

PROLETARIAN

NEWS

WORKERS OF THE WORLD UNITE!
YOU HAVE NOTHING TO LOSE BUT
YOUR CHAINS! YOU HAVE A WORLD
TO GAIN! — Karl Marx

A JOURNAL FOR THE WORKING CLASS

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DEPRESSION—A CAPITALIST PHENOMENA

Currently as the United States is experiencing an economic slump the question arises, why? And what do you call it? Is it a recession or a depression? Names normally serve the purpose of classifying, distinguishing and clarifying, denoting qualitatively different condition, people, things or stages of development. For example, John is different from Paul or Alice as an individual; youth is distinguished from an adult in point of time or age. A flower is distinct from a fish in that it possesses qualities a fish does not. By the same token if the term recession has any meaning it is this, namely, an early or incipient stage of what can develop into a full-fledged depression. The point of transformation of one into the other is in a sense, arbitrary and debatable; on the other hand, it is a matter of objective development and qualitative transition.

Splitting hairs over what to call it is not nearly as important as the condition itself. At one time when a worker was laid off he was considered plainly unemployed. By going modern and substituting the fancy name of "furlough" does not make him any less jobless. His income is equally depleted. In the early days of capitalism the usage of neither term, recession or depression, was in vogue. It was known by the name "crisis."

Frederick Engels in his work "Socialism, Utopian and Scientific" pages 115-116 describes it as follows: "As a matter of fact, since 1825, when the first general crisis broke out, the whole industrial and commercial world, production and exchange among all civilized peoples and their more or less barbaric hangers-on, are thrown out of joint about once every ten years. Commerce is at a standstill, the markets are glutted, products accumulate, as multitudinous as they are unsaleable, hard cash disappears, credit vanishes, factories are closed, the mass of the workers are in want of the means of subsistence, because they have produced too much of the means of subsistence; bankruptcy follows upon bankruptcy, execution upon execution. The stagnation lasts for years; productive forces and products are wasted and destroyed wholesale, until the accumulated mass of commodities finally filter

off, more or less depreciated in value, until production and exchange gradually begin to move again. Little by little the pace quickens. It becomes a trot. The industrial trot breaks into a canter, the canter in turns grows into the headlong gallop of a perfect steeplechase of industry, commercial credit, and speculation, which finally, after breakneck leaps, ends where it began—in the ditch of a crisis. And so over and over again. We have now, since the year 1825, gone through this five times, and

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HOME SCENE

That Healthy Readjustment

About a year ago, when business began to skid, it was termed a HEALTHY READJUSTMENT by the professional optimists and politicians in Washington. Workers laid-off were said to be DISLOCATED. Since then, the readjustment has become mighty unhealthy, sinking into a recession. The dislocated workers have mounted to well over 5 million unemployed. The third stage, in the downturn, will no doubt be felt, without the fancy words, as the depression.

President Eisenhower, in his Economic Report to Congress on Jan. 20th, said: "There are grounds for expecting that the decline in business activity need not be prolonged."

Several weeks later, in a statement on Feb. 12th, Lincoln's birthday, the President said: "Every indication is that March . . . should mark the beginning of the end of the downturn . . ."

More recently, at his news conference on March 26th, the depression famous President Hoover's optimism and prognostications, as expressed now by President Eisenhower went as follows: "I think there are many factors that would imply that the bottom is certainly close or possibly even now reached . . . My own feeling is we are going through the worst of it right now."

Meanwhile, the army of unemployed grows, business is mired in a swamp and business failures are mounting. The President exudes confidence in the free enterprise system eventually extricating itself from the economic mess; while the alleged representatives of the

MAY DAY—1958

The first of May, or May Day as it is called, means more than just a mere calendar date to the class conscious workers. It has been celebrated by them each year as an International Labor Day. By class consciousness is meant the awareness of the working class that they have a common interest as exploited wage-earners belonging to a class separate and opposed to their employers and exploiters, the capitalist class.

The growing perception that it is their labor power that produces all the wealth of society, but that the capitalists profit by keeping

their wages down as low as possible, has caused the workers to organize and to set aside that day in the spring time of life-resurgent, as it were, May Day, in which to "down tools," leave the shops and factories, and defiantly demonstrate against the exploiting capitalists.

Although May Day is celebrated abroad, even more so than in the U.S. at present, still it is not of foreign origin. It has an American background replete with class struggles for better working conditions, shorter working hours, e.g., the 8 hours day movement which culminated in the American delegates recommending to the international Socialist congress held in Paris in 1889 that the first of May be chosen as a working class "holiday."

It is needless to point out that the capitalist ruling class do not sanction the observance of May Day as a "worker's holiday." In fact, the "public power of coercion," the government of the rich parasites, through the years had tried to suppress the celebration of May Day, but, in spite of it all, the "worker's holiday" survived. There is a reason for this, it is a direct product of the ages-old class struggle, as vividly portrayed by Marx and Engels, that "now hidden, now open fight," between the oppressor and oppressed, that can only be fought out to a finish.

May Day is a harbinger of better times to come for it points the way for ultimate control of the world by the working people, and the taking over and placing under collective ownership the entire means of production everywhere thereby ending the exploitation of labor. Is it any wonder that the capitalists fear and hate it. This would mean the finish of their profit system. But to the workers it would mean a new society of social ownership and social distribution of the good things of life, wherein poverty would be only a memory of the hideous past, and wherein the working hours would be reduced with plenty of leisure for all to enjoy.

Already one-third of the world is in the hands of the working people building that new society that has for its goal the realization of that slogan: "From each accord-

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MAY DAY - 1958

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 ing to his ability, to each according to his needs." There is the Soviet Union with its great achievements, social and scientific. It was the first nation to establish a successful Workers Rule in 1917, and more recently, in Oct. 4, 1957, the first to send an earth satellite far up into outer-space. Then there is her great ally, Peoples China, a country with the largest population in the world, who, in a period of less than ten years of Workers Rule, has also performed marvels of constructive achievements. The East European Democracies likewise have shown that Workers Rule is the only progressive way to build up an economy and a nation, one that will benefit the whole people. Great will be their rejoicing on this May Day; they have indeed something worthwhile celebrating!

The influence of this section of the Workers' World has spread to other countries. Its peaceful policies and offers of trade relations with "no strings attached" have drawn within its orbit such nations as Egypt and Syria, and favorably impressed India, Burma, Indonesia, etc. This too is cause for great joy by all class conscious workers on May Day.

Plight of American Labor

But what about the American workers, how are they faring on this May Day? Economically they are in a sorry plight. More than 5 millions of them have become jobless due to curtailed production resulting from the present "business recession" which is threatening to slump into a serious depression. The government is trying to cheer up the nation by releasing statistics that most of the workers still have jobs, around 61 million. But press reports indicate that not all of them are working the "full 40-hour week." Many of them are working "part-time" at a very much reduced "take-home pay." This is due to the basic industries operating far below their capacities, such as steel, e.g., at less than half its capacity.

The competition for the jobs among the workers will become even more aggravated during the summer when, it is estimated, over 3 million students, (graduates and "vacationers") will flood the labor market in search for that most precious thing (and now very elusive) called a "job." Unemployment is bound to go up. "Pounding the pavements" in search of a master, instead of climbing "the ladder of success," is how many "teen-agers" will be spending their vacation during the hot weather ahead. This will cause a severe strain on whatever affection some of them might have for the "free enterprise" system, and for that matter, "the land of freedom and opportunity."

Already many workers have become dis-illusioned with "people's capitalism." Prosperity did not last "forever" like some of them were

deluded into believing. Of course, some of the businessmen (those still making profits) and politicians (who still have their lucrative jobs) try to console the jobless with the assertion: "Sure, you may be unemployed, but you are getting compensation, and you are much better off than the Russian workers who are slaving on their jobs."

However, to many of the unemployed such an analogy stinks to high heaven, as the saying goes. Many of them mutter that it does not bring home the bacon, or pay off the installments due on the car, or the mortgage on the home. Many of them have already retorted: "So you say the Russians slave, but they are working steady and eating steady, while I, the 'free American' am on the bum."

We can see that the American worker is very unhappy this May Day. And that should not be. Has he not the great "know-how," and lots of vim, vigor and vitality? Yes, he has, great quantities of such manly qualities. Has he not produced, collectively, in cooperation with his own fellow workers, all the good things of life? That he has, including all the food stuffs as well as factory products, in fact, everything. And in such enormous quantities, that he has overproduced, thereby working himself out of his job!

Now this would not be so bad if the workers had access to that which he produced. But no! It has all been taken possession of, by the owners of the means of production. Who are these people? They are the rich parasites, a mere fraction of the population, but very powerful because their huge wealth enables them to control the government from the president down to the dog-catcher. And it does not matter what kind of administration it is. Both the Republicans and the Democrats serve the multi-millionaires and billionaires who own America, and exploit the so-called "free American workers."

One of the most remarkable, and to the workers, the most painful features of this "business recession" is that the high prices, especially of the necessities which workers must buy, still prevail. Partly it is due to the reluctance of business men to lower prices. But mainly it is due to the inflation of the currency caused by the government printing large quantities of "paper currency" through the years to pay for some of its expenses. Hence the value of the dollar is exceedingly low, and reflects itself in the high prices of commodities. Whether, or not, the prices will come down with the prolongation of the "business recession" still remains to be seen.

In the meanwhile many workers, especially the unemployed, are being reduced to a stage of pauperism similar to what many had experienced in the Big Depression days of the 1930's. The so-called "high standard of living" of mil-

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at the present moment (1877) we are going through it for the sixth time. And the character of these crises is so clearly defined that Fourier hit all of them off, when he described the first as 'crise pléthorique,' a crisis from plethora."

This is a keen and correct description of the development of an economic crisis and its opposite, what we would call prosperity. Engels scores a point with his reference to Fourier's description of it, as a "crise pléthorique" a crisis of plethora (overproduction).

Modern economic crises are different from crises in pre-capitalist societies. In the past, during feudalism or even earlier, periods of economic distress were dominantly caused by LOW production. People suffered and starved because of insufficiency due to a scarcity of goods or products. That is quite understandable. In capitalist society such is not the case. Here you have "want amidst plenty," want amidst super-abundance. This is not as understandable. It is a paradox peculiar to capitalism.

Modern crises or depressions can therefore be said to be a specifically capitalist phenomenon. Here, not scarcity but oversupply is the cause of trouble. The workers who have produced so much cannot have economic access to the goods they themselves have produced. The capitalist mode of production and exchange decrees so. By capitalist economic law commodities lie fallow in the warehouses unless they can exchange or sell at a PROFIT, no matter how urgent human need is. They are the private property of capital. Capital, on its part, will not continue production merely to create jobs and purchasing-power for labor. The employment of labor has one specific objective—profit. This is contingent upon the commodities produced finding a profitable market readily available for its transformation into money, which includes a profit over the original outlay.

How come, then, consumption cannot keep pace with production? Assume a society where production is carried on for use. In that case the more that is produced the more is at their disposal. Take the case of the small peasant in the millions of American workers has really taken a plunge! And no amount of "New Deal" measures, or "pump-priming" can restore "prosperity."

This May Day points only one way out of their economic plight to the American workers, and that's for them to take a vigorous turn to the left. Insecurity and poverty can only be ended by abolishing its cause: capitalism. A new society is now in order, that which can only be ushered in by the organized might of labor, by **WORKERS RULE.**

A.W.

Middle Ages, the instruments of labor, tho primitive, were his, so, too, was the product. As we said earlier, the problem of earlier societies was low production. When, however, conditions, due to nature's kindness favored increased production, certainly he was in a position to enjoy his extra blessings. There was no other force to intercept between him and his product. Consumption and production kept equal pace.

Again, let us look into the future society, communism. There, it is also visualized that the instruments of labor, i.e. the production machinery with all its capacities will belong to those who work with it, **COLLECTIVELY.** Under those circumstances production will be carried on for use. It is logical to assume that an increase in production can lead but to two things: increased consumption and more leisure thru the shortening of the work day or days. Here, too, consumption can keep pace with production. There is no problem or contradiction there, because, again, there is no separate force or social segment in society acting as an interceptor between the producer and consumer.

However, under capitalism, capital and profit acts as an intercepting force. If capital can't realize a profit thru a sale, products don't move, keep piling up on the shelves. The production process is stopped because they can't be exchanged or sold profitably. The workers have little say in the matter because industry is privately owned. The instruments of labor belong to a private class, the capitalists. Tho workers are in the habit of saying, "my plant, my job" actually the plant is the private property of another. So, too, is the job. These are only available to the wage-workers as long as they keep creating profit for the employer.

Under capitalism the aim of production is not consumption but profit. True the products must be consumed, but only insofar as a profit can be realized. In other words unless they can be **PROFITABLY** consumed, the exchange process is interrupted. This in turn reacts upon production which in its turn is also halted. A point of overproduction is reached. It is a crisis of overproduction. Overproduction stems from capitalism's own inner workings. It is anarchic in its production.

Industry being privately owned and operated there exists no central plan. It is not a planned society. Each industry and segment within it is in competition with others. Within their own plant, in production there is definite planning and control. Take the automobile industry. General Motors charts its production, say for the year. They have full knowledge of how many cars will be turned out, what their labor time, costs, etc. will be. But they don't know what

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THE PROPAGANDA WAR

Propaganda is a method, scheme or plan, used by an organization, society or nation, to spread its particular ideas, doctrine, or system of principles. There is nothing inherently "evil" about propaganda. It all depends on its class nature, and how it is used. The truth can be just as readily propagated as falsehood. Briefly stated, propaganda is a means of advertising one's ideas with the purpose in view of influencing people's thinking.

In the ideological conflict between capitalist America and communist Russia both sides have been using propaganda as a weapon. As the press puts it, a "propaganda war" exists between them. It admitted also that the Soviet Union had scored a big victory in its "propaganda offensive" by the announcement early in April that it was suspending nuclear tests (of atomic and hydrogen bombs) while reserving the right to resume them if the U.S. and Britain did not follow suit.

This major move by Russia toward disarmament and world peace was welcomed with much relief and delight by the masses throughout the world. They saw in it not only a lessening of the war danger, but also, by stopping the nuclear bomb tests, a halt to the radioactive pollution of the atmosphere. Their joy is understandable, no one wants to die.

In India, the ex-Governor General Rajagopalachari, was reported to have hailed the Soviet test suspension as "God's Russian miracle — let us hope this noble gesture is contagious."

In Burma it was greeted by the periodical "New Times" as a "clear moral victory over the U.S."

In Japan it was welcomed by all strata of public life. They still have not forgotten the atomic-bombing of Hiroshima and Nagasaki by American planes in 1945. They also have a deadly fear of radio-active fall-out, remembering how one of their ships, the Lucky Dragon, was deluged with it from the American, Pacific-Bikini hydrogen bomb tests.

The Soviet announcement of nuclear tests suspension had its effect also on Western Germany. According to the New York Times (April 6th) the Sueddeutsche Zeitung, a Munich newspaper, in its editorial "What Now?" declared as follows:

"Even if propaganda be its main motive, the decision of the Soviet Union is still to be welcomed and above all ought not to be swept off the conference table."

It was reported also that even Chancellor Adenauer did not scorn the Soviet gesture but hinted that it could be taken up in international negotiations "and perhaps become the starting point for a more reliable first step to international disarmament."

Dulles-Eisenhower Reaction

What was the immediate reaction of the American government toward the Russian announcement of nuclear tests suspension? It was so unexpected that all it could do was sneer at it. The Secretary of State, Dulles, tried to dismiss it as "nothing but propaganda." President Eisenhower at a press conference scoffed at the Soviet test ban by declaring, "I think it is a gimmick, and I don't think it is to be taken seriously."

As an afterthought, however, both of them

had to concede that it had, as Dulles put it, "a certain propaganda victory, or at least a success," and Eisenhower admitting that his decision not to move first on the test issue "could have been mistaken."

The Soviet Union was quick to press its advantage, its foremost leader and spokesman, Nikita S. Khrushchev, saying as follows:

"If Eisenhower really thinks we have stopped atomic and hydrogen bomb tests for propaganda reasons, then why don't he and other Western statesmen try the same propaganda and halt the tests themselves?"

He followed this up with a message to President Eisenhower calling on the U.S. to "unite itself with the initiative of the U.S.S.R." in halting nuclear tests. Similar messages were sent to Britain and West Germany.

This Soviet offer pushed the Eisenhower administration squarely into a dilemma for it happened on the eve of the U.S. planned series of nuclear bomb tests to take place in the Pacific. In the eyes of Dulles and Eisenhower to call off the tests would be a concession to the Soviet Union. But to do the opposite, refuse to call them off, would result in a further loss of American prestige throughout the world.

"Soviet Diplomatic Triumph"

On this nuclear tests issue the American government has been much criticized right within the nation itself. For example, Mrs. Roosevelt in one of her press articles stated as follows:

"The Soviet Union's announcement that it will stop all nuclear testing was, of course, a diplomatic triumph that will advance the Soviet states in the eyes of the uncommitted nations that dread war and want to see steps taken to prevent it." (Chicago Sun-Times, April 5th.)

She continues by saying, "Why the U.S. government could not have brought nuclear testing negotiations to some kind of conclusion before this will always be a mystery to me." She states that if the tests are continued "the U.S. and Great Britain must bear the entire responsibility" for that.

Towards the conclusion of her article she states as follows:

"The Temper Of The People of the world, as a whole, favors a start toward doing away with the possibility of war, and our Western governments had better realize this."

Thus spoke Eleanor! No one knows if her criticism and advice will have any effect upon the Eisenhower administration. This much is certain: the U.S. capitalist ruling class is still smarting from the fact that it no longer has the monopoly of the atomic bomb. To correct this "defect" it has been doing its utmost to outproduce all other nations and to possess the biggest stockpile of nuclear weapons including the deadliest of them all, the hydrogen bomb.

And for what purpose? The government tells every one it's a "deterrent" to war, in order to "preserve peace." The "enemy" is supposed to be "communist Russia," who in turn, fearing U.S. aggression, armed herself accordingly. And so the arms race was on—until the Russians called a halt, the tests suspension.

Soviet World Power

Soviet Russia has become a world power, and from the standpoint of an armed nation, second to none. She was the first to send up an earth satellite (Oct 4th, 1957) into outer-space, followed by an even larger one, a month later weighing over a half-ton with a dog (Laika) in it. These sputniks also won for her a great "propaganda victory" and her world prestige skyrocketed accordingly. Even America's foremost scientists and "rocket experts" were much impressed and acknowledged that the Soviets must be much further ahead than the U.S. in missiles development.

But the real strength of the Soviet Union lies not in its armament but in the kind of social system it is composed of, that is, the collective ownership of the means of production and its working class form of government. The people of this great Socialist nation are completely devoted to their government, ready to defend it with their lives if necessary. They gave ample proof of that during World War Two. Yet they desire peace, knowing how destructive and costly war is. It is this longing for a secure world that has caused their government to offer "peaceful coexistence" to the capitalist world, with a proposal that a "summit meeting" of the heads of the big nations be held to take up the question of disarmament.

The Soviet Union coupled this with the warning that the human race could not risk another world conflict in view of the modern means of destruction (nuclear weapons), and in the event that occurred, even though capitalism would be destroyed, the Soviet people would suffer also.

We see how the illusion of the American ruling class that "the Russians are coming" is being shattered. The "reds" simply refuse to fight. On the basis of this, U.S. Secretary of State Dulles' policy of "massive retaliation" is due for some "agonizing re-appraisal" right within his own department.

The Decline of Capitalism

Viewed from an historical perspective, capitalism is in its last stages of decline. In less than a half-century it was cut down to two-thirds of the world. But even in this portion the capitalists cannot brag of having complete control because here too the revolutionary movement of the workers is brewing with the aim of getting rid of the system entirely.

One-third of the world is already in the hands of the working people, thanks mainly to the Russian Soviet Revolution of Nov. 7, 1917 during World War One, and the Chinese Workers and Peasants Revolution of Oct. 1949, the aftermath of World War Two. So much intense suffering, and such enormous destruction in lives and property did these two world wars bring that it compelled the masses to get rid of the system, capitalism, that breeds war. There was no other solution for the numerous victims of those wars, the exploited toilers, but a revolutionary one.

Today whatever "modus vivendi" towards peaceful relations might be negotiated between America and Russia this still would not completely guarantee a warless world—because the cause of world conflict, capitalism, the system that profits through exploiting labor, and is based on cut-throat competition among capitalists for control of the world market, would still remain.

At present, U.S. capitalism is faced with the economic crisis of over-production and hence the struggle against it competitors abroad for a market, in which to sell its surplus of commodities, will only become intensified. This does not promote a peaceful world.

Then there are the anti-colonial struggles against capitalist imperialism which result in "little wars," e.g. Korea, Indo-China, the British-French-Israeli invasion of Egypt, and the more recent ones: the Algerian rebellion against the French, and the incipient civil strife in Indonesia. All these threaten to break out into "bigger wars" through capitalist intervention.

The so-called "free world" that the bourgeois propagandists shout about, and do their utmost to preserve for capitalists to exploit, still awaits the clean sweep of the revolutionary broom of the Marxian movement. Only after that happens will there be a peaceful world. Speed the day!

Al Wysocki

A LOOK AROUND

IS DIPLOMACY REALLY DEAD? There is talk around that the art of diplomacy has dissolved into a weekly "disagreement letter" from the two main contestants in the political arena today—the USA and the USSR—with an occasional "I don't know" or "I'm not sure" letter from the lesser members of the diplomatic never-never land. The fear is that diplomacy will degenerate into a lost art and become useless as an instrument for settling differences.

The truth is (however obscure to the short sighted worriers) that for the first time in the memory of Western statesmen a force equal to their force faces them across the diplomatic tea-cup (or vodka glass) for which there is no rule in the guide book of diplomacy.

We hasten to assure the confused practitioner of the out-moded, non-opposition type of striped pants high hat etiquette he has nothing to worry about. After all, both sides at least agree to disagree.

SIGNS OF THE TIMES: On March 18th last the US Federal Reserve Board reduced by one half

of one per-cent the required loan reserves needed by its member banks. The reaction of those who would be likely to benefit most from the move was one of disappointment. Most bankers and stock brokers thought it was too little and too late (it was the second cut in a month) to be of great value to the economy. As a matter of fact it was reported the cut in reserve requirements would amount to some three billion dollars of bank funds for loaning but the federal Government plans to borrow at least that amount within the next month for its own purpose.

One of the most significant bits of information to come out of the reports on the reserve cut was the fact that reserve requirements for banks are now the lowest since the depression years of the 1930's. And there is clamor for even greater reduction! Although the clamor is not one of desparation, it's a sign of the times—bad times!

AND AFTER THAT? The US Army played benefactor to the Chrysler Corp. last month by the awarding of a \$100 million con-

tract to deliver 33,000 trucks of 3/4 and 1 ton weight. The contract was accompanied by an urgent appeal from Senator Potter (R-Mich.) for the utmost speed in starting production to help alleviate unemployment due to auto production cutbacks.

There is little doubt that these "utilitarian vehicles of death" will help to keep some workers away from the compensation offices for a while, but it is also interesting to note the fact that stockholders and bonus sharing executives will also be saved from the discomfort and hardships of profit cuts.

The fact is, there is no better customer than Uncle Sam when it comes to a "reasonable profit." No sales problem, no storage problem, etc. Too bad it can't be arranged to have the trucks sold to the Government through the various car dealers, then everyone would be happier. That is, until the 33,000th trucks off the line—then what?

THE SACRIFICIAL ALTAR OF PROSPERITY: Walter Reuther, UAW President, urged the Defense Department to let loose of

some of the \$332 million in defense contracts as a "contribution" to the plight of the auto industry. Although we give him credit for recognizing the limits of such spending as a means of saving the economy, we are forced to expose such measures for what they really are.

Modern cannibalism is the art of propping the sagging economy of a nation by means of producing a war machine designed to cause death, destruction and the gobbling up of human life through war, large or small. It is a form of pump-priming in which human blood is used as the primer so the bulk of the nation can survive off the potential sacrifice of his brother.

It is obvious by now that Capitalism cannot survive under the strain of peaceful pursuits alone. Those who beat the drums of war (through advocating more and more war machinery) and try, at the same time, to smoke the pipe of peace — are indeed speaking with a forked-tongue. And once they embrace and become identified with Capitalism can they do otherwise? We think not.

L.D.

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the Ford and Chrysler plans are. They are in competition. They don't know how many competitive cars will be produced. Moreover there is no way of knowing in advance what the market demand will be. That reveals itself only in the act of exchange, later. Each competitor keeps on producing blindly, as it were, hoping, he can outdo, outsell his rival. This, of course is one of the factors leading to overproduction. But in the last analysis the basis for overproduction is as Marx puts it in Capital Vol. III—pp. 568, "The last cause of all real crises always remains the poverty and restricted con-

sumption of the masses as compared to the tendency of capitalist production to develop the productive forces in such a way, that only the absolute power of consumption of the entire society would be their limit."

To paraphrase the above, the restricted consumption or purchasing power of the working people, who are in the vast majority does not keep pace with the growth of the production forces and its industrial output. Why not? Because they are wage-workers. That which they receive in the pay-envelope, as wages, as compensation for their labors is only a small fraction of the products they

turn out. The value of the remainder, which is the big bulk of it goes to the owners of industry as a replacement of their investment and a handsome profit to boot. The purchasing power of the masses, thus limited by the fractional wage, limits their power to consume. Thus over a period of a few years, 10 and now even less, unsold goods keep on piling up while simultaneously the production output is growing. This gap eventually reaches a nodal point and production cuts are inaugurated.

It would appear that we are in a process of reaching it. Steel is our best barometer, now operating around 48 per cent capacity. Someone once said: "As steel goes, so goes the nation." If that is so, the slump instead of easing off may worsen. That, of course, remains to be seen. The capitalists mindful of the big depression of the 30's and its effects, will doubtless try every trick in the book to reverse the trend. They will blow billions of dollars on public works, schools,

hospitals and missiles. That will be costly and a cut into their profits as a class. Yet they have no other choice. Ordinarily they might, as in the past, resort to war, as a means of creating prosperity. But things have changed. War today is very risky, spelling mutual destruction. That is not to discount it absolutely. We are dealing with a propertied class that is highly class conscious and will not allow itself to be socially by-passed lying down. It will try everything in its power to retain its ill-gotten economic holdings.

To the workers this should be an object lesson of capitalism's outmodedness. In its social evolution capitalism has surged ahead in the field of production and science-technology to phenomenal heights. No one can gainsay its progress in that respect. As for the question of consumption that is a field beyond its ken. This must be left for the next order of society, that based on scientific socialism, to straighten out, which it can.

R. Daniels

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HOME SCENE

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I've always liked the bird dogs better than kennel-fed dogs myself. You know, one who'll go out and hunt for food rather than sit on his fanny and yell." Nor should we forget President Eisenhower's deputy assistant, Howard Pyle's remark on May 23, 1956 in reference to spreading unemployment among the auto workers, when he said that the "right to suffer is one of the joys of a free economy." Evidently to the capitalists of both parties, a measure of unemployment and suffering amongst labor

is something healthy and one of the joys of capitalism.

What can they do about it even if they tried? Very little. They can throw a sop or a bone to the "hungry dogs," as Wilson likened the jobless. But they can't cure unemployment permanently. The warring 40's erased the depression 30's. But that's a dangerous "cure." Today, a World War may erase all the living. The solution is beyond their scope. Socialism alone has the answer.

L. B.