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What, and Whence and Why This Intangibility?

"It is difficult to describe the growing despair of the masses, because it is itself blind and uncomprehending. The dole of paper marks that seem enough for a week, in a few days will be almost worthless. . . It is an oppression far worse than any previous oppression directly exercised by master over slave, or by one class over another (?) for the oppressor is invisible and intangible."—Manchester Guardian Weekly, August 3, 1923.

IN Capitalist society production is carried on, not for the use and satisfaction of society, but entirely for the profit of the Capitalist class. It is carried on for profit because the social means of life and production belong wholly to the capitalist class. And it is the privilege of ownership to determine the destiny of its property.

Since the object of capitalist production is the acquirement of wealth, the destiny of its production is sale. For there is but one way to acquire wealth—the application of human energy to the natural resources of the earth. And but one way to accumulate profit—by controlling the fruits of that energy. Clearly, since only labor produces wealth, and only ownership sells it, labor must be debarred from the bounty of its own production. Being so debarred, it is equally clear that profit is to be realised outside the source of its production. How?

As capitalist production is commercial production, the whole of its processes belong to the price system. Thus the energy which produces all wealth —the energy of labor—is priced with the money tags of the world market; and that price, in the last resort, is determined by the labor conditions of the world market. Owing to the machine production of the greater industry labor-power is a chronic drug on the market, both quantitatively and qualitatively. And because of the necessary operations of the price system the price of labor-power is the price of its reproduction. Hence, the machine industry, by the same process augments the volume of production, limits the quantity of required labor, and lowers the price of its reproduction. Consequently, with a lower price of wages and an increase in the mass of unemployment, and at the same time an increase in the mass of production, it becomes impossible to sell production to its producers. Relative to the forces of production (value) the volume of wealth is increased. Relative to the forces of exchange (price) the capacity of the world market declines. Hence there is a conflict between the forces of production and the forces of exchange. The elimination of this conflict is, at once, the objective and cause of trusts and combines. They seek to regulate production to demand. That is, to control the market, i.e., to create a monopoly. But as this regulation of the market is entirely in the interests of the price system, it automatically "regulates" the forces of production—the social forces of life and living. For as exchange is dependent on the market, production on exchange, and profit on production, when the market stagnates industry ceases and "prosperity" flies away. And as labor is dependent on industry for wages, naturally labor stagnates with the market.

Nowadays, production is no longer a petty struggle of individual competition with small tools. It is a thing of connective monopolies with high power machinery. The whole process of industry is social; everywere interlocked; everywhere interdependent. Yet, because industry rests on this basis of private property, the whole bounty of social production accrues to the monopolist owners of capitalist property. Therefore have the owners the legal right of control. So long as they can find a profitable market for the disposal of the surplus of social production industry hums, and the wage slave purrs in "sweet content." But because the market is limited, the market is quickly glutted, with machine production, and enforced idleness degenerates the society of property with ever deeping intensity.

Let us look briefly at exchange. Capitalist commerce has locked the world in business. All nations exchange their products for the products of all others. They balance their books, as it were, annually, and whatever difference there may be between them is frequently settled by shipments of gold. But such shipments are usually small. Because generally, and everything taken into account, exports balance imports. This balance is reflected in the rate of exchange. That is, so many marks, or francs, or lire, or dollars to the £ sterling. In normal circumstances they are practically equivalent. Indeed they must be, for no nation can continuously and excessively increase imports alone without its exchange falling and consequently putting a brake on the process. Because its national resources would be bonded beyond their present face value. And no nation can continuously augment its exports alone without collapsing in a general smother of poverty. Because then its resources would be rapidly depleted, and it could only remain in existence, and be "paid" for its exports, by taking (importing) the commodities of other countries. Thus the whole world is held to the basis of value by the economics of the business system.

This process of exchange, although technically resting on a gold basis (i.e., can be "paid for" in gold) is actually on a basis of credit (interchange of commodities). This change from gold to the fiction of credit has come about because of the enormous extension of capitalist commerce, and the convenience and facility which paper affords in the practical business of exchange. But this paper business has involved industry in the bondage of high finance. It is dependent on high finance, alike for the organisation of its industry, for the production of its commodities, and for their circulation. As the operations of finance are intricate and complex, so the organisation of international commerce is delicate and sensitive to every movement of society. Like an electric wire, finance is strung upon the nations, and a break or flaw anywhere immediately induces its reaction throughout the entire system. Yet so long as the world market can—even languidly—absorb the world's produce, the delicate poise of financial and commercial relations is maintained, the paper of business is everywhere equivalent to the gold of reality, and commands face value for value. But it is not to be forgotten that paper is not gold; that commerce is not wealth; that credit is debt-impossible to be redeemed; and that the greater the volume of credit the greater must grow the world market.

Consequently, to stabilise credit surplus must increase and business expand. But it can only expand under the monopolistic, competitive terms of capitalist society. And it is the inexorable necessity of capitalist production that surplus is only to be increased, pari passu, with the shrinking of the world market. For, as already pointed out, competitive production (cheap labor and high power machinery) rapidly increases surplus, but also as rapidly destroys purchasing power, i.e., the effective market. So it comes about that the economic struggle for business becomes transformed—or extended into—the political struggle for markets. That is to say, for the resources of the earth, and concessions, and spheres of influence wherein supremacy may unload them, at a profit. That was the occasion of the war. To open the doors of the world market to the machine industry of Imperial Britain; and to close them against her rival Imperial Germany.

During the war, and for the prosecution of the war, the normal creative industry of commerce was transformed into a destructive market of war. All society was agog. The sudden demand for commodities sent up price. Forced production induced extravagant production. Forced credits (domestic and interallied) plastered the nations with far flung mortgages, and held in abeyance the normal exchange (and rates) of commerce. Thereby the nations were confronted with the necessity of "inflation," i.e., the increase of paper to maintain the cohesion of capitalist society.

With the "great peace" America found herself the greatest "creditor" nation, while Britain stood ready, with unimpaired productive plant and partly remodelled for greater efficiency in the competitive realms of peace. And France, bankrupt in the war, stood menacingly over the fruits of allied victory. Hence we came by "deflation" and "readjustment,"—that is, the abandonment of forced production and forced credit,—with the inevitable consequences, the disbanding of the forces of labor and the shrinking of the effective market. Necessarily, unemployment grew, like Jack's beanstalk; wages vanished in the glutted market; stocks in hand fostered the miseries of abundance; while business "regulation" stiffened the price level and maintained the rate of profit.

The same forces precisely produced like conditions in Germany. But Germany emerged from the war broken and defeated; her commerce gone; her productive organisation and plant ruined or dilapidated, mortgaged in a victor's peace; devoid of foreign credits; stripped of external resources; in dire straits for social necessities; with an inflated currency; and debarred from the international comity of nations. Germany presented a needy enough

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