brings higher profits. But the competition during the so-called progressive stage of capitalism operated as a barrier to higher prices and the success of this or that manufacturer lay in underselling his competitor and in lowering the price of his product.

But the centralization of the means of production in fewer and fewer hands converted the capitalist competition into *capitalist monopoly*, and prices began to artificially sky-rocket and, in fact, became still more rigged.

Therein lies the general cause for chronic capitalist inflation.

If we compare the whole price range of commodities, particularly of wholesale prices, beginning with the first worldwide capitalist crisis of 1825 all the way down to the turn of the century, we cannot but note that the prices of manufactured goods were generally on the decline during that entire period but only began to rise steeply with the development of monopolies on a large scale.

There is absolutely no way to get around this except to abolish monopoly capitalism in the means of production and for the workers to take over the economy and plan it on a rational basis.

WAR DREAMS DOWN THE DRAIN

However, on top of the general cause of inflation arising out of monopoly capitalism, there is the inflation that is caused by military expenditures and imperialist wars which still further heighten the inflation and accelerate the tendency towards capitalist stagnation.

As we mentioned earlier, during the 8-year period from 1961 to 1969, that the Council of Economic Advisors to the President alluded to, the government spent $546 billion for military purposes.

The IOUs (that's what the dollars really are which are floating all over Asia, Africa, Latin America, and Europe, not to speak of the United States which paid for the military equipment) are really that much water in the circulatory system of the capitalist economy. The real equipment has either been destroyed, given away, or tucked away in mothballs.

But the primary consideration for it—we speak here of the monetary considerations for these IOUs—was the dream of obtaining vast new markets in Southeast Asia and other parts of the world which, with the collapse of the Vietnam adventure, went down the drain. And hopes for reviving it are the dreams of madmen in the Pentagon.

The current economic crisis differs from the moderate cyclical crises of the last three decades in that the U.S. has literally run out of imperialist wars—for the moment at least.

The crisis also occurs at a time when the total area available to the U.S. for the extraction of surplus value and for the disposal of surplus production at a profit has become circumscribed and narrowed, making a renewed cycle of capitalist production reaching a peak higher than the previous one, as was the case after the previous crises, exceptionally remote.