

productive forces, that is, alongside technological and scientific progress, there has also been a shrinking of the room necessary for capitalist expansion. A capitalist crisis in the year 1979-1980 is unlike the ones which took place approximately a century ago. Those paved the way for tempestuous capitalist expansion and development. Today there is no hope in any of the serious circles of capitalist high finance and industry for such a development, except in the false polemics of the rival capitalist politicians and the self-serving apologetics of academic bourgeois economists.

In addition to the cyclical capitalist crisis, which may be of long or short duration, there is the more serious crisis of capitalist industry, one regarded as of principal importance among the giants of capitalist industry and finance. The so-called competitive crisis is significant not so much for the havoc it has wrought up until now but for what it portends for the future: the loss by significant elements of U.S. industry of their competitive edge in the world market in the struggle with their capitalist rivals.

The crisis in auto and steel, as well as in textile and other industries, has made it all too plain that the U.S. is slowly being undermined by some of its principal imperialist rivals, witness the competition with Japan and with West Germany and other European allies.

The very fact that since last spring U.S. government assistance to the unemployed due solely to competition from imports has risen from \$500 million to \$2.5 billion, and is likely to continue to rise, is the most eloquent testimony to the fact that the U.S. is subject to the inroads made by its capitalist rivals abroad and also at home.

Nevertheless, a task force of the U.S. House of Representatives Trade Subcommittee, which had always in the past been critical of Japanese imports and of Japan's protectionist position at home, recently had this judgment to make:

"It has become increasingly clear to us after many business dealings with Japan that our trade problems result less and less from Japan's import barriers [and also exports to the U.S.—S.M.] but more and more from domestic American structural problems of competitiveness and quality." So said the task force

head, Rep. James R. Jones, as quoted in the *Washington Post* of Nov. 23, 1980.

What the task force report is saying is that it is not some so-called unfair or underhanded method that the Japanese are using that gives them the competitive edge over the U.S. but a structural problem, one of the obsolescence of American plant and equipment, as well as a lag in technological innovation and scientific development.

The obsolescence of plant and equipment is the result of the U.S. having enjoyed a monopoly of the fundamental trade and commercial arteries of the capitalist world since the Second World War due to its preeminent military and political domination.

Monopoly not only stifles competition, it retards technological development, discourages inventiveness and innovation, and prevents the normal renewal, retooling, and reequipment of the basic industrial apparatus of the country. If profits can be made at home as well as abroad by jacking up prices as a result of monopoly rather than by plant renewal, retooling or modernization, then it becomes plain that the ruling class as a whole will opt for industrial production on the basis of obsolete plant and equipment, so long as profits can be maintained at a high level.

Now that the U.S. has been slowly but surely losing its preponderant position in world trade and commerce as a result of the inroads made by its imperialist rivals, it has awakened to the need to retool and reequip its industrial apparatus. The dimensions that this entails are of such proportions as to be beyond any one industrial giant or industry. They involve a vast outlay by the capitalist government and a huge intensification of the rate of exploitation of the working class on a scale unparalleled in U.S. history.

To embark upon such a path will put them on a collision course with the working class, upon whose back the retooling expenses will ultimately fall. Were that to be the sole factor involved, it would be hazardous enough for the capitalist establishment.

However, the capitalist class faces a still more serious crisis. It is what the militarist element calls the decline of the U.S.