legal tender for all debts public and private and is redeemable in lawful money at the U.S. Treasury or at any Federal Reserve bank."

This statement would fit nicely into a page of a fantasy fiction story. The fact is that the note is not redeemable in gold and gold is the money commodity. All that the avowal adds up to is that if you don't like the note you have you can send it to the Treasury and get another bill of equal purchasing power in its place. A fatuous procedure.

All these bills or notes are legal tender. It is well to see what this means. A debt is supposed to be extinguished solely by the payment of money. This is what the creditor contracted for and the only thing he is supposed to take. But in default of money he will take what he can get.

The quality of "legal tender" attached to paper money means that such money being "tendered" or offered by the debtor must be accepted by the creditor, otherwise no court will consider the debt collectable. The tender of such money extinguishes the debt whether it is accepted or not.

But Capitalism Is International

But the foreigners can effectively demand gold in payment for any deficits that exist. If the gold looks better to them than the interest received on U. S. securities they can ask for gold and get it if it is there. This they have been doing for some time.

Five years ago the U. S. had more than $20 billion in gold stashed away in the huge gopherhole beneath Ft. Knox. Today this hoard amounts to little more than $16 billion. It has diminished due to the demands made upon it by foreign creditors. As this gold reserve is the fiscal mainstay of the economy, maintaining the strength of the dollar, and making sure that all foreign obligations and commitments can be met, the reduction beyond a certain point could develop a serious situation.

Considering the fact that the imbalance in payments to European nations has reached the $24 billion figure it would seem that theoretically these foreign investors could liquidate the gold reserve at once and tumble Yankee economy from its erstwhile high position in world affairs.

But capitalism is an international system and Germany, France, etc. are capitalist states. What is possible in theory is not necessarily probable in practice. The very existence of Western Europe depends upon a healthy American economy, and it is more than likely that once they have secured enough gold from the Ft. Knox pile to cover the needs of their own distracted currencies they will settle for the profitable investment in the securities market.

To serve as a simple example of how the gold hoard melts, we might take the case of a worker who has a thousand dollars in the bank, and a job that pays him a hundred dollars a week. Due to unforeseen pressures it is costing him one hundred and ten dollars to live. Each week he has to make a ten dollar deduction from his reserve. It is just a question of time until something has to be done.

Even the U. S. S. R.

Even the U.S.S.R. is worthy of notice in this review. Russia is one of the great gold producing nations. Theoretically it would be possible for Russia to dump a supply of gold on the world market that would shatter the capitalist system to its depths. Back in the Stalin days they used to take delight in pouring certain commodities, at less than price of production, in situations that would harass their assumed enemies. But these days have passed.

Even now the orthodox economists discern something exceptional in the norms of Soviet life. They evince surprise at the U. S. S. R. trying out capitalist fiscal procedures to maintain prestige and respectability. Why should they not? Soviet Russia is just as respectable as the other exploiters. It is just as capitalistic too.

The two Mr. Ks' may differ widely in personal and national affairs. But in the world market they are able to realize a necessary sameness of policy to enable capitalism to continue to function. Russia has carefully refrained from taking any steps in the present predicament that might result in international disruption.

The U. S. Government now finds it imperative to do something essential to reverse the trend of the balance of payments. They have numerous antidotes at their command.

Exports must be increased. More tourists must be invited. The European nations must be urged to contribute more to the $5 billion burden that the U. S. is carrying for military defenses and economic aid. A cut in the tax bill is suggested to relieve big business and provide the average citizen with a few more dollars to buy goods.

None of these correctives is easy of attainment, and none can be relied upon to do more than have a temporary effect. One thing is certain — that the contradiction existing between social production and private ownership will not be reconciled even though it may be stayed by artificial devices. Capitalism is ripe for a revolutionary change, and this change can be realized when an educated and organized working class is ready to take over.

J. A. MacDONALD

The Encyclopaedia Britannica On Karl Marx

"Let knowledge grow from more to more and thus be human life enriched."

In these words does the Encyclopaedia Britannica introduce its readers to the cornucopia of material available in its volumes. Therefore, in turning to Professor C. Landauer's exposition of Marxism in the 1961 edition of the Encyclopaedia Britannica (Volume 14, page 994), one might expect to gain knowledge. Instead, the theoretical system formulated by Karl Marx and Frederick Engels is the subject, not of scientific or serious criticism (ever welcome to Marxians), but, as we shall see, of criticism based upon misrepresentation.

In the comments to follow, reference to Marx and Engels will be made to refute Prof. Landauer's erroneous charges and also to show that there is no excuse for misrepresentation or misunderstanding if time is taken to carefully read the writings of Marx and Engels.

"Determinism"

First of all, just as if it were a fact, the following is presented by the professor: "Marxist determinism promises victory to the working class and thus is apt to strengthen the latter's self-confidence in the class struggle, but at the same time the question arises as to why workers should make sacrifices in order to bring about developments which are inevitable in any event."

Marx and Engels never claimed that capitalism would evolve into socialism as an inevitable event without a conscious effort from the workers. On the contrary, they maintained that the workers would be the active factor in the transformation. They further insisted (constantly) that the development of capitalism itself produces the conditions necessary for the formation of a politically-united class-conscious proletariat.

Engels deals with this in a well-defined manner in his work, Anti-Duhring: "It is the driving force of the anarchy in social production which transforms the great majority of men more and more into proletarians, and it is again the masses of the proletariat who will finally make an end to anarchy in production." (Anti-Duhring, page 284, C. H. Kerr edition.)

And Marx tells us: "...the im-