

## The Internal Contradictions of Capitalism

Capitalism makes everything interrelated, but since there is no guiding hand, the system spins out of control.

The steel producer's decisions have ramifications throughout the economy, but he cares only about his own position. No one is there to make sure everything works out.

Capitalism allows profits to increase, but then forces within the system cause profits to decrease.

Firms increased profits generate an increased demand for labor. In turn, this causes a rise in wages and a fall in profits. Desperate to avoid this, firms substitute machinery for labor. In turn, less labor means less surplus value and lower profits. There is no solution to the firm's problem -- in the drive to increase profits, profits must fall!

Capitalism causes a massive increase in output, but then forces within the system wipe out all the buyers.

Capitalists incessantly search for labor-saving machinery as a means to increase profits. Without wages, however, workers have no purchasing power. Who buys all the stuff?

Capitalism thrives on competition, but it has an inexorable tendency toward monopoly.

From many small firms, a single best one emerges. Ironically, its being the best leads to a dominance which is harmful.

Capitalism causes a massive increase in output, but very few get the goods.

The bitterest contradiction of them all, in Marx's eyes, is the tremendous productivity of the capitalist system and the horrible poverty under which most of the people struggled. "How in the midst of such plenty could so many be so poor?!?!" he screamed.