

Reindustrialization Meanings Differ

REINDUSTRIALIZATION is used freely as a buzz word by politicians and business leaders but not all of them are talking about the same things.

The word has many connotations, some of them desirable and others which might be hazardous to our free enterprise system. It suggests a process by which American productivity and trade leadership might regain lost momentum. Views differ on how to accomplish this.

Suggested steps include providing new capital for modernization of factories to provide more jobs and make American products more competitive, expanded research and technology, establishment of new companies to manufacture new products, development of new energy sources, and upgrading of our transportation systems.

Many believe that these things could be achieved by private business if tax laws were revised favorably and excessive regulations loosened. Others argue that government ought to provide capital, finance research, make loans to new business-

es, control energy, and subsidize transportation.

Government participation in business already exists in steel, auto manufacturing, agriculture, railroads and energy. Every step toward nationalization of industry is a step toward socialism.

In a special edition on "The Reindustrialization of America" last summer, Business Week magazine urged that "Leaders of the various economic and social groups that compose U.S. society should agree on a program for reindustrialization and present that program to Washington."

Amitai Etzioni, a noted economist writing in Forbes magazine, said "while we should swear off any kind of national planning or economic controls, we do need to provide publicly agreed upon incentives to some parts of the private sector versus others."

To the degree that government participates in incentives which distort competition, free enterprise is restricted. An adversary relationship between government and busi-

ness is not desirable but neither is a situation in which subsidies maintain weak, inefficient businesses while labor unions dictate high wage rates and low production rates that drive consumer prices ever higher.

"The emotional appeal of reindustrialization is enormous," said an editorial in *Financier* magazine in September. "In broad terms it identifies the problem as national economic performance far below expectations and needs, and proposes to fix it by massive allocations of resources to the weakest spots, according to a grand design, created by a compact of business, labor and government."

In another article, John Evan Bremner wrote that "It certainly threatens the philosophical principles of the free market."

Those who favor nationalization or socialization of industries will not abate their efforts because a new president has been elected. Their schemes are being relabeled "Reindustrialization" and pushed anew.