployment level by 8.81 million.

From 1939 until 1944, the U.S. armed forces grew from 370,000 to 11.41 million. The common, but false interpretation of the war period, is that the armed forces simply absorbed the unemployed. But look at what happened to the manufacturing labor force: It grew by 7.3 million, or 70%, during the war years. In 1947, a recessionary year, the level of unemployment was 2.36 million, but never anywhere near the 1939 level, of nearly 10 million. The labor force had been changed.

The industrial production of the American economy, based on an index of 1967=100, had risen from 21.7 in 1939, to 47.4 in 1944, a more than doubling. The recovery of the American economy was achieved. When combined with the preceding infrastructural and other achievements of the New Deal, the result was explosive, anti-entropic growth.

A frightened reaction to Lyndon LaRouche's proposal to scrap existing policy, and adopt an American System sovereign credit system, as with retooling the auto sector—is to say that the ideas are lofty and good, "but let's be practical," they cannot ever be implemented.

As the U.S. financial system enters systemic breakdown, the LaRouche solution not only becomes necessary—it is the only solution. To anyone who says it can't be done, the Roosevelt precedent says, yes, it can.

Mittal-Arcelor Steal: Behind the Fairy Tale

by Jacques Cheminade

Mr. Cheminade is the pre-candidate for President of the Solidarity and Progress party in France. This abridged version of his article has been translated from French.

"An Indian ogre, Mittal Steel, has launched the biggest hostile takeover bid in the history of the European steel industry, to grab hold of European giant Arcelor. A plum industry may thus fall into the lap of a third world, family-run group."

Those lines are the children's fairy tale version recounted by mass media, concerning a gigantic financial operation that, in its initial stage, represents roughly 18.6 billion euros, with billions more to come.

On the French side, "economic patriotism" has nothing to do with it. What is actually going on here, is the next stage in "globalization," in which "creating value," or, in plain speech, generating cash flow, is deemed far more critical than any principles, whether national, industrial, or social. What the press refers to as "Indian" is no more Indian than I am, and what it calls "French" is a Luxemburg-based conglomerate.

The actual policy is to cartelize steel production and set up, as Mittal Steel's Chairman Lakshmi Mittal has aptly put it, a "global champion."

Now, what is Mittal Steel? It comes from India, where, backed by huge financial groups, the company became involved in buying out, and then restructuring major companies. It's just the sort of thing practiced by Claude Bébéar of the AXA insurance empire: Operating out of a tiny insurance firm at Rouen, les Anciennes Mutuelles, Bébéar swallowed up, step by step, bigger and bigger firms.

Although, unlike Bébéar, Lakshmi Mittal is not wont to pose for photographers in front of the carcasses of African game, he too is a "real killer." Said to be the world's third richest man, his London home is reported to have cost $100 million, and the pool in his garden to be encrusted with precious stones. Mittal *adores* France, and when his daughter Vanish married a City of London financier, he spent 60 million euros on a string of wedding feasts that flitted from Versailles through Vaux-le-Vicomte to Saint-Cloud. But look on the bright side: the currently ruling UMP spent eight times less on the coronation of Interior Minister Nicolas Sarkozy.

In any event, Mittal's business, run through a network of opaque, family-owned firms, is, believe it or not, a Dutch company that is listed on the Dutch and New York Stock Exchanges, and operates throughout Asia, the United States, and various Third World countries.

Mittal's bankers are Citigroup, Goldman Sachs, HSBC, and Crédit Suisse—the predatory hard core of financier, anti-industrial "capitalism."

Amongst the Mittal networks, one finds the usual London School of Economics pranksters, and Washington lobbyists, as well as "graduates" from the big banks, notably Rothschild. In a nutshell, what the Mittal saga actually shows, is simply that India's economic fabric, too, has been eaten away by Anglo-American imperial interests, tearing at whatever might be left of the national "wealth"!

It Started in 1977

As for Arcelor, here we have more beer drawn from the same barrel. Arcelor is the product of a merger between the French firm Usinor-Sacilor, the Luxemburg firm Arbed, and the Spanish firm Aceralia, a three-headed unit "built up" by downsizing their respective labor forces, and through public subsidy.

Backtrack to the history of the French side of things. Usinor and Sacilor were nationalized by the French government—then led by Prime Minister Raymond Barre—in 1977, under circumstances curiously advantageous to their shareholders and owners. The French state took over the firms' debt, and drastically cut the workforce.

Then, in 1986, Jacques Chirac appointed one Francis Mer to act as Usinor's CEO. Thanks to 70 billion French francs (10 million euros) of state subsidy, Mer allegedly "turned the situation around," and eliminated another 70,000 jobs.

Usinor then merged with Sacilor, only to be sold off to private interests in 1995, at a price that all commentators found absurdly low, at a mere 10 billion francs. Some 55% of its capital was then bought up by foreign, essentially Anglo-American, investors and investment funds.

In 1997, the "Socialist" Finance Minister Dominique Strauss-Kahn allowed the French state to sell off to private interests the 7.7% of Usinor-Sacilor shares it still held. Then, under the "Socialist" government of Lionel Jospin, the Usinor-Sacilor-Arbed-Aceralia merger took place. Further downsizing allowed Arcelor to rake in more cash for the shareholders, while 82% of its capital floats on the stock exchange without control of any kind.

The very agencies and individuals who now are thumping their chests against the Mittal operation are those who made it all possible. Arcelor's bankers are BNP-Paribas, Deutsche Bank London, and Merrill Lynch Paris. Its "guide" is Michel Pébereau of the Aspen Institute, touted as the Godfather of New French Capitalism, as Claude Bébéar's star wanes. Exane, whose parent company is BNP-Paribas (this was the merchant bank advising Arcelor), published a study on Oct. 7, 2005 praising Mittal Steel to the skies, as "champion in value-creation in recent years." The Exane study concluded that "a rapprochement between Mittal and Arcelor would be the perfect combination. . . . Such an operation might occur very shortly." And so, indeed, it has.

Laugh or Cry?

Should one laugh or cry, on hearing some bemoan the loss of "economic patriotism"? Take a look at the individuals whose appointment as European Commissionners for "Competition and Industry," were signed onto by the French government with both hands: the Dutchwoman Neelie Kroes (as Dutch as Mittal Steel) and Günter Verheugen. Count on that pair to apply the rules of "free and easy competition," and, of course, to support Mittal's takeover bid.

Droll, but perhaps not all that funny: In late December 2005, the French government issued a so-called "anti-hostile takeover" decree. The idea was that foreign investment into 11 protected business areas would be subject to prior approval from the government. Casinos and gambling of various kinds were covered by the decree—*not,* however, the steel industry.

Ill-fated decree! The European Commission opposes it. Poor and shabby as it is, the decree, horror of horrors, supposedly represents a "protectionist" and "discriminatory" move. No less is said in an official missive, pompously forwarded to the French government by one Alexander Schaub, a bureaucrat who heads one of the European Union's General Directorates. Nor can Arcelor protest too much at the Mittal Steel ploy: Three short days before the latter's bid, Arcelor had grabbed hold of the Canadian firm Dofasco!

All of this, all of it—lock, stock, and barrel—has nothing to do with the rationale behind the European Coal and Steel Community (ECSC) at its founding in 1951. All that is left over, is a monetary and financial Union, a conveyor belt for imperialism masquerading under the name of globalization.

Since 1981, France has spent 15 billion euros on "saving" the European steel industry, through downsizing and production cutbacks. Overall, including similar sums paid by Luxemburg and Spain, 23-25 billion euros have thus been squandered, while Mittal Steel intends to buy Arcelor for 18.6 billion euros. The latter sum represents but five times Arcelor's net income. And Mittal Steel proposes to cover 75% of its bid, by issuing fresh Mittal shares.

If we are to accept the monetarist outlook that our monetarist gentlemen very plainly do accept, no state in Europe may lawfully resist such bids. Nor should such a state even have access to enough funds to prevent it.

"The real bosses here, let's face it, are the U.S. pension funds," said one of the remaining Arcelor steelworkers at Dunkirk. And the pension funds themselves are run by the financial oligarchy, which also runs the European Commission.