continually cheapen commodities (by lowering the amount of labor contained in them) and therefore brings more commodities within the range of the masses.

HERALD OF CAPITALIST PROGRESS

As a matter of fact, while the Malthusians and the Mills were predicting a more retarding economy, Marx was actually heralding the technical progress of capitalism by pointing out that the only manner in which the system could continue to operate was by constantly improving the means of production and also increasing the mass of things produced. The first because of the necessity of one capitalist to cut prices as against his competitor (once again, by decreasing the hours of labor contained in a commodity), and the second, because as the rate of profit has a general tendency to fall, and the capitalist must compensate for the fall in the rate by an increase in the mass through greater production.

We wonder how deeply Dr. Moulton has read Marx. **Value, Price and Profit** contains a loud and resounding blast against the contention that the national product and therefore wages are a fixed amount. Note this sentence well: "The amount of national product changes continuously. It is not a **constant** but a **variable** magnitude and apart from changes in population, it must be so because of the continuous change in the **accumulation of capital and productive powers of labor.***

In short, Marx showed that not only did the national income increase, but also that labor, by organizing unions, could vary the distribution of that income into wages and profits.

SUBJECT TO LIMITATIONS

However, Marx continued, as this expansion of capitalism took place, contradictions developed. The greater the accumulation of capital on one end, the greater the dependence of the "active" (employed) worker, and the greater the increase in the industrial reserve army (the unemployed). The greater the accumulation of capital, the more severe the contradiction between expanding productive forces and the limitations of the market, and therefore greater will be depressions. Since Marx's time, socialists of just the present generation have seen two major wars, a major depression, several rcessions, and now the entire world faces the possibility of complete annihilation through a Third (Atomic) World War.

Yes, one can point to certain facts, as does Dr. Moulton, that the real wages of the workers have increased over the period from 1939 to 1949. This tells us as much about trends as if one were to judge the weather at the North Pole by witnessing one week of mild weather out of the entire year. Further, this increase since 1939 was brought on by the abnormal production of the Second World War, as even Dr. Moulton admits; the trend since the end of the war (1945) has been one of an absolute decrease in wages; and finally, predictions of an unemployed force of 5-6 millions by the end of 1950 will further wipe out gains made during the war.

On the other hand, has the capitalist class suffered as much from these wars and depressions as has the working class? Even Dr. Moulton would not be able to answer this in the affirmative. Therefore, considering wars, depressions and unemployment besetting the working class as a whole, who can assert now that the lot of the working class is improving as a **general historical tendency.** Let us also forget the concentration camps, the secret police and the wretched regimentation of the working class which has already taken place in European countries where capitalism had to take an "even more rigidly" state

*Kerr edition, p. 10 (emphasis in original).

form, and which forebodes to take place, even in "America, the Beautiful," unless the working class builds a strong enough socialist movement to prevent this.

THE UNDERCONSUMPTION THEORY

Dr. Moulton in this first section also examines the different schools of thought as to the causes of depressions. He comes to the conclusion that "there appears no valid reason for assuming that there must be a single underlying cause." Analyzing the causes behind the 1929 depression, he thinks that by showing a "variety" of causes, that he has eliminated the idea of a **single** cause. However, are not even the causes he lists, and we do not agree that these are the basic causes — collapse of the international monetary system, unbalance of exports and imports, concentration of national income, etc. — are not these causes traceable to a **single** one, the existence of the capitalistic system?

Following the pattern of still other bourgeois economists, Moulton also accuses Marx of being an "underconsumptionist." That is, according to him, Marx found that the difficulty with capitalism is that the workers lack purchasing power. Since we dealt with this misrepresentation in reviewing Hazlitt's **Economic in One Lesson,**** we shall not go into the subject again, other than to say that Marx, and present-day economists of the socialist movement, do not see the cause of depressions in lack of purchasing power, but in the overproduction of the means of production, of which lack of purchasing power is a mere reflection.

LOOKING FORWARD?

The second section of **Controlling Factors in Economic Development** is taken up with examining the potentialities of the next 100 years. Before going into this phase of the subject, Dr. Moulton discusses "types of economic organizations" which he classifies into four, Free Enterprise, Communism, State Socialism, and Hybrid Systems (government control along with free enterprise). We are limited here first to taking exception to the author's use of the term "communism" in reference to Russia, because in discussing this economy (financial machinery of capitalism, profit going to the state, exploitation by wages, incentives and speed-up), Dr. Moulton himself proves it to be a state capitalist economy.

Next, the author describes an economy in which government enterprises exist side by side with private enterprise as "state socialism." He says that the British Labor Party and the Socialist Party of America advocate this program of "state socialism." Here again, the term should be state capitalism, as the exploitation of the workers and the garnerning of profits continue under this economy. More, for Dr. Moulton's information, the term "state socialism" is an anomaly. The continued existence of a state indicates the continued need to protect the exploitation of man by man. The socialists by eliminating this exploitation also eliminate the need for the state.

The chapter on the **Potential of the Next Century** is the most interesting of the entire book. To the question, "So far as natural resources and productive capacity are concerned, might the United States a century hence support a population double that of the present day on a plane of living eight times as high as that now prevailing?" To this question Dr. Moulton give a definite affirmative.

Then, in a style excellently suited for the layman, the author shows the scientific advances which have been made, and are still in the making, in the use of foods, fuel, clothing, building materials, etc. Of course, socialists know that a bourgeois economist is limited in discussing potentials of the future by the limitations of the capitalist system, but even an 800% increase in the stand-

See "Two-Bit Economics" in **THE WESTERN SOCIALIST, March-April 1949, p. 8.