

The Shaky Capitalist World Economy

By WILLIAM Z. FOSTER

THE YEAR-END bourgeois papers, notably the New York Times, have placed before the American people a picture of growing and glowing world capitalist prosperity at the beginning of 1955. In the U. S. the erstwhile economic "prophets" of gloom and doom are described as badly discomfited by a substantial pickup in industry within recent months and with the prospect, so the soothsayers opine, of an increasing bulge in our economic waistline during the coming year.



When the capitalist writers turn to Europe they are even enthusiastic. Britain, they say, has had, in 1954, with employment, output, productivity, wages and profits at record levels, its best peacetime year ever. Germany, it is also claimed, produced 2,000,000 tons more steel in 1954 than in the previous year, and its general production will go up about eight percent in 1955. And "If 1955 should be as good for France as the year just ending, monetary stabilization will be in sight and economic recovery on a solid basis."

Japan's recovery is said to be "phenomenal." Holland and Switzerland have economic "booms," and things industrial in Latin America, and even capitalist controlled Asia, are decidedly "picking up."

In short, so far as the capitalist economy of the world is concerned, "everything is lovely and the goose hangs high." At least, that is what the bourgeois soothsayers want the people to believe.

As Keynesians, the capitalist economists are not only giving the economic system itself financial shots-in-the-arm, but are also proceeding upon the Keynesian psychological economic "principle" that if you talk prosperity hard and long enough, real prosperity will surely develop.

THE ONLY TROUBLE with this whole pollyanna prosperity propaganda is that it is not true.

First of all, the glowing statistics in the Times are altogether misleading. This is made manifest by Kathleen Teltseh, writing for the United Nations in the same Jan. 4 issue of the New York Times. She paints a much more subdued picture of capitalist world economic conditions. And as for the U. S., she calls attention to the important fact that steel production for the

first 10 months of 1954 was "a bad year for the U. S. generally." Nor were things any better for our neighbor on the north, Canada.

So as not to mar the pretty Keynesian picture of rising, systematically cultivated prosperity in the world, to which it has devoted scores of pages of rosy writing, the Times editor sticks Kathleen Teltseh's pessimistic article away back into obscurity on page 67, no less. Her "gloom and doom" piece is just one more proof that the United Nations is a subversive body, trying to undermine our glorious free enterprise system. No doubt her article will be duly noted by such patriots as McCarthy, Jenner, Velde, Walter, Mundt and company.

More important, however, than the doctored economic statistics of the Times, in order to make a shiny picture of developing prosperity, is the fact that that paper entirely obscured the altogether unhealthy basis of such industrial activity as does actually exist in the major countries of the capitalist world. It is in no sense due to the normal workings of the capitalist system as, say, in earlier times. With increased production potential and with relatively decreased markets, capitalism is basically in a very dangerous situation economically.

The chief reasons for present-day capitalist "prosperity," such as it is, are (a) the reparation of the immense property destruction wrought during World War II, (b) the satisfying of the enormous shortages of commodities caused by the war, and (c) the monster military preparations now going on for a third world war. It is for these purposes that the U. S. since the end of World War II has poured out at least \$300 billions in loans and gifts abroad and for huge war appropriations in this country.

This has been an enormous shot-in-the-arm to industry, real dope for the economic system. It has provided broad artificial markets for the output of industry and agriculture. But unless economic programs such as are advocated by organized labor and the Communist Party are adopted to ease the economic situation, world capitalism will move faster toward a devastating industrial crisis. A sign of developing crisis is the recent dip in American industrial production and the critical agricultural situation. Those who consider the present capitalist industrial activity to be, as the Times tries to tell us, sound and healthy, are living in a fool's paradise.