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EDITORIAL

REVIEW AND FORECAST.

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JANUARY 1 is here. As usual it was preceded by reviews of the old year and forecasts of the new. According to both the one and the other, the country has had and will have great prosperity last year and for years to come. E.H. Harriman says "We see prosperity on every hand. Nothing can stop the progress of the country." Carnegie assures us that "There is work for everybody, and every one is at work who has taken the trouble to look for it. We are making more and selling more, and a year from now we will be beating the record of the present time." Paul Morton, breaker of anti-rebate laws and business moralist, emphatically declares that "Never before in the history of the United States have the people of our country owned so much and owed so little. And what is better than anything else is, that there is every reason to believe that this general and universal prosperity is of a permanent character." Chas. Schwab adds his voice to the great prosperity chorus as follows: "Everybody is busy. In this country we have solved the great problem of economic output, and our next great industrial problem is to beat all other countries in the quality of our products." So sing the men foremost in the financial plutocracy which dominates the country, and which, when it speaks of "we," means not the nation but its own members.

On hearing the song one recalls that it was but a few days ago that a large number of Christmas dinners were given to the "deserving poor" in the leading cities; that the charity organization appeals in their behalf are most pressing; that the "bread line" grows in length; that the list of suicides due to lack of employment increases, as do rents and prices; while the deaths from accidents and excessive work show no signs of diminution, the only diminution observable being in wages, not to mention the deterioration in the quality of the food products and clothing consumed by the great working class. "We see prosperity on every hand"!?!? "There

is work for everybody”!?!? “Never * * * have the people of our country owned so much and owed so little”!?!? “We have solved the great problem of economic output”!?!? In the classical language of the day “forget it,” just as the Harrimans, Carnegies, Mortons, Schwabs, et al., would have us forget the damaging facts that make against their lying optimism.

This song of prosperity has also one other drawback: It is deceptive in its prophecy. Charles G. Dawes, former comptroller of the currency, sounds a note of warning. Says he: “The country must pay the penalty of reckless promotion, accompanied by wild speculation and the consequent abnormal inflation of credits.” L.V.F. Randolph, president of the Consolidated Exchange, says “The growth and prosperity of the American nation have had no parallel. . . . It would be strange indeed if in a sky so bright as that above us no cloud appears. . . . If all the details of human activity were perfectly directed, only good results would ensue, but that is impossible. In these days of manufacturing and commercial competition, overtrading and overcapitalization of industries must almost inevitably follow (or be a part of) unusual prosperity. . . . We are reaching a point in the development of our industries, finances and commerce where the note of caution will be highly important.”

In addition to this and for the sake of greater clarification as to the real value of prosperity prophecy, let us turn to the luminous light that Socialism sheds on Capitalism and its abnormalities. Frederick Engels, in his *Socialism, From Utopia to Science*, shows how, under Capitalism, owing to the robbery of Labor through wages and profits, which renders the great working class unable to buy back what it produces, and the planlessness of capitalist production, which makes production impossible of precise regulation and control, “The expansion of markets cannot keep step with the expansion of production.”

Continuing Engels says:

“A crash becomes inevitable, and, seeing it can lead to no solution, so long as it does not burst the capitalist mode of production itself, it must be of periodic recurrence. Capitalist production generates another ‘vicious circle.’

“Indeed, since 1825, when the first general crisis broke out, the whole industrial and commercial world—production and exchange among all

civilized nations, together with their more or less barbarous appendices—is thrown out of joint about every ten years. Commerce is blocked; the markets are overstocked; the products lie there as plentiful as undisposable; cash becomes invisible; credit disappears; factories stand still; the working masses are in want of food, because they have produced too much of it; failure follows upon failure, and sheriff's sale upon sheriff's sale. The paralysis lasts years; production and powers of production are wasted and destroyed wholesale, until the heaped up mass of commodities finally runs out at more or less depreciated values, and until production and exchange are again gradually set in motion. By degrees the pace is accelerated, it breaks into a trot, the industrial trot becomes a gallop, and this, in its turn, increases to the head-long run of a complete steeplechase of industry, commerce, credit and speculation, finally to land again, after breakneck jumps, in the ditch of the crash. And so again and again. This we have experienced fully five times since 1825, and are experiencing it now (1877) for the sixth time. Furthermore, the character of these crises is so sharply stamped upon them, that Fourier struck them all off by designating the first one as a 'crise plethorique'—a crisis of abundance."

"Nothing can stop the progress of the country"!?!? "A year from now we will be beating the record of the present time"!?!? "This general and universal prosperity is of a permanent character"!?!? "Our next great problem is to beat all other countries in the quality of our products"!?!? In the classical language of the day once more, "Fudge." We are on "the headlong run of a complete steeplechase of industry," etc., preparatory to landing, "after breakneck jumps into the ditch of the crash." And our next great problem is to get rid of capitalism and its recurring crises.

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