hopeful days and, if it is not capitalism that is still functioning in America, we have hopes that some Soviet economist will rise to the occasion and supply a title for what is.

But while our native Communists have followed much closer in the footsteps of Pagliacci than of Marx, those decrepit sons of freedom, or of something worse, provide no answer to their nonsense, for they are up to the neck in the same mess themselves. In fact their twaddle is so utterly ridiculous that even the budding Commissars shine by contrast.

The Communists at least make some attempt to establish a position. In their usual inept and stupid way they try to break down the social system into terms of rulers and oppressed. Always engaged in assailing effects, and ignoring causes they seem to think that even if they start in at the wrong end some social emanation of jet-propulsion will land them in the coveted plane of quasi revolution. When the miraculous fails to perform they can always fall back on the handy slogan — "We can learn only by our mistakes." We must make more so we can learn faster.

But Crusaders for Freedom, those modern Don Quixotes who substitute progress for windmills, they have nothing to offer at all. No theory concerning social and economic problems, no plan or program for ameliorating the effects of social strife. Theirs is a movement of action only; and this action to negate and not to affirm. Arrests and jails for all who disagree with the setup that now obtains. True, the Communists are the cynosure of their gaze at present. But what is to prevent their ruthless method being extended to all groups with social leanings? The medieval minded bankers and brokers, the pettifogging lawyers, and aspiring politicians who direct the crusade may be able to declare anyone who varies from their standard a Communist. In such a position they are a decided menace to society, and must be exposed and opposed at every turn.

The socialists appear to be the only group on the horizon capable of answering both communists and crusaders. We know from experience how to analyze and appraise their mutual weakness for theory, and strength for action. The tactics of either are not likely to prove of benefit to those that work for a living in modern society. The capitalist class is still strong enough to derail anything in the nature of action designed to help the workers and harm themselves.

How do they get such power! They get it through the fact that our law-making body — Congress — is composed of paid agents of the ruling class. They are in control of the organized force — the State. Under its supervision and direction the army, navy, judiciary, police, and every other instrument of class power functions.

Those capitalist agents we find in Congress went there, and stay there, by virtue of the support given them at the polls by the working class. True, capitalists vote for them too. But they are a small minority, too insignificant to consider when assaying the fifty millions of votes that are cast.

How come that the workers elect capitalist politicians to represent them? Because they do not know any better. They want capitalism instead of socialism. They refuse to work for socialism due to the fact that they do not understand it. Our function is to clarify the issue, explaining and advocating the need for socialism.

Economic and social conditions prepare the way for theory and action. But we must ever remember that human beings are the sentient, dynamic factor in changing society. They speak, write, teach, and organize and, far from remaining a mere helping hand in the process, they are the ultimate arbiter of the world to be.

J. A. MacDONALD

ECONOMIC NOTES

THE POST-WAR "BOOM"

The economic crash of American capitalism which was supposed to have followed World War II has not materialized. Economists of all sorts, and of sorts, have had to swallow hard on their prediction about the post-war American economy. **The Western Socialist** reported in "The Crisis is Coming" (September, 1947): "Here at home people from every income group are convinced that a depression is coming and are wondering and worrying about how it will affect them as individuals."

Now, more than three years later, not only does not an economic collapse appear on the immediate horizon, but indications point to at least several years of continued "prosperity".* By "prosperity", of course, we mean it in a relative sense, not that the workers are prosperous, but that the unemployed do not exceed 5 million. Indeed, this is the definition used by government economists. At any rate, capitalism in the U. S. today is not hanging on the ropes. A few figures will bear this out. The American Federation of Labor in December 1949 (**Labor's Monthly Review**) forecast an unemployment of 5.1 for 1950 and declared 1950 "a test year for private enterprise." Figures just issued by the U. S. Commerce Department for October show that 1.9 million are looking for work. In one-third of the 150 areas surveyed by the Department, companies expanding to handle defense orders report it impossible to hire new help. (**Time**, November 13). To be sure, we hasten to point out the shortcomings of government statistics, but since they are always computed in the same manner, they furnish us with a good basis for comparison.

Disposable income, the amount of money people have to spend on goods and services is up to 228.3 billion a year, or 25 billion dollars over a year ago. Factory production is about 225 on the October index (1935-39 equals 100) as compared with less than 200 at the beginning of 1950.

EVERYTHING IS UP

Yes, everything is up, profits, wages (money wages, that is), and of course, prices. As to be expected under capitalism, profits spiraled much faster than wages, and wages went up less than the workers' productivity. Profits are now running at an annual rate of 23.5 billion AFTER taxes as compared with 17 billion in 1949. Stockholders this year will receive 8.5 billion in dividends as against 7 billion last year.

Money wages of production workers in manufacturing jumped from $54.70 weekly in January 1950 to $60.53 in September. However, the increase in prices, especially since the Korean war, and the new income taxes have wiped out these money wage increases, as pointed out in the last issue of **The Western Socialist.**

The CIO **Economic Outlook** for October 1950 has just issued some interesting statistics to demonstrate the relationship between profits, productivity and wages since 1946. With adjustments for buying power in both profits and wages, the chart shows that profits in the first half of 1950 were 43% more than in the first half of 1946, productivity was up 11%, but real wages rose only 5% between 1946 and 1950.

No long dissertation is needed then to prove which class — the capitalist

*The present change-over to military production is certain to cause some dislocations and further unemployment, but the defense program is expected to take up the slack by next Spring or Summer.