

wages would come to a quick end, but embarked at once on a policy of export and imperialism.

Dumping commodities for consumption, such as cheap industrial products and clothes into colonies and agricultural districts, does not give much relief from "over-production" because they yield in return other commodities for consumption, mostly foodstuffs and luxuries and materials for production. But the workers cannot buy foodstuffs, etc., beyond the extent of their wages and an increase of materials for production only aggravates the surplus of commodities.

What to do with this growing surplus, how to invest the accumulating profits? Production for consumption evidently results in disaster and this fact was already demonstrated in the beginning of the last century by terrible crises in periods of about seven to ten years. A few years of prosperity and the capitalist organization of production again suffered a breakdown. Such a condition could not continue without serious revolt. There was only one way out: increased production of means of production, in order to produce again means of production which constitutes another absurdity in the development of capitalism.

Production of tools of production means more workers, more wages, more material, more mining, more miners, but in some form or other it means an ever growing quantity of products. It can bring only a temporary relief.

Building railroads, canals, harborworks, factories, offices, opening new countries by reclamation and irrigation, building new fleets and equipping armies for future conquest, may continue for a considerable length of time, in fact has continued for the last forty or fifty years but it cannot continue forever. A crisis every seven years may be avoided but the crisis after fifty years means a world war, a revolution or both.

*Individual squander* is no capitalist feature in the sense as it was in the Roman empire and the latter part of Feudalism, but we notice a *general "waste"* inherent in the system as such, which is far more effective in destroying surplus commodities. I won't repeat the well known elements of wastefulness in the regular

process of production and especially of distribution under Capitalism. I only mention two points: First, the enormous waste in foreign investments and foreign enterprises. A great many of the railroads and other colonial experiments do not yield results or only poor results, and in perhaps a majority of the cases profits start only after a "reorganization" at great loss to the investors. This is logical. The main object of the enterprise was to get rid of capital and means of production at a profit. As long as the bankers who float the enterprise and the big manufacturers who are on the inside get at their money, it does not matter whether a few thousands of smaller capitalists are cheated of several millions.

Second, the fabulous development of militarism and war. Militarism to the extent as known to us, and especially this war continuing for years would be impossible if there was not such an excess in productiveness, if it was not to a certain extent desirable from a general capitalist standpoint to destroy and waste values as well as men who produce those values. It therefore is not in accordance with actual conditions to expect that after this war it will take a generation to rebuild and reconstruct "normal" conditions. There may be expected after the necessary readjustments a short stimulus, a short period of "prosperity," a new and more intensive rush for military equipments and another war.

A world peace and a binding agreement to divide the world into permanent spheres of influence is contrary to the character of present day Capitalism, because a "normal" capitalist development is impossible. Only in a mad race for production of means of production to produce again means of production and means to destroy these means of production, can Capitalism maintain itself, now that it has fulfilled its historic task of increased productivity. There is no place under the sun for all the capitalist countries, there is not even sufficient place under the sun for one Capitalist Country unlimited in its expansion. The only hope for the Capitalist system as such is the mutual destruction of each other's products with a chance for the very biggest and most efficient to keep a larger share in the general cataclysm.