but even more to monumental war expenditures of such size and magnitude that they actually depreciated the value of the currency, not only in the United States but virtually throughout the whole capitalist world. Currency inflation thereafter, the devaluation of the various monetary units of the capitalist countries, made currency wars a prelude to direct military conflicts.

In every way, monopoly capitalism has so distorted and transformed the normal functioning of the capitalist system that it is virtually impossible for the system to function without some of the strictest controls, that is, the direct fusion of the capitalist state with the economy.

At the end of the Second World War, it was plain that after the havoc wrought by the military conflict and the virtual breakdown of the capitalist system in Europe, a capitalist economic decline was in the offing as soon as the post-war reconstruction period had ended, which might have been somewhere around 1949.

However, the few symptoms of economic decline that made themselves felt primarily in the United States were soon completely submerged by the Korean war. This was followed by the Vietnam war.

Even before the U.S. suffered the catastrophic defeat handed to it by the Cambodian and Vietnamese people last April, it was obvious that American finance capital, and along with it, but to a limited extent, European and Japanese finance capital, would go into a deep tailspin.

As we indicated last year, there has been no normal capitalist recovery. From this it follows that even if there is going to be a limited period of

capitalist upturn, the world capitalist economy is headed for a long period of stagnation. And the real question which this poses is whether the capitalist system can survive it, given contemporary political conditions.

THEY THOUGHT EXPANSION WOULD NEVER END

Nevertheless, the question may still be validly raised as to why this economic crisis should necessarily differ in duration and intensity from the previous four or five economic crises which the capitalist system experienced over the last 30 years. The bourgeois world has viewed this lengthy stretch of economic history from the end of the Second World War practically up to 1973 as having been characterized by the greatest wave of capitalist expansion and prosperity (never mind the 5 or 6 million unemployed at the time, the millions on welfare, etc.).

The most remarkable aspect of these last three decades has been that the four or five cyclical crises were of a mild and moderate character and of relatively short duration. Not one of them even lasted a whole year. In fact, it appeared to bourgeois economists that the expedients which the capitalist politicians began to apply after the great crash of 1929, especially during the Rooseveltian era and all the way down to the late 1960s, had virtually eliminated crises from capitalist development.