DEFLATION SETS IN WHILE SPECULATIVE SWELLING GROWS

(Published in "El Comunista" no. 65 – January 2021)

Tendency of the rate of profit to fall

The Communist Left has always considered, following Marx, that the true crisis of the capitalist system is the **deflationary crisis.**

*"**49. The real crisis***

In 1929-1932 things were very different. Inflation was conspicuous by its absence: prices fell, dreadfully the wholesale prices, spreading terror among the bourgeoisie - less decidedly, but enough to partly comfort the proletarians of fierce unemployment, the retail." (The course of world capitalism in the historical experience and doctrine of Marx, Il Programma Comunista No. 7, 1958).

"1929-1933 Great classic crisis of overproduction. The capital gains are invested at a loss". (The course of world capitalism in the historical experience and doctrine of Marx, Il Programma Comunista No. 8, 1958).

The deflationary crisis is a consequence of the **crisis of relative overproduction of capital**, product of the inexorable **tendency of the rate of profit to fall.**

The tendency of the rate of profit to fall is explained in Volume III, Part 3, Chapters XIII-XIV-XV of Capital, of which we will point out some extracts here without prejudice to returning to a more detailed exposition of its content.

*"The hypothetical series drawn up at the beginning of this chapter expresses, therefore, **the actual tendency of capitalist production.** This mode of production produces a **progressive relative decrease of the variable capital as compared to the constant capital,** and consequently a **continuously rising organic composition of the total capital.** The immediate result of this is that the rate of surplus-value, at the same, or even a rising, degree of labour exploitation, is represented by a continually falling general rate of profit. (…) The progressive tendency of the general rate of profit to fall is, therefore, just an expression peculiar to the capitalist mode of production of **the progressive development of the social productivity of labour.**"* (Capital, Volume III, Part III, Chapter XIII, K. Marx).

It is advisable not to confuse the rate with the mass.

*"Along with the volume, however, the same laws of production and accumulation increase also the value of the constant capital in a mounting progression more rapidly than that of the variable part of capital, invested as it is in living labour. Hence, the same laws produce for the social capital **a growing absolute mass of profit, and a falling rate of profit."*** (Capital, Volume III, Part III, Chapter XIII, K. Marx).

The tendency is to decrease the value (and price) of the commodities, decrease the rate of profit contained in them, increase the mass of commodities, increase the mass of profit contained in them:

*"The law that a fall in the rate of profit due to the development of productiveness is accompanied by an increase in the mass of profit, also expresses itself in the fact that **a fall in the price of commodities produced by a capital is accompanied by a relative increase of the masses of profit** contained in them and realised by their sale."* (Capital, Volume III, Part III, Chapter XIII, K. Marx).

The decreasing trend of the profit rate as a result of the development of capitalism itself has a crucial scope, since: *"**The rate of profit is the motive power of capitalist production.** Things are produced only so long as they can be produced with a profit."* (Capital, Volume III, Part III, Chapter XV, K. Marx).

Capitalism without a profit rate loses all internal logic and with its decreasing trend the true limit of capitalism and its historically transitory character are revealed: *"**The real barrier of capitalist production is capital itself.** It is that capital and its self-expansion appear as the starting and the closing point, the motive and the purpose of production; that production is only production for capital and not vice versa, the means of production are not mere means for a constant expansion of the living process of the society of producers. (…) Development of the productive forces of social labour is the historical task and justification of capital. This is just the way in which it unconsciously creates the material requirements of a higher mode of production. (…) It comes to the surface here in a purely economic way – i.e., from the bourgeois point of view, within the limitations of capitalist understanding, from the standpoint of capitalist production itself – that it has its barrier, that it is relative, **that it is not an absolute, but only a historical mode of production corresponding to a definite limited epoch** in the development of the material requirements of production."* (Capital, Volume III, Part III, Chapter XV, K. Marx).

This fall in the profit rate will not transfer us peacefully and gradually to communism... but the overproduction of capital engenders tremendous competition between different capitals to discharge on their competitors the losses that they will inevitably have to suffer as a whole.

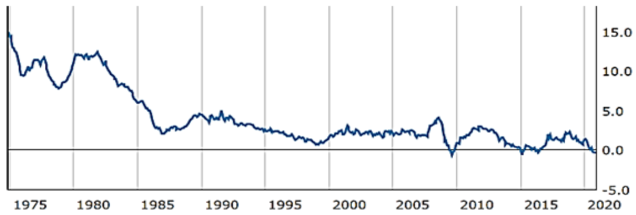
*"The rate of profit would not fall under the effect of competition due to over-production of capital. It would rather be the reverse; **it would be the competitive struggle which would begin because the fallen rate of profit and over-production of capital originate from the same conditions."*** (Capital, Volume III, Part III, Chapter XV, K. Marx).

*"A portion of the old capital has to lie unused under all circumstances; it has to give up its characteristic quality as capital, so far as acting as such and producing value is concerned. The competitive struggle would decide what part of it would be particularly affected. (…) **The class, as such, must inevitably lose. How much the individual capitalist must bear of the loss, i.e., to what extent he must share in it at all, is decided by strength and cunning,** and competition then becomes a fight among hostile brothers."* (Capital, Volume III, Part III, Chapter XV, K. Marx).

The capital overproduction crisis

Since 2008, the capitalist system has been immersed in a crisis of relative capital overproduction that manifests itself in a clear trend towards deflation. In this article we will focus above all on data from the area of Euro-American imperialism to illustrate the development of the current general trend.

Consumer index prices

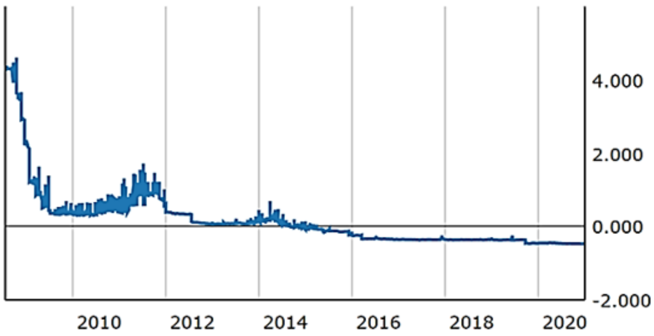


Source: European Central Bank

The current crisis is being characterized in its most external manifestation by the issuance of state and corporate debt with negative interest rates, the collapse of interbank interest rates that are in negative territory, the establishment of interest rates by central banks of zero and negative figures; circumstances that the thinking brains of the bourgeoisie (forced by the impersonal laws of the market that dictate their actions) "attempt" to reverse through an unprecedented injection of capital by central banks through the systematic purchase of state and corporate debt which, far from producing the desired inflationary effects, always worsens the situation. Meanwhile, world stocks hit highs, gold and bitcoin soar, as well as the value of debt bonds.

Let's go step by step. Negative interbank interest rates means that if a bank borrows money from another bank, the bank that lends the money has to pay interest to the bank that has borrowed money. With an interbank rate of -0.47% if bank A borrows 1,000 from bank B, bank B will give 1,000. After the deadline, bank A will return to B 995.3 and will keep the 4.7. The money lender will have borrowed 1,000 and recovered 995.3: a net loss of 4.7.

EONIA (Euro OverNight Index Average)



Source: European Central Bank

Paying to lend money to another bank: this has been the continuous behaviour of European banks since September 2014 as reflected in the EONIA, which is the average overnight rate of the euro, the result of interbank credit operations.

Why do European banks pay to lend money to other banks?

The most immediate explanation is that if European banks leave their money deposited with the European Central Bank, it charges -0.50% interest. And this while officially maintaining 0% the interest rate at which the ECB itself lends, although in reality it is also in negative territory through the mechanism of TLTRO (long-term conditional financing operations): *"The ECB has lent to the banking system 1.53 billion euros over three years in extraordinary conditions. The money from the European institution offers a negative interest rate, so that banks can earn up to 1% between July 2020 and July 2021 just for borrowing. The remaining two years, the loan has an interest of -0.5%. "* (Expansión, 26-12-2020).

ECB interest rates

Date		Deposit facility	Main refinancing operations	
			Fixed rate tenders Fixed rate	Variable rate tenders Minimum bid rate
With effect from				
2019	18 Sep.	−0.50	0.00	-
2016	16 Mar.	−0.40	0.00	-
2015	9 Dec.	−0.30	0.05	-
2014	10 Sep.	−0.20	0.05	-
	11 Jun.	−0.10	0.15	-
2013	13 Nov.	0.00	0.25	-
	8 May.	0.00	0.50	-
2012	11 Jul.	0.00	0.75	-
2011	14 Dec.	0.25	1.00	-
	9 Nov.	0.50	1.25	-
	13 Jul.	0.75	1.50	-
	13 Apr.	0.50	1.25	-
2009	13 May	0.25	1.00	-
	8 Apr.	0.25	1.25	-
	11 Mar.	0.50	1.50	-
	21 Jan.	1.00	2.00	-
2008	10 Dec.	2.00	2.50	-
	12 Nov.	2.75	3.25	-
	15 Oct.[4]	3.25	3.75	-
	9 Oct.[3]	3.25	-	-
	8 Oct.	2.75	-	-
	9 Jul.	3.25	-	4.25
2007	13 Jun.	3.00	-	4.00

Source: European Central Bank

On the other side of the Atlantic, the Federal Reserve has also had sunk interest rates, stuck at 0%, where they have fallen again after an illusory attempt to come back (the laws of the market always end up being imposed):

But why have the ECB and the Federal Reserve been forced to gradually reduce interest rates to these levels?

What is the importance for Marxists of this trend towards falling interest rates and their location even in negative ranges? The answer is now in Part V of Volume III of Capital, Chapter XXII:

"All other conditions taken as equal, i.e., assuming the proportion between interest and total profit to be more or less constant, the functioning capitalist is able and willing to pay a higher or lower interest directly proportional to the level of the rate of profit. Since we have seen that ***the rate of profit is inversely proportional to the development of capitalist production, it follows that the higher or lower rate of interest in a country is in the same inverse proportion to the degree of industrial development,*** *(…) In this sense it may be said* ***that interest is regulated through profit, or, more precisely, the general rate of profit.*** *And this mode of regulating interest applies even to its average.*

In any event ***the average rate of profit is to be regarded as the ultimate determinant of the maximum limit of interest****."* (Capital, Volume III, Part V, Chapter XXII, K. Marx).

That is, the average interest rate will always be lower than the general profit rate, it is limited by it: no capitalist will borrow at an interest rate higher than the profit rate he expects to obtain with the investment of the borrowed capital. The downward trend of the profit rate is expressed in the chronic collapse of interest rates and in the inability of central banks to increase them in a lasting way.

Harmonized long term interest rates for convergence evaluation (aprox 10 years)

	2020 Aug.	2020 Sep.	2020 Oct.	2020 Nov.
Euro area				
Belgium	-0.21	-0.25	-0.34	-0.38
Germany	-0.52	-0.52	-0.61	-0.61
Estonia[2)]	0.00	0.01	-0.08	-0.14
Ireland	-0.12	-0.13	-0.22	-0.25
Greece	1.08	1.08	0.90	0.75
Spain	0.29	0.27	0.17	0.09
France	-0.17	-0.21	-0.30	-0.33
Italy	1.03	0.98	0.77	0.66
Cyprus	0.89	0.72	0.44	0.29
Latvia	-0.19	-0.20	-0.23	-0.25
Lithuania	0.16	0.16	0.16	0.16
Luxembourg[3)]	-0.45	-0.50	-0.54	-0.54
Malta	0.54	0.51	0.38	0.37
Netherlands	-0.41	-0.44	-0.53	-0.54
Austria	-0.28	-0.32	-0.40	-0.41
Portugal	0.36	0.32	0.18	0.07
Slovenia	-0.10	-0.08	-0.13	-0.18
Slovakia	-0.22	-0.27	-0.35	-0.39
Finland	-0.25	-0.30	-0.38	-0.40

Source: European Central Bank

Let us now turn to state and corporate debt in which we see the same fall in interest rates to negative levels. That the state debt is listed negatively means that investor and speculative capitalists buy 10-year French debt, for example, worth 1,000 and after these 10 years they will get 996.7; loss of 3.3. The following table reflects the situation in the euro zone:

Not only have European states been selling negative interest debt, so have companies. As an example, the energy company Endesa has in circulation 2,743 million euros in promissory notes, issued with a negative interest of -0.10% and -0.15%, having come to issue them at -0.30% (Expansión, 20-08-2020). Taking the interest rate of -0.10% for ease of calculation, Endesa has borrowed 2,743 million euros, of which it would return 2,740.26 million euros. Net loss of lenders/investors: 2.74 million euros, to the benefit of Endesa. With -0.30% the loss would be 8.23 million euros.

But what motive would domestic and international capitalists have to invest their capital in buying government or corporate debt bonds with negative interest?

The answer is that these capitals do not find a productive investment in which to obtain a positive profit and this is nothing more than a manifestation of the overproduction of capitals.

It will be objected that capitalists buy debt with negative interest because they know that the European Central Bank, the Federal Reserve, the Bank of England and others will buy back the debt with their asset purchase programs *(quantitative easing).*

But it cannot be forgotten that these programs arise precisely as a **reaction** to the deflationary crisis, although it is true that their implementation has contributed and contributes dialectically, against the will and beliefs of the bourgeoisies that have launched them, to facilitate the path to lower interest rates. This is the contradiction in which capitalism is entangled in its own development, it is not a surprise that the bourgeoisie tries to overcome the crisis... *"by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented."* (Manifesto of the Communist Party, 1848).

"The European Union dashed yesterday to the capital market to place 17,000 million euros (...) The first of them, of 10,000 million euros, has a maturity of 10 years and, although it offers a 0% coupon to be less expensive for day-to-day of investors, their profitability at maturity is negative, -0.238% (…). This means that the EU will earn money from the financing it has requested for 10 years.

For the second tranche, of 7,000 million euros, a maturity of 20 years has been chosen. In this case, the coupon is 0.1% and the yield to maturity stands at 14 basis points above the midswap, which, for this time horizon, implies 0.13%." (Expansión, 21-10-2020).

"Between the SURE and the Next Generation EU, the European Commission plans to place 900,000 million in debt before the end of 2026." (Expansión, 22-10-2020).

"In these ten months, the total number of debt issuance has skyrocketed to catapult for the first time in history above 1.5 trillion euros. With the latest debt placement carried out by the European Commission and its debut in the capital market to finance the mechanism to fight unemployment, ***the volume of sovereign debt issued this year amounts to more than 725,000 million, more than 60% by on top of the previous year's records. Companies have also jumped into the debt market to obtain the necessary resources and have placed almost 35% more than in 2019."*** (Expansión, 06-01-2020).

In this context of making money for the simple fact of borrowing money, it is not surprising that States and companies have stepped on the accelerator. **Does this express a real need for capital expansion? No, it expresses precisely the opposite, the lack of a horizon and a perspective of productive investment.** If there were a prospect of productive investment, lenders would not "settle" for negative interest, but would demand a part of the profit.

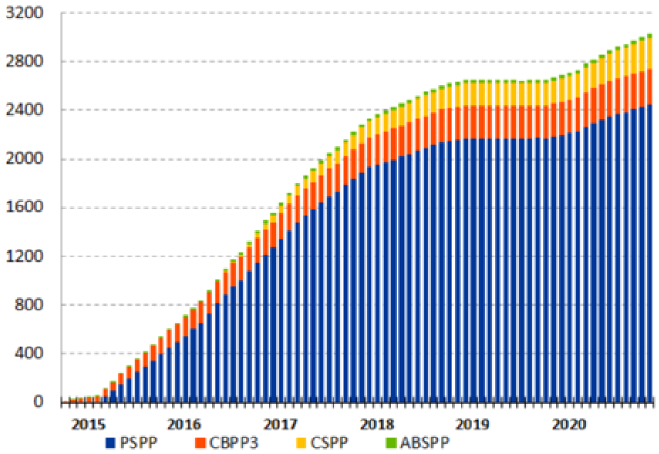
"In this way every individual industrial manufacturer and merchant ***gets around the necessity of keeping a large reserve fund and being dependent upon his actual returns.*** *On the other hand, the whole process becomes so complicated, partly by simply manipulating bills of exchange, partly by commodity transactions for the sole purpose of manufacturing bills of exchange, that* ***the semblance of a very solvent business with a smooth flow of returns can easily persist even long after returns actually come in only at the expense partly of swindled money-lenders and partly of swindled producers. Thus business always appears almost excessively sound right on the eve of a crash."*** (Capital, Volume III, Part V, Chapter XXX, K. Marx).

Current status of asset purchase programs

Even if it is to keep it updated, let's review the status of the Central Banks' asset purchase programs.

The European Central Bank maintains two active programs. On the one hand, the Asset Purchase Program (APP) that was developed between March 2015 and December 2018 and was reactivated in November 2020, at a purchase rate of 20,000 million euros per month.

Active Purchase Program ("traditional") – APP
(in thousands of millions of euros)



Source: European Central Bank

On the other hand, the ECB maintains the Pandemic Emergency Purchase Program (PEPP). It started initially with 750,000 million euros, increased on June 4th, 2020 with 600,000 million euros more that have been increased again with 500,000 million euros more, adding a total of 1.85 billion euros. *"The* ***ECB*** *also increased the package by 500,000 million euros, to* ***1.85 trillion****, to maintain the current purchase rate of 15,000 million per week."* (Expansión, 11-12-2020).

"The large operations that the ECB has carried out have boosted the ***size of its balance sheet. This week has exceeded, for the first time in history, the figure of seven trillion euros,*** *50% above the figure for the beginning of the year, which placed it at 4.66 billion euros. (…) The balance sheet of the ECB has been increasing with hardly any pause from the level of the trillion euros in which it was moving before the financial crisis of 2008."* (Expansión, 26-12-2020).

The Bank of England is pushed down the same path:

"The ***Bank of England*** *(BoE), has increased the volume of its purchase of public and private debt by 150,000 million pounds (about 170,000 million euros) (…) the monetary authority of the United Kingdom has raised the size of its asset purchase program, called the quantitative easing program, to 895 billion pounds (almost* ***one trillion euros****)."* (Expansión, 06-11-2020).

And also, the Federal Reserve, which was the first of them to start the race in 2008 and has been forced to restart it later:

"The Federal Open Markets Committee (FOMC) will continue to buy at least $ 120,000 million of debt per month until the economic recovery makes "substantial progress." (…) Since June, the Fed has bought public debt worth 120,000 million dollars a month. It buys $ 80 billion in Treasuries and $ 40 billion in mortgage assets. ***Its balance already reaches 7.24 trillion dollars.****"* (Expansión, 17-12-2020).

The idea of these shopping programs is as simple as it is tricky. The State issues corporate debt. The Central Bank cannot buy it directly because it would be the same as the State giving money to itself. The solution lies in the secondary market: the Central Bank buys the corporate debt from the private investor. If the investor has given 1,000 to the State and the Central Bank gives the investor another 1,000, the title of the State's debt is now held by the Central Bank (which is the State itself), with one result: the same debt has been bought two times, an additional 1,000 have been put into circulation. Novel invention? No. It is enough to continue reading Part V of Volume III that we have already mentioned, Chapters XXIX and XXX:

"But in all these cases, the capital, as whose offshoot (interest) state payments are considered, is illusory, fictitious capital. (…) No matter how often this transaction is repeated, the capital of the state debt remains purely fictitious, and, as soon as the promissory notes become unsaleable, the illusion of this capital disappears. Nevertheless, this fictitious capital has its own laws of motion, as we shall presently see. (…) The formation of a fictitious capital is called capitalisation. Every periodic income is capitalised by calculating it on the basis of the average rate of interest, as an income which would be realised by a capital loaned at this rate of interest. (…) Even when the promissory note – the security – does not represent a purely fictitious capital, as it does in the case of state debts, the capital-value of such paper is nevertheless wholly illusory." (Capital, Volume III, Part V, Chapter XXIX, K. Marx).

"By means of these facts, whereby even an accumulation of debts may appear as an accumulation of capital, the height of distortion taking place in the credit system becomes apparent. These promissory notes, which are issued for the originally loaned capital long since spent, these paper duplicates of consumed capital, serve for their owners as capital to the extent that they are saleable commodities and may, therefore, be reconverted into capital." (Capital, Volume III, Part V, Chapter XXX, K. Marx).

"With the development of interest-bearing capital and the credit system, all capital seems to double itself, and sometimes treble itself, by the various modes in which the same capital, or perhaps even the same claim on a debt, appears in different forms in different hands. The greater portion of this "money-capital" is purely fictitious. (…) Just as everything in this credit system is doubled and trebled and transformed into a mere phantom of the imagination, so it is with the "reserve fund," where one would at last hope to grasp on to something solid." (Capital, Volume III, Part V, Chapter XXIX, K. Marx).

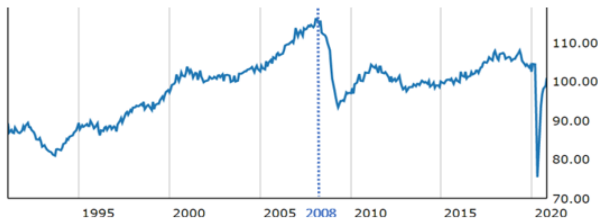
"The entire artificial system of forced expansion of the reproduction process cannot, of course, be remedied by having some bank, like the Bank of England, give to all the swindlers the deficient capital by means of its paper and having it buy up all the depreciated commodities at their old nominal values." (Capital, Volume III, Part V, Chapter XXX, K. Marx).

The Federal Reserve has gobbled up so much debt that it has a balance of 7.24 trillion (12 zeros: 7.24 million of millions) euros while the European Central Bank has approached it at a dizzying pace reaching a balance of 7 trillion (12 zeros also: 7 million of millions).

But has all this money found a productive investment? Not exactly, as the march of industrial production in the EU and the US attests.

USA industrial production index (2012=100)

EU industrial production index (2015=100)



Source: European Central Bank

We will return in another moment to this crucial point of industrial production highlighted so many times by our current, but now let's see where the injected liquidity has gone.

The swelling of speculative capital

The tendency of the rate of profit to fall and the overproduction of capital is what leaves no alternative to the plethora of capital other than speculation: *"The mass of small dispersed capitals is thereby driven along the adventurous road of speculation, credit frauds, stock swindles, and crises."* (Capital, Volume III, Part III, Chapter XV, K. Marx).

We are witnessing the swelling of the Stock Market: *"The value of world stock markets, measured in the Bloomberg World Exchange Market Capitalization Index, has reached 100 trillion dollars."* (Expansión, 15-12-2020).

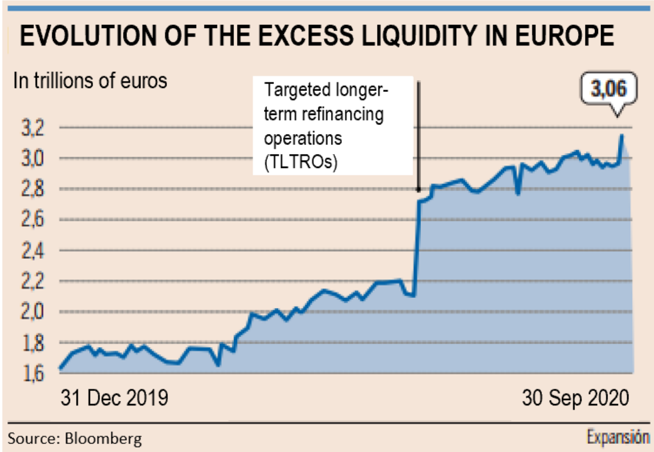
To understand the phenomenon, we have to follow Part IV of Volume III of Capital:

"But this capital does not exist twice, once as the capital-value of titles of ownership (stocks) on the one hand and on the other hand as the actual capital invested, or to be invested, in those enterprises. It exists only in the latter form, and a share of stock is merely a title of ownership to a corresponding portion of the surplus-value to be realised by it. A may sell this title to B, and B may sell it to C. These transactions do not alter anything in the nature of the problem. (…) The independent movement of the value of these titles of ownership, not only of government bonds but also of stocks, adds weight to the illusion that they constitute real capital alongside of the capital or claim to which they may have title. For they become commodities, whose price has its own characteristic movements and is established in its own way. Their market-value is determined differently from their nominal value, without any change in the value (even though the expansion may change) of the actual capital. (…) ***the price of these securities rises and falls inversely as the rate of interest.*** *If the rate of interest rises from 5% to 10%, then securities guaranteeing an income of £5 will now represent a capital of only £50. Conversely, if the rate of interest falls to 2½%; the same securities will represent a capital of £200. Their value is always merely capitalised income,"* (Capital, Volume III, Part V, Chapter XXIX, K. Marx).

"Their value, that is, ***their quotation on the Stock Exchange, necessarily has a tendency to rise with a fall in the rate of interest*** *– in so far as this fall, independent of the characteristic movements of money-capital,* ***is due merely to the tendency for the rate of profit to fall*** *- therefore,* ***this imaginary wealth expands, if for this reason alone, in the course of capitalist production*** *in accordance with the expressed value for each of its aliquot parts of specific original nominal value."* (Capital, Volume III, Part V, Chapter XXX, K. Marx).

The excess liquidity that cannot find a place to borrow also swells.

"European banks have three trillion liquidity to lend. (…) In just a few months, ***excess liquidity in Europe has gone from 1.66 trillion euros to 3.06 trillion****, an increase of 83%. (…) The excess of liquidity in Europe surpasses with its latest escalation the data registered* ***in the United States, which places its figure at 2.8 trillion.***" (Expansión, 02-10-2020).



What does not mean that banks continue to borrow, given that they earn money simply by borrowing it: *"various banks presented their forecasts on the liquidity they will attract in the next financing operations of the ECB: more than two trillion. In this way, despite the gigantic liquidity allocation figures registered already this year, and which have brought their debt to the ECB above 1.5 trillion euros, entities still anticipate requests for just over 500,000 million extra euros."* (Expansión, 23-10-2020).

But we know that *"modern bourgeois society, with its relations of production, of exchange and of property, a society that has conjured up such gigantic means of production and of exchange, is like the sorcerer who is no longer able to control the powers of the nether world whom he has called up by his spells."* (Manifesto of the Communist Party, 1848) and, thus, after having urged the ECB in April to relax the IFRS9 standard, it now fears that a *"tsunami of toxic loans"* will accumulate if the measures are reduced: *"the latest Financial Stability Report published by the monetary authority it warned that loans for more than 900,000 million euros, the equivalent of 22% of all the volume of credit in the euro zone, are supported by this type of support."* (Expansión, 05-12-2020).

"The ECB warned the banks that, under a severe macroeconomic scenario, the volume of non-performing loans could rise by 1.4 trillion euros, more than that registered in the 2008 crisis." (Expansión, 04-12-2020).

If the ECB or the Federal Reserve stopped abruptly from making these massive purchases, or significantly reduced the pace, or raised interest rates, they would blow the stock market and all the speculative bubbles that they have been feeding, it would be put crudely to the discovered the crisis of overproduction from which they are trying to flee in their forward race.

"In a system of production, where the entire continuity of the reproduction process rests upon credit, a crisis must obviously occur – a tremendous rush for means of payment – when credit suddenly ceases and only cash payments have validity. ***At first glance, therefore, the whole crisis seems to be merely***

a credit and money crisis. *And in fact, it is only a question of the convertibility of bills of exchange into money. But* ***the majority of these bills represent actual sales and purchases****, whose extension far beyond the needs of society is, after all, the basis of the whole crisis.* ***At the same time, an enormous quantity of these bills of exchange represents plain swindle, which now reaches the light of day and collapses;*** *furthermore, unsuccessful speculation with the capital of other people; finally, commodity-capital which has depreciated or is completely unsaleable, or returns that can never more be realised again."* (Capital, Volume III, Part V, Chapter XXX, K. Marx).

At first glance, the crisis would appear as a simple credit crisis because this is its first and most superficial manifestation. But the reason why all the monetary policies described hit a wall and, in fact, produce results contrary to those expected by those who implement them, is that the reason for the crisis is in production, in the fall of the rate of profit and the overproduction of capital. The only thing that the bourgeoisie achieves, and at the same time cannot avoid doing it, is to fill an additional huge can of gunpowder under its feet.

"If therefore the generalization of credit moves the explosion away from the crisis, it is only to increase its intensity." (The Marxist Theory of Currency, 1968)

We close with a quote from the background work that our current carried out in 1958 and that we mentioned at the beginning of this article:

"The true and proper crisis that will arise historically between the second and third world wars will be, even more than that between the first and second wars, international, *(…)*

And this crisis will place the world on the vigil of another general war, if not it will place it on the vigil of the revolution, one of whose conditions is the development, which requires decades, of a party *whose program is destructive of the " myth of producing" and the "myth of consuming", linked by the "mercantile myth".* (The course of world capitalism in the historical experience and doctrine of Marx, Il Programma Comunista No. 8, 1958).

READ, SUPPORT AND SPREAD THE COMMUNIST PRESS

"EL COMUNISTA"
"THE INTERNATIONALIST PROLETARIAN"
"PER IL COMUNISMO"

****

FOR MAILING (without any additional data)
PO Box 52076 - 28080 MADRID – SPAIN
www.pcielcomunista.org – pci@pcielcomunista.org
twitter.com/pcielcomunista