one thing in particular must be borne in mind. **Profits are realized in the world of buying and selling, but they are made in the world of production.** The stock market is the scene of a continual redistribution of ownership in shares of "Anonymous Associations." As is the case in a poker game or the racetrack, ownership of the loot changes hands — some get rich, some break even, some go broke — but not a particle of new wealth is added by the trading itself.

The recent serious break in stock prices on the New York Exchange has caused considerable concern, even fear, of a repetition of 1929. From those (undoubtedly die-hard Republicans) who blame it on the "tough" policy of President Kennedy toward Big Business to those who scream in anguish because "thousands of small investors got swindled," an uproar, generally, is being maintained. Socialists, however, will not join in this particular uproar. They insist rather, upon setting down and dealing with two fundamental propositions: (1) stock market plunges and gyrations do not bring slow-downs, recessions and depressions, but rather it is the other way around; and (2) plunges or "black" days in the stock market are not a working-class problem and one, therefore, which should not overly concern the workers excepting in an academic manner.

WORKINGS OF CAPITALISM

As noted above, the commodities that circulate in our society are not produced in the markets but in the factories, mines, mills, etc. An important flaw in the capitalist system, however, is that production, while social in character, is owned by a tiny fraction of the population. The overwhelming majority of citizens of any nation receive for their toil a mere sufficiency of the items which constitute a standard of living to maintain themselves in good working condition and to raise families to replace them when they become too worn out. With all of the buying and selling that the owners carry on (the distribution and redistribution of the loot), the opening up of new markets and so forth, the numerically tiny capitalist class cannot possibly dispose of their legally appropriated wealth. And so there eventually and inevitably takes place slowdowns, recessions, depressions, panics and what have you. Which conditions must sooner or later be reflected in the stock exchange.

MIRRORS BOOMS & BUSTS

In other words, the stock market is somewhat like a mirror. It reflects, although not necessarily immediately, the economic conditions existing. To blame the stock market, then, for unstable and upset economic conditions is like blaming one's mirror for the ugly reflection it casts when we shave or make up. To reiterate a point made above, there is not one iota of wealth created in or by the stock market. It is merely a mechanism for redistributing ownership in the "anonymous" societies of capitalism and is not even needed in highly developed state capitalist economies such as Russia which uses state-owned and operated bureaus to raise its anonymous

WHO ARE THE OWNERS?

The question as to who exactly owns the shares in industry is one that has been agitating the population for many years now. In fact, it has become popular even among liberal and radical politicians and educators to declaim on a supposed widening of stock ownership with the inclusion of a large percentage of ordinary working people. For example, in "The Fabric of Society: An Introduction to the Social Sciences," Ernest van den Haag writes:

> "Corporate ownership is no longer confined to the upper classes. An increasing proportion of industry, of the productive wealth of the country, is owned by the middle and lower-income brackets. Their money is becoming indispensable for investment, because the rich no longer can save enough to provide for all investment needs of the economy. This shift in the ownership of wealth may be described as a peaceful, but not slow, process of socialization of the means of production."

And professors such as Kenneth Galbraith (The Affluent Society) and David Riesman (The Lonely Crowd) have contributed their stint to make the American working class more cognizant of the wealth they do not seem to know they possess. Not, however, that the professors are unable to get the true facts. They are available to anyone who really wants to know.

For example Gabriel Kolko, an economist and sociologist has the following to say in his recently published "Wealth and Power in America" (Praeger, N.Y.):

> "The fact is that the concentration of stock ownership has shown no appreciable change since 1929. In that year, 51,000 individuals received one-half the value of the cash dividends received by all individual shareowners; in 1933 and 1937, this number was 45,000 and 61,000, respectively. Also, in 1937, some 6.6 per cent of the population owned stock; this figure dropped to 5.1 per cent in 1956, and not until 1959 had it increased to 7.9 per cent." (pp 50, 51).

THE TRUTH OF THE MATTER

And Dr. Kolko continues to cite sources as The Temporary National Economic Committe, the Brookings Institution, and J. Keith Butters to prove that not only are stocks owned by a tiny minority of the population but that a very small percentage of this tiny minority has always controlled the bulk of the stocks.

But the latest year cited in the Kolko evidence of percentage of stock owners to the population is 1959. Could it be that in the three years since there has developed a veritable flood of new shareholders in American industry, and among the ordinary people—the working class? Lest there be those who might think so we present as a witness to the contrary the New York Stock Exchange, itself, which certainly should know the facts. In Newsweek, for June 4, 1962, the figures released in the week previous by the Wall St. Exchange showing percentages of ownership to total population in 9 countries gave undisputed leadership to the United States but with a mere 15 million or 8.2% of the population.**

Even were it not palpably true that but a tiny fraction of this 8.2% owns enough in shares to be considered as **owners** of industry **in fact,** there is certainly evidence enough here that slumps in the stock market are not a working - class problem. To the thousands of small investors who lost their life savings in the recent plunge because they were unable to cover their margins we can offer our sympathy. In fact we can offer something even more tangible and that is information, given gratis, on how to beat the system. For the vast majority of the population, capitalism will not be beaten in the stock market. It will be beaten by organizing on the political field with the sole object of abolishing it in its entirety the day following the socialist victory.

HARMO

**A large percentage of small stockholders must have gotten stripped of their shares in the crash of May 28 and 29, which would probably make the above figure optimistic. On the other hand, an announcement on July 9, 1962, that margin requirements are being lowered to 50% will undoubtedly bring another minor rush of small investors to swell the total. But Nemesis always awaits the great majority of the would-be "wolves of Wall St." and the overwhelming percentage of stock ownership must always remain concentrated in the hands of a tiny fraction of those who invest.

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