the U.S. economy for half a decade are: slow growth, frequent recessions, chronic unemployment, excess capacity, inadequate profits, insufficient business investments and budgetary deficits." That sounds like the seven deadly plagues of capitalism, in the period of its general decay.

Since 1957, the rate of growth in our country has been about the same as the population growth. For the last ten years the rate has averaged about 1% above what the population growth has been. Cold war expenditures and unused industrial capacity are like soggy wet blankets choking all growth and even thoughts of growth.

The new factor now developing is that the rest of the capitalist world is joining the U.S.A. in the slow-growth-rate doghouse. The same inner decay is now showing up in Japan, France and West Germany. The growth rate in our country has been consistently below 3% while the growth rate in socialist countries is around 10%.

Deficit Living

Another of these processes is the steady increase of indebtedness. The Federal debt now exceeds $300 billion and the yearly deficits now reach war-time figures. Consumer indebtedness is now 61½ billion dollars. In 1929, the consumer indebtedness was 8% of spendable income. Now the consumer average indebtedness is 16% of spendable income. We are a nation of insolvent people, burdened with personal and governmental debts.

Taxes

President Kennedy's tax reduction proposals do not outline the proper steps that would lead to real solutions for these economic problems. And it is realistic to assume that Congress will further weaken Kennedy's proposals. The President correctly states that the working people have to spend about 94% of their income as they get it. Therefore, whatever tax cuts the people were to get would immediately become new buying power and help to stimulate new markets.

In discussing the tax cut we should keep in mind the following: there is no growth because there is over-industrial-capacity; there is over-capacity because there is under-consumption and the anarchy of capitalist production; there is under-consumption because the average income of our people is too low. This indicates where tax cuts should be made.

The tax on incomes of $600 for a single person was initiated during World War II when there was also supposed to be a tax to limit incomes to $25,000 a year. Before the war, all incomes below $1,000 for a single person and $2,500 for a married couple were exempted from taxation. The rich evade tax payments through loopholes, yet they get the big bonanzas in every tax reform, including the present proposals. Any tax reform which is directed at stimulating our economic growth would call for full exemptions for low income groups, and increased taxes on high incomes and corporations. It makes only capitalist sense to tax people who are now living at the officially recognized poverty levels.

Monopoly Power Grows

The consolidation of monopoly control and ownership of all industry and finances results from weakness, and further undermines the foundation on which the future of capitalism rests. This process continues at a furious pace. The latest mergers include railroads, air transportation and banks.

Another sign of this narrowing down and consolidation can be seen in statistics. Thirty years ago only one percent of the adult population owned 60% of all corporate stocks. That figure indicated dangerous control by the few. Now one percent of the population owns close to 80% of all corporate stocks. There is no future strength for capitalism in this trend. With increased power in the hands of a few families, or financial dynasties, U.S. capitalism breeds its own incestuous inner deterioration.

State Monopoly Capitalism

The same must be said about the unprecedented growth of the