

Falling Prices

FOR some considerable time there has been much clamoring for price reduction, now the economic tide has set,—apparently—in that much desired direction. But, it not infrequently happens that the maturity of desire, fails to bring satisfaction, fails to round the measure of "promised joy." Alas! And the present era of "price cutting" (for lack of a better name) may prove, all too convincingly, that, as Muller puts it "the dream of the reality may be better than the reality of the dream." Indeed, without at all assuming the critical role of prophet, we may confidently assert that the reality will be of the nature of tragedy, to thousands of us who dream gay dreams in the bourgeois palace of ambition.

In every period of market expansion, economic development has been carried forward to a new plane of social condition, to a new triumph of production. This expansion of the market, with the temporary demand, calls forth the effort to supply that demand, gives a new impetus to commerce, a new confidence to prosperity, and through the competitive necessity of profit production, unlooses a new volume of credit, in order to benefit from the new opportunity. Consequently the expansion of the market brings about a wider spread of prices, a higher form of production, a greater volume of surplus, an advanced state of necessary enterprise. And when the sudden but temporary demand has been suffocated with the mass of over-production, the inevitable slump comes. Bills are presented—and dishonored credit goes short, confidence becomes panic; prices react to the fear of bankruptcy.

But this reaction of prices is not the ordinary fluctuation of a competitive market. On the contrary, it is the stagnation of a market that is dead: the "sleeping sickness" of over-production. Nevertheless, the new status of industrial and commercial enterprise does not decline to the old plane of the "normal"; does not revert to the conditions of a previous period of "prosperity"; and the new prices, which are a reflex of the new organization of merchandise production, oscillate more or less violently in the anarchy of surplus depression, but find a new equilibrium in the higher vantage of economic development.

The present condition of society, with its threat—its certainty—of augmented suffering, is nothing new; is neither strange nor surprising. It is but the evidence of wrong ideology or divine visitation. It is but the natural fruit of capitalist production; the inevitable climax of the sordid frenzy of accumulation.

For the triumph of victory in "the last war" (we shall call it that) the total activities of society were impressed to service. Every man had his job; every woman her place in the war-machine, every child performed his quota of service. Every available unit was withdrawn from useful production; all unnecessary production eliminated; everything was subordinated to the "essentials" of war propagation. Hence the satisfaction of social necessities, and to meet the growing demands of an unprecedented war market, capitalist industry was keyed to a new intensity of exploitation. But to do this capital had to sacrifice its ancient gods. It threw aside its ethic of individualism; re-seated the fallen Dragon of "efficiency"; unmasked its faith; demolished its "moral right"; evolved new concepts of woman and her function, of man and his service; abandoned its fiction of payment; played with unlimited credit; and in the hour of its fierce trial, desecrated its holy of holies, property right. That is to say, that in actual fact, it repudiated its idealist philosophy, and established the truth of historic materialism. Thus laying the foundation stone of the new society. What happened?

The mighty demand of the war market found a ready response in profit production. The doors of capitalist opportunity were wide open; credit was advanced to derive the utmost of advantage from the great "prosperity." Capitalist industry was electrified to activity, with the most tremendous im-

petus that ever thrust it forward to its final dissolution.

But the war ceased, and with its cessation the war market vanished. The war hordes were disbanded; munitions were unneeded; supplies were curtailed. Governments gave up housekeeping. But the chaotic production of capital went on unabated. The impulse of competition to secure the maximum of surplus made the wheels of industry hum with the song of profits.

To support this continued industry in the interests of capital, to rehabilitate the disorganized "peace" market, and open up new channels of trade, credit was advanced to further high levels; prices soared to unheard of heights. The once favored warriors, flung on their own resources, discovered the meaning of retrenchment. Wages sagged beneath the pressure of higher credits, and the ever-growing supply of labor-power. The war-wasted countries, bankrupt and desolate, found their purchasing power gone. Thus production went on, (thereby hastening the ruin), the long outstanding credits were called in, and, lo! there was no money wherewith to meet the obligation. Because, forsooth, society had not the price to buy the product of the feverish activity.

That is where we stand now. That is why business is nervous, why prices break. It is the flurry of trade, anaemic for lack of sustenance, dying for want of a market, and is, in reality, the harbinger of industrial stagnation.

But breaking prices are not the indications of a return to the "normal" of pre-war times. Those times are gone as irrevocably as the days of Julius Caesar. Economic development has carried society forward to a new conditional level, and the impress of the new conditions will be reflected in the "normal" of new effects, which in due season will be registered upon the plastic consciousness of social man.

The explanation of social phenomena is to be found in the nature of social organization; the color and condition of the one determines the color and condition of the other. Precisely as the structure of a machine determines the character of its operation, and precisely as the building of a machine to perform a particular function, demands a knowledge of physical law, so the formation of a society which will fulfil; to their completest, the necessities and aspirations of man, must be the work of a clear understanding of sociological evolution and its laws. If society hurts us, cursing, or wishing, alters neither the fact nor the causes. Clearly, society does not injure all. Clearly can society be organized beneficially.

But the incentive to such organization, apparently, can only come forth from the buffetings of exploitation, can materialize only when that exploitation has developed to such an extent, that the utmost activity of social effort fails to sustain society itself.

And that day is close at hand. We are now going down into the depths of an industrial depression, a depression that, being co-extensive with capitalist production, must be world wide; a depression which will be as grim and as bitter as its preceding exploitation was violent and intense; and out of which, however devious the way, there is but one escape—working class ownership of the means of wealth production. E.

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