

# socialist standard

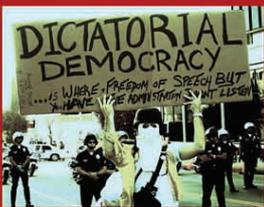


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Journal of The Socialist Party - Companion Party of the World Socialist Movement

## Democracy gets a re-tread

### Jack London and *The Iron Heel*



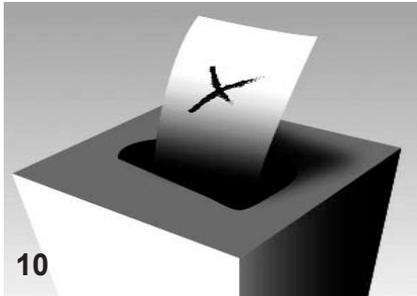
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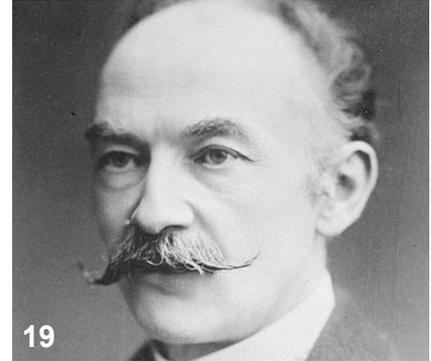
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#### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 5 January** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.  
tel: 020 7622 3811  
e-mail: [spgb@worldsocialism.org](mailto:spgb@worldsocialism.org)

## Introducing The Socialist Party

The Socialist Party is like no other political party in Britain. It is made up of people who have joined together because we want to get rid of the profit system and establish real socialism. Our aim is to persuade others to become socialist and act for themselves, organising democratically and without leaders, to bring about the kind of society that we are advocating in this journal. We are solely concerned with building a movement of socialists for socialism. We are not a reformist party with a programme of policies to patch up capitalism.

We use every possible opportunity to make new socialists. We publish pamphlets and books, as well as CDs, DVDs and various other informative material. We also give talks and take part in debates; attend rallies, meetings and demos; run educational conferences; host internet discussion forums, make films presenting our ideas, and contest elections when practical. Socialist literature is available in Arabic, Bengali, Dutch, Esperanto, French, German, Italian, Polish, Spanish, Swedish and Turkish as well as English.

The more of you who join the Socialist Party the more we will be able to get our ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

The Socialist Party is an organisation of equals. There is no leader and there are no followers. So, if you are going to join we want you to be sure that you agree fully with what we stand for and that we are satisfied that you understand the case for socialism.

## Editorial

### Why the Green Party is wrong

PEOPLE are right to be concerned about what is happening to the environment. Materials taken from nature are being transformed by human activity into substances which nature either can't decompose or can't decompose fast enough. The result is pollution and global threats such as the hole in the ozone layer and global warming.

There really is a serious environmental crisis. The issue is not whether it exists but what to do about it. The Green Party has one view. We have another.

The Green Party sees itself as the political arm of the wider environmental movement, arguing that it is not enough to be a pressure group, however militant, like Greenpeace or Friends of the Earth. Greens, it says, should organise as well to contest elections with the eventual aim of forming a Green government that could pass laws and impose taxes to protect the environment.

We say that no government can protect the environment.

Governments exist to run the political side of the profit system. And the profit system can only work by giving priority to making profits over all other considerations. So to protect the environment we must end production for profit.

Pollution and environmental degradation result from the inappropriate ways in which materials from nature are transformed into products for human use. But what causes inappropriate productive methods to be used? Is it ignorance or greed, as some Greens claim? No, it is the way production is organised today and the forces to which it responds.

Production today is in the hands of business enterprises, all competing to sell their products at a profit. All of them—and it doesn't matter whether they are privately

owned or state-owned—aim to maximise their profits. This is an economic necessity imposed by the forces of the market. If a business does not make a profit it goes out of business. "Make a profit or die" is the jungle economics that prevails today.

Under the competitive pressures of the market businesses only take into account their own narrow financial interest, ignoring wider social or ecological considerations. All they look to is their own balance sheet and in particular the bottom line which shows whether or not they are making a profit.

The whole of production, from the materials used to the methods employed to transform them, is distorted by this drive to make and accumulate profits. The result is an economic system governed by uncontrollable market forces which compel decision-makers, however selected and whatever their personal views or sentiments, to plunder, pollute and waste.

Governments do not have a free hand to do what is sensible or desirable. They can only act within the narrow limits imposed by the profit-driven market system whose rules are "profits first" and "you can't buck the market".

The Green Party is not against the market and is not against profit-making. It imagines that, by firm government action, these can be tamed and prevented from harming the environment. This is an illusion. You can't impose other priorities on the profit system than making profits. That's why a Green government would fail.

The Green Party fails to realise that what those who want a clean and safe environment are up against is a well-entrenched economic and social system based on class privilege and property and governed by the overriding economic law of profits first.

If the environmental crisis is to be solved, this system must go.

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# Why the minus 16.3 percent happy face?



In today's science lesson, boys and girls, we are going to discover that if you put a Mentos mint into a large plastic bottle of cola, you get a huge explosion that sends a geyser rocketing into the sky. Then, when you have wiped fizzy rain off your school blazers, we're going to debate whether the Mentos mint company are using this curious fact in their school programme, Put the Fizz Back into Science, in order to advance scientific interest among you little ones because none of you like science anymore (*New Scientist*, Dec 1) or whether they are shamelessly marketing their sugary sweets through the school back-door, under the disguise of education (The commercialisation of our classrooms, BBC Online, Dec 9). And don't you listen to silly old NUT teachers who got the government to ban junk food ads on children's hour TV last year. We don't want to spoil all your fun, that's why we left in a 'spike' of alcohol ads between 4pm and 6pm instead, because we know that one in five of you little darlings under 15 regularly gets drunk.

Our science head believes in telling you the facts of life, which are that advertisers spend £300 million a year targeting the classroom, because they know you clever little boys and girls will recognize 400 brands before you are 10, and that brand loyalty starts young (Adverts impact on children, BBC Online, Dec 9). In fact, you young'uns are so foxy and grown-up that ASDA have been naughtily selling black and pink lace lingerie for children and Tesco have been saucily selling pole-dancing kits in their toy section (BBC Online, April 6).

But it's not all pants, poles and paedophilia, children. Next we're going to show you some serious programmes from the BBC Learning Zone which tell you all about how wonderful and safe nuclear power is and how much money you can earn if you work for the industry when you grow up. Don't pay any attention to grumpy old independent nuclear consultant John Large when he says "It's a blatant piece of propaganda, that's not an educational tool." What does he know? And don't worry if the BBC say it was a mistake and they didn't mean to do it. Well honestly, they put the programme out twice, didn't they?! (BBC Online, Dec 9).

Oh look, and now poor Ann-Marie is crying big wet tears because she just failed her SATS, the little loser. Well, children, science can do anything now. So let's have some fun and measure how sad she is!

"The true measure of a nation's standing is how well it attends to its children – their health and safety, their material security, their education and socialization, and their sense of being loved, valued, and included in the families and societies into which they are born." With these words, UNICEF prefaces its new report entitled *Child poverty in perspective: An overview of child well-being in rich countries 2007* (<http://tinyurl.com/3yvz8b>). It is a statistical survey, an approach explained in the introduction: 'To improve something, first measure it.' 40 indicators are spread across six categories, namely: material well-being, family and peer relationships, health and safety, behaviour and risks, and children's own sense of well-being (educational and subjective). Surprisingly, or perhaps not, the UK finds itself overall bottom of the league, at number 21 out of 21 countries. The UK and the USA find themselves in the bottom third of the rankings for five out of the six categories.

UNICEF concludes: 'There is no obvious relationship between levels of child well-being and GDP per capita' (p.5) And indeed, children didn't seem interested in material things: "Material goods and leisure activities were not, in general, seen

as top priority by children. Relationships with family were seen as the most important determinant of well-being, followed by friends, school and pets." (P.43)

The theme emerging from the UNICEF report is that, essentially, money can't buy your child happiness. Interestingly, this rather anti-materialist theme has been echoed by various other statistical studies based around the new 'science' of measuring happiness. For example, the 178-nation 'Happy Planet Index' lists the south Pacific island of Vanuatu as the happiest nation on the planet, while the UK is ranked 108th. This survey, compiled by think-tank the New Economics Foundation (NEF), notes that Vanuatu is ranked 207th out of 233 economies when measured against Gross Domestic Product (GDP) and suggests that 'people can live long, happy lives without consuming large amounts of the Earth's resources' (BBC Online, July 12, 2006). Scientifically speaking, the NEF survey is probably worthless, given that Vanuatu has a population of just 209,000, which means that to get an equivalent rating the UK has to produce 300 happy Brits to every one happy Vanuatuan, a statistically unlikely achievement. If Vanuatu had a king, for example, Britain would have to find 300 kings.

So how do the scientists do their research? "It may sound silly but we ask people 'How happy are you?'" Ed Diener, Professor of Psychology at Illinois University, defends the approach thus: "The measures are not perfect yet I think they are in many ways as good as the measures economists use" (<http://tinyurl.com/ftkaw>). To socialists, this is no recommendation at all, given that capitalist economics has roughly the same predictive power as astrology.

What further undermines these dubious studies is the fact that there is no agreement over categories or parameters, so that numerous surveys come up with contradictory results. The World Values Survey of 2005 cites Iceland as happiest country, at 94 percent happy, followed by most of Northern Europe, deteriorating the further south or east one goes, ending with Bulgaria at 'minus 24 percent happy' (<http://tinyurl.com/39awdb>). If one feels minus a percent or two happy about this result, there is always the survey done by the University of Leicester in 2006, in which Denmark emerges as happiest country despite having the second worst suicide rate in Europe (Independent, Aug 1, 2006).

Obviously nobody is suggesting that if wealth doesn't make you happy, try poverty. But the correlation of wealth and well-being ceases beyond a certain point. As Professor Daniel Kahneman of the University of Princeton puts it: "Standard of living has increased dramatically and happiness has increased not at all, and in some cases has diminished slightly. There is a lot of evidence that being richer... isn't making us happier."

Yet another survey in the UK found that 81% of the UK population agreed that the Government's primary objective should be the creation of happiness rather than wealth, although this looks suspiciously like a weighted response to a loaded question. Other studies have shown that the most reliable happiness indicators are friendship, marriage, life-meaning, and life-goals.

It seems that children and adults are not all that different. As the various surveys show, extreme deprivation aside, they both want the same kinds of 'soft' reinforcements, not the 'hard' currencies of materialism. But capitalist culture inflicts a ruthless and reckless propaganda war on its people, aiming its sharpest spears at the young and defenceless. Then, in an effort to show that it cares, it invokes a parody of science, counting tears, measuring trauma, like a psychoanalyst with a pocket calculator. Governments don't mind if you cry, so long as you buy. If one hundred percent of children, and adults, reported being one hundred percent 'minus happy' with capitalism, it would not change anything. What will change things is when those people stop being statistics, and start being statistically significant, by showing one hundred percent minus cooperation with their tormentors.

## Silly ceremony

Dear Editors,

"I, [...], do solemnly, sincerely and truly declare and affirm that on becoming a British citizen, I will be faithful and bear true allegiance to her Majesty Queen Elizabeth the Second, her Heirs and successors, according to law."

The above is the Affirmation of Allegiance required to be taken by applicants for British citizenship, at one of New Labour's more inane gifts to the nation, the Citizenship Ceremony. Any applicant for British citizenship has to attend such a ceremony within six months of their application being accepted. Failure to do so means that one's application is deemed unsuccessful, and that the whole tortuous process must be started again.

I recently found myself attending such a ceremony as a guest, struggling to keep a straight face as the Lord Mayor of Bristol, in his full regalia, informed us, while standing in front of a picture of the Queen, that, in Britain, "No-one is above the law."

Twenty-three new citizens, plus their guests, were present to hear the Lord Mayor eulogise about the Greatness of Britain and its democratic institutions. Tellingly,

however, he opened his speech by reiterating a couple of questions from the Citizenship Test (analogous to the Theory component of a driving test), which all of the new Citizens were required to have passed before reaching this stage. Unaccountably, not one of them could remember the literal meaning of Prime Minister or how many members the Welsh Assembly has.

I took some small encouragement from the fact that slightly more citizens chose to take the Affirmation of Allegiance, rather than the Oath (which beings, "I [...] swear by Almighty God"). However, the overall effect reminded me of nothing more than a school assembly, with a hall full of bored students intoning words to prayers which they find more or less meaningless.

And this, of course, is the point. The whole process has less to do with "citizenship" per se than with reminding workers who have often overcome massive difficulties and obstructions in order to be allowed to settle here (admittedly not the case for the person whose guest I was) of precisely who is the boss, and showing that they are expected to be good little boys and girls.

Needless to say the proceedings

ended with the playing of the National Anthem. Not wishing to embarrass my partner, I confess that I did stand up for the wretched dirge (albeit with my fingers firmly crossed throughout!).

Surely the world can be organised more sanely than this? Why should it not be the birthright of every human being to settle in any part of our planet (or even to continuously travel around it, should one so require), and be accepted as an equal member of one's community without having to participate in silly ceremonies to prove one's worthiness to do so? Why should we have to swear (or affirm or whatever) Allegiance to anyone? As Leon Rosselson wrote in his song "The World Turned Upside Down", "This world was made a common treasury, for everyone to share." However, until the world's working class unites consciously and politically to ensure that the treasury can indeed be shared, a minority class with retain control and the rest of us will continue to be expected to be grateful when we've passed enough of their patronising "tests" (and, of course, have sufficient funds) to be able to relocate from one part of the planet to another.

SHANE ROBERTS, Bristol.

## Contact Details

### UK BRANCHES & CONTACTS

#### LONDON

**Central London branch.** 2nd Weds. 6.30pm. The Old Crown, 33 New Oxford St, WC1. Tel: Tristan 0207 6223811

**Enfield and Haringey branch.** 2nd & 4th Monday. 8pm. Angel Community Centre, Raynham Rd, N18. Corres: 17 Dorset Road, N22 7SL. email: julianveim@blueyonder.co.uk

**South London branch.** 1st Tues. 7.00pm. Head Office. 52 Clapham High St, SW4 7UN. Tel: 020 7622 3811

**West London branch.** 1st & 3rd Tues. 8pm. Chiswick Town Hall, Heathfield Terrace (Corner Sutton Court Rd), W4. Corres: 51 Gayford Road, London W12 9BY

**Pimlico.** C. Trinder, 24 Greenwood Ct, 155 Cambridge Street, SW1 4VQ. Tel: 020 7834 8186

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#### SOUTH/SOUTHEAST/SOUTHWEST

**South West branch.** Meets every two months on a Saturday afternoon (see meetings page for details). Ray Carr, Flat 1, 99 Princess Road, Branksome, Poole BH12 1BQ. Tel: 01202 257556

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**Canterbury.** Rob Cox, 4 Stanhope Road, Deal, Kent, CT14 6AB

**Luton.** Nick White, 59 Heywood Drive, LU2 7LP

**Redruth.** Harry Sowden, 5 Clarence Villas, Redruth, Cornwall, TR15 1PB. Tel: 01209 219293

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#### NORTHERN IRELAND

**Newtownabbey.** Nigel McCullough. Tel: 028 90852062

#### SCOTLAND

**Edinburgh branch.** 1st Thur. 8-9pm. The Quaker Hall, Victoria Terrace (above Victoria Street), Edinburgh.

J. Moir. Tel: 0131 440 0995 JIMMY@jmoir29.freereserve.co.uk Branch website:

<http://geocities.com/edinburghbranch/>

**Glasgow branch.** 3rd Wednesday of each month at 8pm in Community Central Halls, 304 Maryhill Road, Glasgow. Richard Donnelly, 112 Napiershall Street, Glasgow G20 6HT.

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**West Lothian.** 2nd and 4th Weds in month, 7.30-9.30. Lanthorn Community Centre, Kennilworth Rise, Dedridge, Livingston. Corres: Matt Culbert, 53 Falcon Brae, Ladywell, Livingston, West Lothian, EH5 6UW. Tel: 01506 462359 E-mail: matt@wsmweb.fsnet.co.uk

#### WALES

**Swansea branch.** 2nd Mon, 7.30pm, Unitarian Church, High Street. Corres: Geoffrey Williams, 19 Baptist Well Street, Waun Wen, Swansea SA1 6FB. Tel: 01792 643624

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## Introducing a new regular column that takes a look at events around the world

Preparations for a US attack on Iran are well advanced. American planes probe the country's air defences. Commandos infiltrate Iran on sabotage and reconnaissance missions. A new military base is built close to the Iraq/Iran border at Badrah. The Fifth Fleet patrols in the Gulf and along Iran's southern coast.

Political preparations also continue. Accusations against Iran are elaborated and repeated ad nauseam. Pressure is exerted (with variable success) on other countries to assist in the war plans. Aid and encouragement are given to separatists in ethnic-minority areas of Iran: Arab Khuzestan in the southwest, "southern Azerbaijan" in the northwest. Resolutions are pushed through at the U.N. Security Council and in the US Congress to create a "legal" justification for aggression.

Why are the currently dominant capitalist interests in the US so bent on war with Iran? The war propaganda provides a highly distorted and incomplete picture of the real reasons.

### "War against terror" – Stage 3?

An attack on Iran will be sold as the next stage, after Afghanistan and Iraq, of the "war against terror." What does this mean?

As with the attack on Iraq, the claim may be made, explicitly or implicitly, that the Iranian regime is connected in some way with Al-Qaeda. This time round the claim would be even more deceptive, as Iranian leaders denounced 9/11 and helped the US depose the Taliban in Afghanistan. The terrorism charge is also based on the real Iranian support of Hizbollah in Lebanon and Hamas in Palestine. This, however, means enlarging the meaning of "terrorist" to cover any armed movement that opposes the regional interests of the US and its allies. Finally, the US Congress has passed a resolution – supported, incidentally, by leading Democratic presidential contender Senator Hillary Clinton – declaring Iran's Revolutionary Guards (an elite section of its armed forces) a terrorist organization. This justifies military action against them as part of the "war against terror."

### Another "disarmament war"?

Above all, the Bush administration claims that Iran is very close to acquiring nuclear weapons and that a nuclear-armed Iran would be an unprecedented threat to world peace. The same claim was used to justify

# Iran in the crosshairs

the attack on Iraq. No nuclear weapons capability was discovered after the invasion, but the claim had served its purpose. Iran is enriching uranium for a civilian nuclear power program under IAEA supervision, but there is no evidence that its leaders seek nuclear weapons and it will not be in a position to produce them for several (perhaps ten) years. This is a consensus view of specialists not only at the IAEA but also at the CIA and Pentagon.

Nevertheless, Iran is a rising power with ambitions of exerting influence in a region crowded with nuclear powers (Israel, Pakistan, India, Russia and China, not to mention the US nuclear presence). As such it is very likely to acquire nuclear weapons at some point. It might be willing to barter the nuclear weapons option for international recognition of its status as a regional power, but that is precisely what the US and its allies are unwilling to grant.

While the risk of accident or miscalculation does increase with the number of nuclear powers, there is no serious reason to suppose that Iran would be more dangerous than any other state with nuclear weapons. All nuclear states are prepared to resort to nuclear weapons under certain circumstances.

"Nuclear non-proliferation" started as an international agreement to confine nuclear weapons to the members of a small exclusive club. It has now come to mean "disarmament wars" to deny nuclear weapons status selectively to regimes considered hostile to US interests (listen to an interview with Jonathan Schell on [www.therealnews.com](http://www.therealnews.com)). The US seeks to prevent Iran from going nuclear because it would shift the balance of power in the Middle East, making American nuclear capabilities less intimidating and depriving Israel of its regional nuclear monopoly.

### Oil and gas, dollars and euros

While the US does want to prevent Iran from eventually acquiring nuclear weapons, this does not explain the urgency of the preparations for war. The key factor is control over resources, in particular oil and natural gas. The US seeks to restore and maintain control over the hydrocarbon resources of the Middle East, a region that contains 55 percent of the world's oil and 40 percent of its gas.

The occupation of Iraq marks an important step toward this goal. The petroleum law that the US is imposing on Iraq will give foreign companies direct control of its oilfields through "production sharing agreements". Iran, which alone accounts for 10 percent of world oil and 16 percent of world gas, is the main remaining obstacle to regional domination.

Control over oil has various aspects. One is control over price – gaining the leverage to ensure the continued flow of cheap oil to the American economy. Another is control over who buys the oil. The country that buys the most oil from Iran is now China, a situation that upsets those in the US who view China as a major rival and future adversary. Arguably, however, the most important issue is which *currency* is used to price and sell oil.

As the position of the dollar in relation to other currencies weakens, the dollar

is ceasing to function as the world's main reserve currency. Countries are shifting their foreign exchange reserves away from dollar assets toward assets denominated in other currencies, especially the euro. Dollar assets now constitute only 20 percent of Iran's reserves.

Similarly, oil producers increasingly prefer not to receive dollars for their oil. In late 2006 China began paying for Iranian oil in euros, while in September 2007 Japan's Nippon Oil agreed to pay for Iranian oil in yen. Continuation of this trend will flood the US economy with petrodollars, fuelling inflation and further weakening the dollar. It is feared that the result will be a deep recession.

Occupying oil-producing countries may seem like an obvious way to buck the trend, although the effect is bound to be temporary. In 2000 Iraq began selling oil for euros; subsequently it converted its reserves to euros. Since the US invasion it has gone back to using dollars. This may be an important motive for attacking Iran too.

### The shifting geopolitical map

The collapse of the Soviet Union enabled the US to establish a temporary global geopolitical predominance, though at the cost of enormous military expenditure that exceeds that of all other countries combined. Like the dominant position of the dollar, this cannot last very much longer in view of the progressive economic decline of the US.

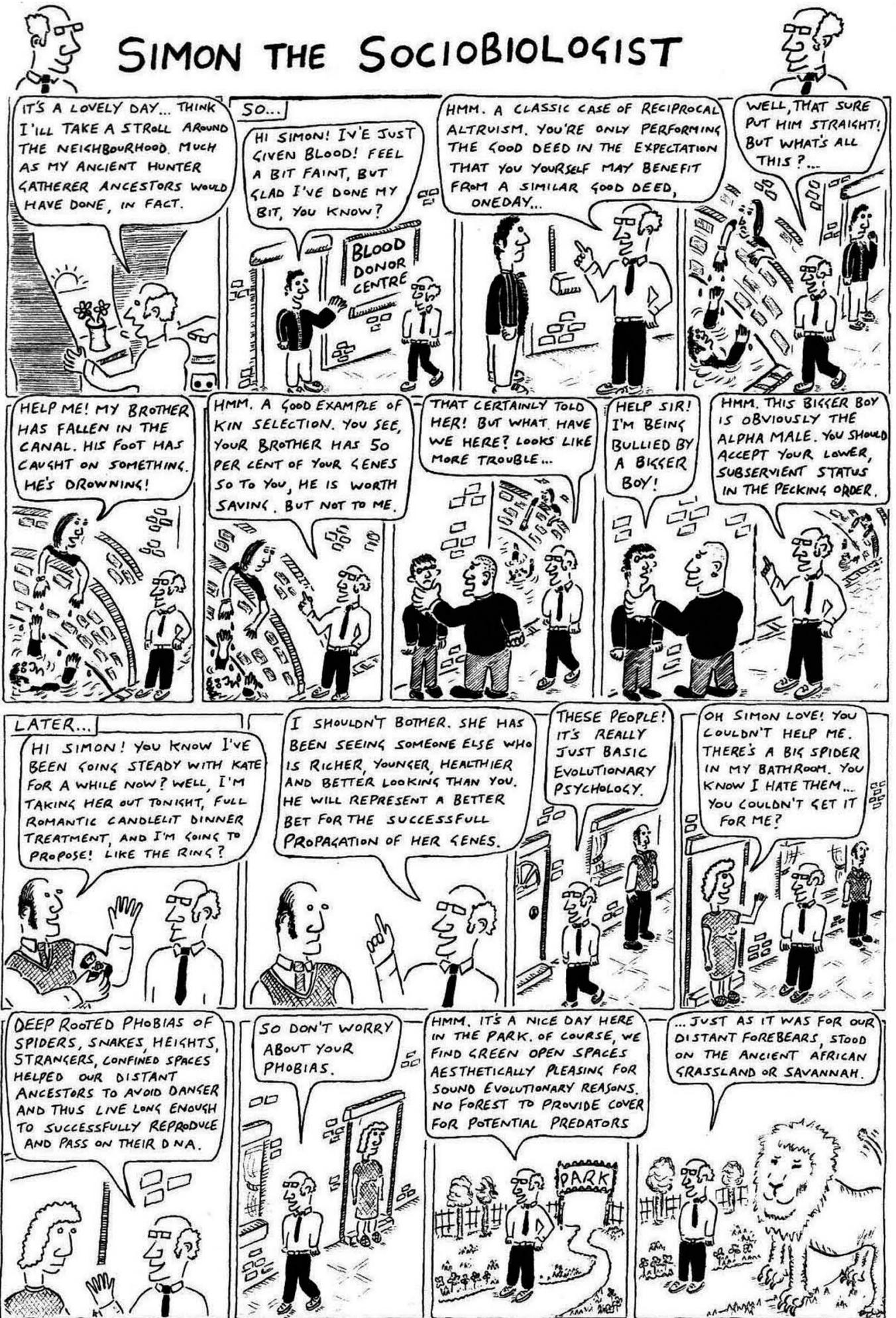
The geopolitical map of the world has begun to shift, and Iran occupies a central place in this process. The framework of a potential anti-U.S. axis exists in the shape of the Shanghai Cooperation Organization, which brings together Russia, China and post-Soviet Central Asia. American strategists fear further consolidation and militarization of the SCO and its expansion to draw in other major Asian states and, first of all, Iran, which already has close ties with both Russia and China. (India, though for the time being firmly aligned with the US, may follow.) So here too attacking Iran may be seen as a way of averting a threat to US predominance.

### Senseless wars

There is a certain logic to the motives that drove the US to war in Iraq and may drive it to war with Iran. Nevertheless, these wars make no sense even in capitalist terms (let alone from the working class and human point of view). It is not just that costs are likely to exceed benefits, as was the case in Vietnam, for instance. They are senseless because under current world conditions the goal of securing long-term US predominance is unattainable. At most, the loss of economic and geopolitical primacy may be deferred for a few years, but it will be all the more precipitous when it does come.

The faction of the American capitalist class currently in power refuses to recognize this reality. Even their "mainstream" opponents in the "Democratic" Party are rather reluctant to do so. Admittedly, the top brass do not want another quagmire. Perhaps their resistance will save the day.

# SIMON THE SOCIOBIOLOGIST



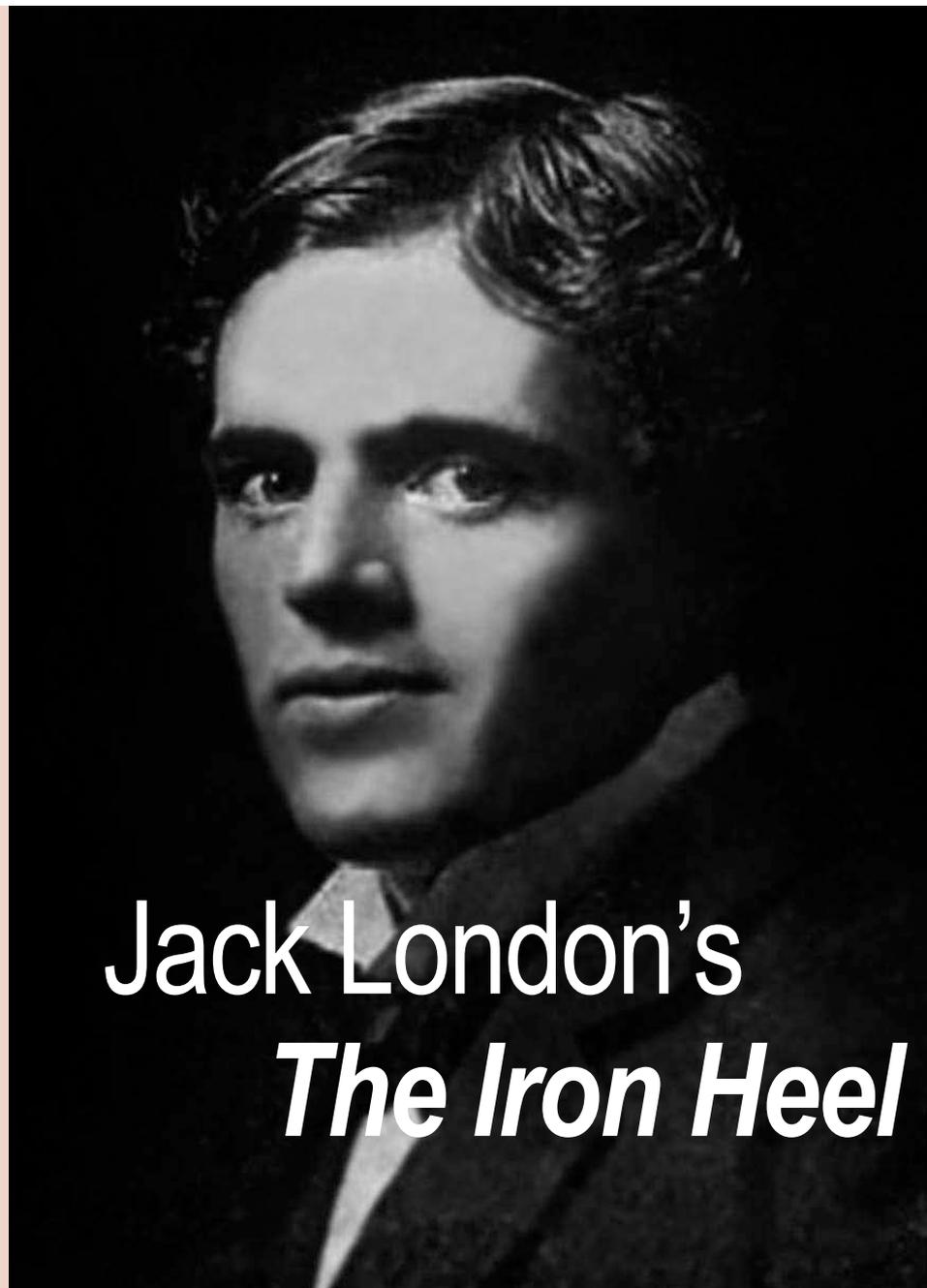
London's widely read *The Iron Heel* was published a hundred years ago. But how realistic was it and how much of a socialist was Jack London?

By the time he had published *The Call of the Wild* in 1903 and *White Fang* in 1905, Jack London had established a reputation as the author of highly profitable popular fiction and adventure stories. He had risen to become the highest-paid American author of his era and with his income secure he set about writing a novel expressing his individualistic brand of militant politics. Aroused by the failure of the 1905 Russian Revolution, the inability of the Socialist Party of America to build on earlier electoral successes and the popularity of the serialisation of *The Jungle*, Upton Sinclair's novel about working conditions in the meat-packing industry, London quickly completed a new novel, *The Iron Heel*, which was published one hundred years ago in 1908. After his death the work became an influential classic of anti-capitalist literature with prophecies and warnings that, according to the introduction to the most recent Penguin edition, 'Aryan nationalists and communists alike have championed' ever since.

The novel combines two narrative themes: an inner autobiographical narrative set mainly in the period 1912-1918 and a secondary narrative providing an historical commentary on the fictional 'Everhard Manuscripts' from centuries in the future. The work is essentially the autobiography of Avis Everhard, a woman steeped in social prejudice who falls in love with and later marries a 'socialist leader' and then discovers the realities of capitalism. Under the guidance of her husband Ernest she becomes a revolutionist seeking to overthrow the 'Oligarchy' – the combination of the large monopoly trusts that had bankrupted smaller capitalists and reduced farmers to serfdom and the majority of workers to slaves.

This elite has created a military caste – the 'Mercenaries' – as a private army and undermines working class solidarity by establishing a privileged 'labour caste' from skilled workers in essential industries. The 'Oligarchy' has absolute authority over civil law and political institutions, exercising power through force and intimidation, bolstered by the prejudices propagated through the press, church and education system. The novel ends after the unsuccessful 'First Revolt' against this elite.

*The Iron Heel* was not an entirely original work, heavily influenced by the work of other authors. London took inspiration from H.G. Wells' apocalyptic fantasy *When the Sleeper*



# Jack London's *The Iron Heel*

*Walks* (1899) and from the idea of a 'double-view' achieved by opening a second narrative in the future, in Edward Bellamy's *Looking Backwards* (1888). To this he adds images of summary executions and unrestrained violence from the 1871 Paris Commune, using this as a historical model for his 'Chicago Commune' that stirred memories of the infamous Chicago Haymarket Massacre of 1886.

The novel was also closely modelled on Ignatious Donnelly's *Caesar's Column* (1890), a melodrama set in the New York of the future which, like London's later work, revolved around political intrigue, secret agents, disguises and spies. Both novels are interwoven with love stories and end in cataclysm. London relocates the scene of this cataclysm from the New York to Chicago. His central theme was drawn from W. J. Ghent, the author of *Our Benevolent Feudalism*, a work 'which foresaw the "complete integration of capital" into an iron fisted dictatorship' (Richard O'Connor, *Jack London – A*

*Biography*). Even London's title, *The Iron Heel*, which is the condemnatory phrase dramatically used by London's hero Ernest to describe the 'Oligarchy,' turns up in many other contemporary political and literary works as a symbol of oppression.

Much of what is related in the narrative of Avis Everhard London gleaned from newspaper articles and the printed views of 'muckrakers' such as Lincoln Steffens and regular contributors to the Oakland newspaper *Socialist Voice*, including William McDevitt and Austin Lewis. London's opportunistic reliance on this newspaper was demonstrated in 1906 when at a time when it was publishing articles denouncing organised religion, London – for the only time in his literary career – denounced the church, and he devotes several chapters in his novel to the theme.

'Borrowing' ideas and phrases was second nature to London and he was repeatedly accused of plagiarism. Moreover his habit of appropriating

the work of others was not just confined to newspaper articles. Chapter seven of his novel, *The Bishop's Vision*, is almost identical to Frank Harris's essay 'The Bishop of London and Public Morality', published years earlier. London tried to explain his tendency to plagiarise to Elwyn Hoffman, by saying: 'expression with me is far easier than invention. It is with the latter I have the greatest trouble, and work the hardest' (Andrew Sinclair, *A Biography of Jack London*).

London was not widely read in the works of socialist literature and he never really understood socialism. His politics were a blend of conflicting theories: a mixture of emotional demands for 'social justice' acquired during his early life, interwoven with ideas of racial superiority and social Darwinism. He had joined the Socialist Labor Party (SLP) in 1896, a period in which the SLP supported a programme of 'immediate demands'. When these were dropped in 1900, London was one of those who left the Party and after standing as the Social Democratic Party's candidate for the mayor of Oakland in 1901 he joined the reformist Socialist Party of America (SPA). London's 'socialism' was always overshadowed by the conviction that the strongest must inevitably triumph over the weak and by a resolve to drag himself out of the 'social pit' by becoming a prosperous writer even when this meant being criticised for compromising his principles and political convictions.

After completing *People of the Abyss*, an account of working class life in the East End of London and arguably the only truly 'sincere work' that he ever wrote, London became increasingly disillusioned with the 'underfed parodies of humanity' who refused to 'fight' for a new society. By 1903 his frustration with the working class and his views on social Darwinism were widely acknowledged and drew criticism from the membership of his own political party. He responded with accusations that the SPA leadership was weak and doomed to fail and though he stood as its candidate for the mayor of Oakland in 1905, it was clear, even before he began his novel, that his sporadic flirtation with 'socialism' was over.

Although he remained a Party member, believing his 'socialist credentials' enhanced his reputation, it is certain that by 1906 that London had already 'parted ways with the idea of a mass working-class movement to overthrow capitalism and establish a new society' (Robert Barltrop, *Jack London, the Man, the Writer, the Rebel*). *The Iron Heel's* reputation as a 'socialist' classic, deriving from London's scathing attack on capitalism in the first half of the novel, does not conceal the fact that it was 'also his statement why socialism was not achievable in the foreseeable

future' (Barltrop). The novel is London's pessimistic declaration that the working class is incapable of self-emancipating and in it he does not even credit the 'socialist' movement with the eventual downfall of the fictional 'Oligarchy,' which instead implodes under its own internal weaknesses and divisions.

London unquestionably believed that capitalism should be replaced, but never explains 'socialism' or how it can be achieved. His main indictment of the capitalist system in *The Iron Heel* is that it is managerially incompetent, 'blind and greedy', and wasteful. As well as this, London is convinced that an alternative society cannot be achieved without leaders. He creates the character Ernest as his alter ego, a 'socialist leader' (a contradiction in terms) who stands above the working class as an embodiment of London's image of 'socialist' man, a 'blond beast such

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### **"His politics were a conflicting mixture of emotional demands for 'social justice', interwoven with ideas of racial superiority and social Darwinism"**

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as Nietzsche has described', the personification of self-sacrifice and martyrdom.

Ernest is the leader that London always wanted to be. But Ernest is betrayed – in the same way that London felt he had been – by comrades who refuse to listen to him and by an irresponsible working class, 'the refuse and scum of life', incapable of helping itself and unworthy of his leadership. London's fictional 'socialists' view the working class with dread and refuse to build class solidarity with what they see as an abject and uncontrollable mass. The novel concludes on a note of disgust aimed less at the detested 'Oligarchy' than at the working class, whose mindless behaviour is said to have contributed to the defeat of the 'First Revolt.' The remnants of the 'socialist' movement are driven away to continue a terrorist war for centuries into the future until the weakened 'Oligarchy' finally yields.

The vision articulated in *The Iron Heel* is the social Darwinian struggle in which the strongest must always be supreme. It is developed within the framework of a quasi-religious fable. The setting is summed up by one critic in the following way: 'For the individual capable of it, a transforming moment of inspired vision; for those

in society incapable of such a vision, a providential catastrophe and ultimately the regeneration of society through martyrdom' (Charles N. Watson, *The Novels of Jack London*). The work is peppered with biblical phraseology and religious symbolism as Avis experiences 'a new and awful revelation of life'. The story builds towards an apocalyptic conclusion reminiscent of religious deliverance when the 'evils' of capitalism will be purged from the world and, through sacrifice and martyrdom, society will be reborn as 'The Brotherhood of Man.'

The dramatic idealisation of the main protagonists, the heightened romanticism of the action, and the virtual absence of the working class for much of the novel all accentuate an infatuation with leadership. Some have justified the novel's lack of realism in various ways. Trotsky, for example, explained the work as a didactic tale where the author was interested 'not so much in the individual fate of its heroes as in the fate of mankind' (Joan London, *Jack London and His Times*). But is this an adequate defence for a tale whose core message is one that consigns the working class to an essentially passive and insignificant role in the social revolution?

So *The Iron Heel* is a decidedly anti-socialist work by an author who wrote more from his heart than his head. When it was first published the novel received unfavourable reviews even from so-called 'socialist' journals and the *International Socialist Review* described it as 'well calculated...to repel many whose addition to our forces is sorely needed'. It is difficult to disagree with Robert Barltrop's judgement that London's 'socialism' was always a self-deception where 'the pleasures of intellectual company, of being lionised, of always having a platform waiting, caused him to set aside or rationalise the differences which were plainly there'. It is perhaps not surprising that London's egotism, overblown self-esteem and overriding preoccupation with his personal finances led Mark Twain's to remark: 'It would serve this man London right to have the working class to get control of things. He would have to call out the militia to collect his royalties.'

Jack London died in 1916 at the age of 40. In 1945, George Orwell said that had he lived 'in our day, instead of dying in 1916, it is hard to be sure where his political allegiance would have lain', and went on: 'One can imagine him in the Communist Party, one can imagine him falling victim to the Nazi racial theory, and one can imagine him the quixotic champion of some Trotskyist or Anarchist sect.' *The Iron Heel*, still open to all kinds of unsettling interpretations, will undoubtedly continue to be considered a classic of its time, although worryingly perhaps for all the wrong reasons.

**STEVE TROTT**



# And they call this *Democracy?*

*"It's a truism, but one that needs to be constantly stressed, that capitalism and democracy are ultimately quite incompatible." (Noam Chomsky, Feb. 1970 at a talk at the Poetry Centre, New York)*

To present a random sample of examples to back up this statement: Received opinion in the so-called 'developed' countries would have one believe that democracy is grounded in the electoral system; that if one can cast a vote periodically then representation of the people is taking place and one can't grumble. However, even at that level the electorate are fooled at best and cheated at worst. Fooled into believing they elected a government of the majority of the electorate, as with Blair and New Labour and cheated – twice – by Bush who effectively stole both of his presidential terms at the expense of thousands of disenfranchised voters. Once in power it's quite simple to strengthen that power. Bush conveniently sacked unfriendly District Attorneys in favour of more right-leaning, cooperative allies during his term but was then surprised and disappointed when one of his international allies against terrorism in Pakistan recently followed his example and sacked his judiciary because they dared question his constitutional right to a further term as president/dictator. On the healthcare issue in the US, specifically the attempt to bring free healthcare to millions of poor children, Bush simply and brazenly said that whatever Congress voted he would veto it – democracy in action.

Deliberate lies and misinformation were promulgated about the use of depleted uranium during the first Gulf war and later in the Balkans conflict. A US army report released six months before the first Gulf war detailing the risks of depleted uranium use was suppressed and only unearthed later by a researcher, revealing that the army failed to follow regulations which obliged them to give medical tests to soldiers exposed to or wounded by DU munitions. When forced into admission that soldiers had been in contact with contaminated equipment they initially owned up to a few dozen individuals and it took activists and the media seven years before the Department of Defense acknowledged the thousands of unnecessary exposures. Similarly in the Balkans, the US and NATO initially denied the use of DU and then refused to reveal where it had been used, resulting in delays in clean-up operations and ongoing exposure for many more citizens. How many servicemen and civilians have been exposed in the most recent conflict in Iraq is undetermined. There is still a veil being drawn over

*The Goddess of Democracy,  
University of  
British  
Columbia*

the issue by the 'authorities' and many affected servicemen are still not receiving compensation or allowances whilst a callous indifference is being shown to the number of children being born with horrible deformities in Iraq.

It's interesting how many democracies give great favours to their elected representatives. You'd think that a fat salary, an expense account, numerous junkets around the world and revolving doors into consultancies and directorships would be ample reward, but no, let's throw in immunity from prosecution for crimes whilst in office. Why? There have been no good reasons proffered for this stance and generally citizens – the voting public, those on the receiving end of democracy – are outraged by such overt hypocrisy and elitism. It's recently been announced that Jacques Chirac, former President of France, is to be investigated for alleged corruption while mayor of Paris. In Turkey, whilst MPs have full judicial immunity when in office, the citizenry mustn't criticise the military, the flag nor the founder of the Republic or be seen or heard to be insulting Turkishness, whatever that is. Similar examples around the globe abound. There is an anecdote in Howard Zinn's *A Power Governments Cannot Suppress* about a question asked of the judge by a juror in the case of a break-in to steal draft records as a protest against the Vietnam war. Zinn had testified for several hours about the Vietnam war not being fought for freedom and democracy but for "tin, rubber, oil as repeatedly specified in internal memoranda of the government" and Samuel Braithwaite, the juror, a veteran of 11 years in the US army, asked "If, when a citizen violates the law he is punished by the government, who does the punishing when the government violates the law?" Good question.

When governments or regimes aren't quite to the liking of the richer democracies then a little help in getting it right doesn't go amiss. Money can be channelled in through lobbyists, media groups and NGOs. Western-leaning candidates can be hailed and promoted and propped up until they run out of uses or worse, transgress the controller's rules at which time, in an Orwellian switch, regime change becomes necessary yet again.

The long-running saga (open sore) of Palestine/Israel continues. The most recent history of these lands shows that democracy is acceptable for some but not for others. Even after the overwhelming victory of Hamas in the internationally acclaimed free and fair elections the big powers couldn't accept this as a suitable democracy. Democracy must fit into strict parameters condoned by the powerful. Funds were withdrawn

by the EU, the US backed Israel's withholding of payments, even when Hamas agreed to include members from the losing party Fatah to attempt to make a unity government.

The world's largest democracy, India, has a few pertinent examples of how capitalism and democracy are incompatible. Arundhati Roy (novelist and activist) is a well known critic of the governments there, both local and national and is a defender of people's rights on the issue of big dams. In her book *The Cost of Living*, on the topic of the Sardar Sarovar dam on the Narmada River, she says that what began 10 years previously as a fight for one river valley eventually "began to raise doubts about an entire political system. What is at issue now is the very nature of our democracy. Who owns this land?" The dam site and adjacent areas were already under the Indian Official Secrets Act when in September

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## **“Nothing's perfect, people say. No, but how long do you wait before you pull a rotten tooth?”**

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1989 50,000 people from all over India gathered in the valley pledging to fight 'destructive development'. What followed was more democracy in action. The site was "clamped under section 144 which prohibits the gathering of groups of more than 5 people." Local people continued to protest and many pledged to drown rather than move from their homes. The Japanese Friends of the Earth's campaign resulted in getting their government to withdraw 27 billion yen loan to finance the project and more international pressure mounted on the World Bank. The democratic knock-on was more repression in the valley with government policy being described by one minister as to "flood the valley with khaki." At stake were huge contracts involving important and already wealthy people. Never mind that big dams have long been discredited for reasons including devastation of farmlands and forests, sedimentation creating shorter than estimated life spans, salination and waterlogging of land irrigated downstream, etc etc. It's even questionable whether there will be enough water to reach Gujarat's towns at the end of the chain – the original stated purpose from as long ago as the early 1960s. At stake also were the lives and livelihoods ultimately of millions of people, but these people had little or no money so couldn't be part of the equation. They were simply disposable and although

supposed to be compensated or given new land this simply isn't happening. Democracy forges ahead, enriching minorities and further impoverishing millions.

In the free world, in the long-established democracies, in the newly fledged wannabe democracies, the virus of the anti-terrorism crusade is spreading fast bringing tighter laws and increased controls, reining in freedoms with world-wide use of police and/or troops against civil protest, laws akin to those foretold by Orwell and Huxley – too weird to be thought true by many. Take care of being suspected of even thinking about committing a subversive act. This really brings to life one of Joseph Heller's characters of some 40 years ago who "was jeopardising his traditional rights of freedom and independence by daring to exercise them." Complacent populations allow it to happen. Uninformed, ignorant populations allow it to happen. People have accepted the one-sided terms and conditions with little or no question, without signing a contract. There is no contract, just a one-way edict. It's commonly said that everyone has an equal chance in life, something that, to anyone with a working brain bigger than a peanut, is patently not true. A system so stacked in favour of a few over many can't be seen as just. How has this crumbling edifice called democracy managed to stand for so long? "Nothing's perfect," people say. No, but how long do you wait before you pull a rotten tooth? Are these governments and their democracies relevant to their populace? Are they credible?

This has all been said before, in other ways, in other places, by other people but it seems not loudly enough yet, not often enough yet, not yet by enough people. "Is it monstrous to think about how to create the possibility of human relationships based on equality, on social justice and on solidarity and relationships from which the use of violence, terrorism and war is excluded by common accord?" wrote Gino Strada, an Italian war surgeon for ten or so years, in his book *Green Parrots*.

Enough people speaking out and acting in accord with their conscience, not cowed down, refusing to be brainwashed, not suffering from the comfort of amnesia or the ostrich syndrome *can* bring about social change. Howard Zinn stresses that "our most deadly enemies may not be hiding in caves and compounds abroad but in the corporate boardrooms and government offices where decisions are made that consign millions to death and misery – not deliberately but as collateral damage of the lust for power and profit."

When and where, if ever, was a

**continued on page 21**

# The nature of human nature

*The cultural anthropologist Ashley Montagu once said that what cultural anthropologists were really interested in was “the nature of human nature”. So what do they think it is?*

evolution of *homo habilis* (toolmaking Man, if you don't like Dawkins's translation) into modern humans was not just a question of biology but also of culture; that it was a biological-cultural co-evolution. That, as Man made and used tools, natural selection favoured those with a more powerful brain and so a greater ability to learn and, crucially, to think abstractly (i.e. of something not present to the senses). Since abstract thinking and language are probably indissolubly linked, this depended on the development of the vocal cords and other parts of our speech organs. The end-result was us, some 150,000 years ago, on the savannah, or open grasslands, of East Africa.

Since then the most noticeable biological change was the development of the different varieties of our species – sometimes mis-called “races” – as isolated groups of *homo sapiens* adapted biologically through natural selection, over many thousands of years, to the different physical environments in which they lived.

Otherwise human adaptation has been cultural rather than biological: humans making use of their biological capacities, to build-up a social tradition so as to better adapt to their environment, which is then passed on to a new generation through teaching and learning rather than through genes.

“Cultural anthropology is concerned with the study of man's cultures. By ‘culture’ the anthropologist understands what may be called the man-made part of the environment; the pots and pans, the laws and institutions, the art, religion, philosophy. Whatever a particular group of people living together as a functioning population have learned to do as human beings, their way of life, in short, is to be regarded as culture” (Ashley Montagu, *Man: His First Million Years*, 1957).

Culture allows humans to adapt to a new or changing environment much, much more rapidly than biological adaptation through natural selection ever could. Cultural adaptation is measured in decades while biological adaptation is measured in tens of thousands of years. Other animals do have a culture in the sense of a tradition of behaviour that is passed on through learning, but none can vary and develop it as humans can. So, the capacity for adaptation through cultural change can be said to be a distinguishing feature of our species. It is of course a biologically-determined capacity, dependent upon in particular a powerful brain and the capacity to speak and on the extended period of childhood during which culture

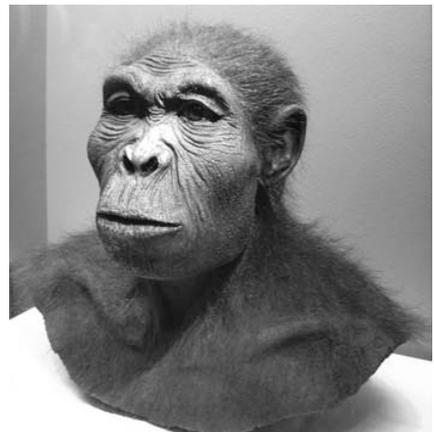
can be learned.

This is “human nature”: the set of biological capacities enabling humans to learn, teach and develop culture, which is a non-biological means of adapting to the environment in which they find themselves. Faced with a new environment, humans can and do adapt their behaviour not their biological make-up. Because culture is non-biological and not fixed, the cultural anthropologists emphasised that educability, behavioural adaptability and flexibility was the key feature of human nature, what made us human:

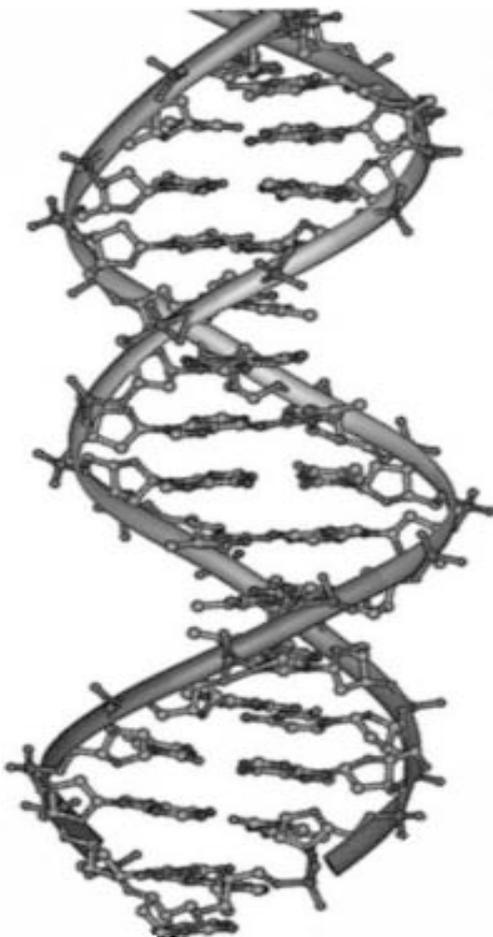
“The most notable thing about *human* behaviour is that it is learned. Everything a human being does as such he has to learn from other human beings. From any dominance of biologically or inherited predetermined reactions that may prevail in the behaviour of other animals, man has moved into a zone of adaptation in which his behaviour is dominated by learned responses. It is within the dimension of culture, the learned, the man-made part of the environment that man grows, develops, and has his being as a behaving organism” (Ashley Montagu, *Man and Aggression*, 1968).

This biological capacity for culture, for learning behaviour and passing on to other humans and to other generations, was clearly an adaptive advantage and it is this that has allowed our species to spread and survive in all parts of the world, despite the widely differing environments. Much less of the behaviour of other animals is learned (and what is learned is essentially repetitive from generation to generation) and much more is governed by what used to be called “instincts”.

This is a word that has long fallen out of favour in scientific circles, but it would simply denote a fixed response to a given stimulus – like the literal knee-



*Homo habilis* - reconstruction



**T**oday, all humans are members of the same species, *homo sapiens*.

We know what our main features are: upright position freeing our hands, stereoscopic vision allowing us to see things in three dimensions, a long period of growing up, the anatomical ability to utter a wide range of sounds, and, last but not least, a powerful brain as the centre of our nervous system. These are all genetic features, inherited via our genes, and are what distinguishes us, genetically, from other animals and living things.

Before us there were other species of *homo* (Man) but which are now extinct. The most well-known of these was Neanderthal Man which only became extinct about 30,000 or so years ago. Then there were the likely direct ancestors of our species: *homo habilis* (which Richard Dawkins translates as “handy Man”) and *homo erectus* or upright Man. The currently available evidence suggested that the first Man, as distinct from the last Ape-Man, emerged about two million years ago.

But this is partly a question of definition since biologists distinguish the first Man from the last Ape-Man by brain size – an inevitably arbitrary, genetic distinction. Anthropologists have introduced another but non-biological distinction: the generalised making and use of tools. While the ability to make tools depends on biology (free hands, good eyesight, more powerful brain) the actual making of the tools – and what they were and how they were used – does not; it is learned not inherited and, as such, part of what anthropologists call “culture”.

It is now generally accepted that the

jerk reaction in humans. Or moths flying into lights. Another, more complicated response would be squirrels reacting to the shortening of periods of daylight by going into hibernation.

What the brain does is to allow a period between the stimulus and the response. The more developed the brain the wider the range of possible behavioural responses that the organism can make on the basis of its own past experience. We are the animals with the most developed brain and it is one that allows us the greatest choice of behavioural responses. So much so, the cultural anthropologists argued, that it can be said that we don't really have any instincts. According to Montagu, any "instincts" that might have existed in the pre-human ape-men from which we evolved would have disappeared in the course of evolution:

"Instead of leading to fixed responses to the environment, man's evolution has been such as to make him the least behaviourally fixed and most generally educable or plastic of all living creatures. It is this very plasticity of his mental traits that confers upon man the position he occupies. The acquisition of this capacity freed man from the constraint of the limited range of biologically predetermined responses that characterises all other animals" (*Human Heredity*, 1963 edition)

"... man is man because he has no instincts because everything he is and has become he has learned, acquired, from his culture, from the man-made part of his

environment, from other human beings" (*Man and Aggression*).

The scientific consensus that was established in the 1940s, 50s and 60s was that it was "human nature" to be able to have a wide range of behavioural responses to the environment; that human behaviour was learned not innate; that it was culturally not biologically determined. This was confirmation that there is nothing in the biological nature of humans that would prevent us living in the co-operative, non-hierarchical, society of self-motivated individuals that socialism would be.

Since then the biological determinists have regrouped and counter-attacked, claiming that there still are "biologically predetermined responses" in humans. They have made some headway in that biological determinism is more intellectually acceptable than it was fifty years ago. People like Konrad Lorenz, Robert Ardrey, Desmond Morris, E. O. Wilson, Richard Dawkins and Steven Pinker – none of them anthropologists – have been able to achieve some popular success. But they have only done this by playing to the gallery, exploiting the fact that most people have a negative view of human nature – inherited from the Christian dogma of original sin and innate human depravity – and knowing that they could sell their books by pandering to this prejudice. Ardrey, Morris and Pinker also appealed to anti-intellectualism to ridicule and marginalise the scientific findings of the cultural anthropologists by painting

them as an arrogant, liberal elite.

But they have failed to show how genes *could* determine human behaviour (as opposed to setting limits to it). Basically, genes are self-replicating codes for the production of the proteins in the cells of which we (and all other life-forms) are made. What they govern is the development and renewal of our physical, material bodies. They don't govern behaviour – that depends, as the cultural anthropologists have established, on our social and cultural environment.

The biological determinists hoped that advances in genetics would back up their case, but it is proving to be their undoing. Molecular biologists are making huge advances in identifying and discovering the effect of individual human genes. And they are not discovering genes for any behaviour, only for how the human body develops and renews itself – and what happens when a gene is faulty or abnormal or unusual. In which case the person concerned will suffer some, usually crippling bodily defect, but which genetics holds out the hope of someday being able to correct.

The findings of the cultural anthropologists still stand. All human social behaviour has to be learned and so is culturally not biologically determined. A key distinguishing feature of our species is behavioural adaptability. Human nature is not a barrier to socialism.

**ADAM BUICK**



## Cooking the Books 1

### Dreaming of a super cycle

On 19 November the *Times* published a special supplement on "Minerals and Mining". One optimistic article "Boom time for world-wide mining" raised the prospect that world mining was entering a "super cycle" and that "we are now in the early stage of a prolonged upward shift in prices, fuelled by the industrialisation of China and India".

Industrialisation involves not just the building of new factories but also the uprooting of people from the countryside and their move to urban industrial centres to work. One expert spoke of "the movement of anything from around 10 million to 20 million people per year into an urban setting" in China, so increasing the demand for new houses, roads, administrative buildings and the other features of an urban infrastructure.

Copper is used extensively in the construction industry, for electric wiring and the like. Recent years have seen a boom in the price of copper and the other base metals, zinc (used for galvanising steel and batteries) and nickel (also used in steelmaking), attributed largely to the increased pace of industrialisation in China since 2003. The optimists believe that their "super cycle" will be the third in the last 150 years, according to the *Times* "the previous two occurring around the end of the 19th century as the US became a major economic power and the second being the post war expansion of the Japanese and European economies after 1945".

Three days later, the headlines of the *Times* business section told a different story: "Fears of recession in US spook commodity markets" and "The wheels are coming off the supercycle".

A metals analyst, Nick Moore gave his opinion:

"The supercycle has a flat tyre," Mr Moore said, referring to a theory promoted by some analysts and mining groups which suggested that extraordinary demand from China and India would sustain continued long-term growth and prevent the traditional boom and bust cycle of the mining industry. "China is not the tooth fairy that can absorb all the ore".

Of course since, as on all markets, speculators operate on the commodities market, too much store should not be set on short-term changes there. But the state of the US economy is relevant since China is not industrializing on its own: the motor is exports. If, due to a recession in the US, these fall off so will China's demand for copper and zinc and the mining industry will suffer from "overcapacity". Hence the comment of the *Times* Business Editor, James Harding, that "in the longer term, there is concern that the industry has retained its tendency towards over-supply, adding production capacity and removing the squeeze that props up prices".

In other words, the classic scenario under capitalism. When the market for some product is expanding, all the firms supplying it assume that this will continue and invest in new productive capacity; when all this comes on stream it is found that supply exceeds demand and boom turns to bust and slump. The mining industry has traditionally been prone to this because of the longer time needed to explore for, find and extract minerals than to build a factory. The last time the world mining industry went through a slump was in the 1990s:

"At that time, with lower demand and lower prices, and in the midst of technological change, metals were, as Tulpulé [chief economist at Rio Tinto] puts it 'passé'. This of course led to a lack of investment in plant, a fall off in exploration, and a declining growth on the supply side" (*Times*, 19 November).

As long as capitalism lasts, this zigzagging between boom and slump will always be the course of economic activity.



*Home is where the money is - World Bank, Washington*

nearest the centre being granted the largest share of the remunerations and benefits that form a part of the “overhead costs” that capital incurs, and those at the outside who are deemed to be totally non-productive by the elites, receiving nothing – not even the right to exist.

Whilst those who are near to the centre refuse to see the faults and failures of the system, there are two groupings who recognise the failings only too well – those on the outside who are robbed of everything, often even their lives, and those at the centre – the thieves and murderers themselves, aka the elites.

We are conditioned to believe that the free-market capitalist system has always been around and because it's the only system that actually works, will always be around. First, it actually doesn't work.

Free-market capitalism, left to

# “Socialism is Illogical and Irrational”

*Free-market capitalism, left to its own chaotic and predatory devices would self-destruct in very short order.*

I've been told that socialism is illogical on a number of occasions when attempting to discuss the pros and cons of socialism and capitalism . . . not that the proponents of that view can offer any evidence that the present system of free-market capitalism is either rational or logical. Theirs is the response of the semi-secure, semi-comfortable, and semi-informed; they sit within the bubble that the system allows them, observing the world through the reversed telescope of capital's media machine. What they see, hear and read “informs” them and shapes their world-view.

When compared with much of the rest of the world their semi-existence looks infinitely better than that of the vast majority of humankind. Better not to rock the boat, better not to question, better to be satisfied with one's lot, better to follow the advice of our leadership, after all, didn't we elect them to take the difficult decisions in our name? Following the crisis of “9/11” didn't Bush suggest that the best contribution the citizenry could make was to kick-start the economy back into top gear? Don't think, don't question – consume!

The capitalist system is rather like an onion. At the centre sits the elite controlling the system and drawing to themselves the fruits of the labours of the rest of us. From this centre each skin or layer gets progressively bigger with those

its own chaotic and predatory devices would self-destruct in very short order. Second, there really is no free-market capitalist system in the developed world – the “free-market” is reserved for the rest of the world, the people and resources that are there to be exploited and plundered.

In the developed world the elites have established a system of protectionism and state intervention through subsidies that pass as government contracts; the defence industry with its associated satellite firms is perhaps the definitive example. Through these and similar routes the elites can regulate their economies in an attempt to balance the short-termism that is inherent in the “maximum-profit-now-regardless-of-consequences” free-market. Whilst scorning “big government” in public the capitalists are creaming off vast amounts of money from the so-called public purse through government contracts and through bail-outs for “vital” industries where greed, fraud and ineptitude has resulted in the likely collapse of part of the capitalists' empire. Witness the revolving door that allows the so-called Captains of Industry or key managers within the bureaucracy to be “fired”, handed huge severance payments and then immediately rehired somewhere else on even higher remunerations. Could there be a better indicator that the elites recognise that there really is no skill in “working” the system, only chance? As long as you are a paid-up member of the free-market masonic club there will be warm hand-shakes and even warmer hand-outs as you head off for your next boardroom appointment.

**“As long as you are a paid-up member of the free-market masonic club there will be warm hand-shakes and even warmer hand-outs”**

The logic and rationale of socialism is that at its heart lies the principle, not of maximising profits for the few, but of meeting the *needs* of everybody on the planet. From that it follows that exploiting people or the environment upon which they depend for the short-term benefit of a few chosen individuals is purely illogical and irrational. Witness that illogicality, that irrationality of capitalism in the following comment by Noam Chomsky in conversation with David Barsamian, “Keeping the Rabble in Line” on a news item in the business section of the *New York Times* (7 February 1992) about a report prepared by Lawrence Summers, chief liberal economist at Harvard, for the World Bank setting out its

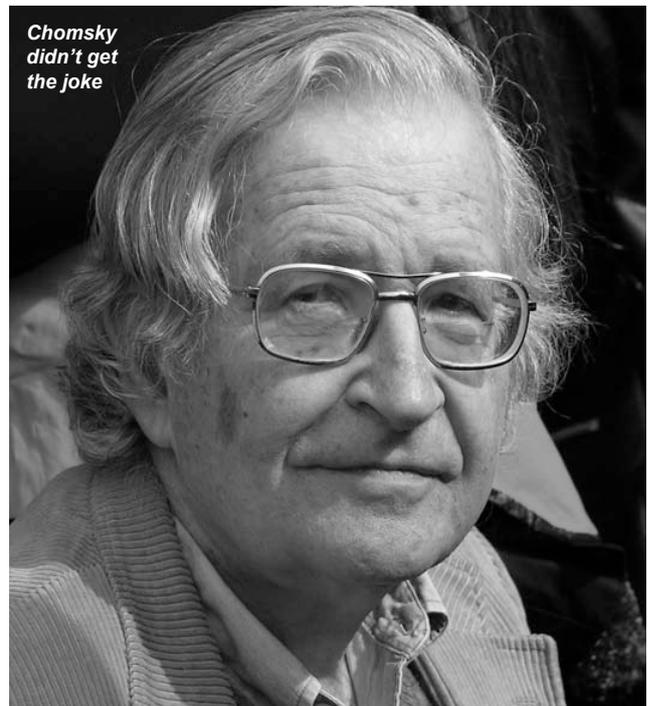
position for the Rio conference in June that year:

“The idea is that the rich countries should take the position, led by the World Bank, that the problem of pollution is that the poor countries, the Third World, don’t follow rational policies. ‘Rational’ means market policies. Many of them are resource and raw material producers, energy producers, and they sometimes try to use their own resources for their own development. That’s irrational. That means that they are using resources for themselves, often at below market rates, when there are more efficient producers in the West who would use those resources more efficiently. That’s interference with the market. Also, these Third World countries often introduce some measures to protect their own population from total devastation and starvation, and that’s an interference with the market. It’s an interference with rational market policies. The effect of this Third World irrationality is to increase production in places where it shouldn’t be taking place, to increase development where it shouldn’t be going on, and that causes pollution. So if we could only convince those Third World countries to behave rationally, that is, to give up all their resources to us and stop protecting their own populations, that would reduce the pollution problem. This *document was produced with a straight face*” (author’s emphasis).

The same day on the same page of the *New York Times* there was another unrelated article, reproduced from the *Economist* magazine, about a World Bank internal memo, written by the same Lawrence Summers, which had leaked. The NYT included an interview with Summers in which he claimed that the article was meant to be sarcastic. Chomsky commented:

“The World Bank memo added to what had been said in the article about Third World irrationality. It said that any kind of production was going to involve pollution. So what you have to do is do it as rationally as possible, meaning with minimal cost. So suppose you have a chemical factory producing carcinogenic gases that are going into the environment. If we put the factory in Los Angeles, we can calculate the number of people who will die of cancer in the next forty years. We can even calculate the value of their lives in terms of income or whatever. Suppose we put the factory in Sao Paulo or some even poorer area. Many fewer people will die of cancer because they’ll die anyway of something else, and besides, their lives aren’t worth as much by any rational measure. So it makes sense to move all the polluting industries to places where poor people die, not where rich people die. That’s on simple economic grounds.”

Summers did point out in his memo that there might be some counterarguments based on human rights and the right to a certain quality of life. But he further points out that if we allow



these arguments to enter into our calculations, then just about everything the World Bank does would be undermined.

In the fifteen years since that report there is plenty of evidence of its principle thrust, the export of hazardous production processes to poorer areas of the world, in action. The same principal works in all areas of production. Capital is international, it goes where the profit is and in the process it undermines the position of the workers in the areas it leaves behind, opening them up to greater exploitation as wage and benefit costs are driven down ready for whatever menial service jobs may be introduced for some in the next stage of the capitalist merry-go-round. Capital has no conscience and neither do those who function at the higher levels of the system who benefit from it.

So, there you have it, on the one hand the rationality and logic of free-market capitalism, a world devoid of humanity in every sense. Corrupt, polluting and choking to death on the consequences of its own greed and immorality. On the other hand you have the rationality and logic of socialism, a world where humanity can thrive, where the challenges of meeting the needs of every human being on the planet are balanced against the needs of the planet. Where everyone, including Mother Nature, has a voice and a place at the table, where there are no weak and poor, where there are no neezy, where there are no outsiders . . . and no money. The choice is ours; we have to want change enough to bring it about. We have to build socialist thinking one brick at a time, spread the message one person at a time. Last November pundits were predicting the “Perfect Storm” economic collapse scenario due to the convergence of high oil prices and the credit crisis. Both of these events were triggered by the logic and rationality of capitalist greed and corruption; the first through an illegal attempted grab of resources and the second through greed for the easy money to be made out of sub-prime mortgages and the subsequent selling on of re-packaged and concealed risk to other greedy “suckers”. In both instances the capitalists are making vast fortunes or are being bailed out from the “public purse”, screened from the consequences of their greed and crimes. Some might feel that this “event” will provide a window of opportunity where the masses will suddenly get the socialist message by osmosis. Don’t hold your breath! Socialism is about spreading the truth, about making socialists and only socialists can do that. Socialism is logical, rational, pro-people, pro-environment, and above all pro-active. □

ALAN FENN

# The thoughts of Premier Brown (thirty years ago)

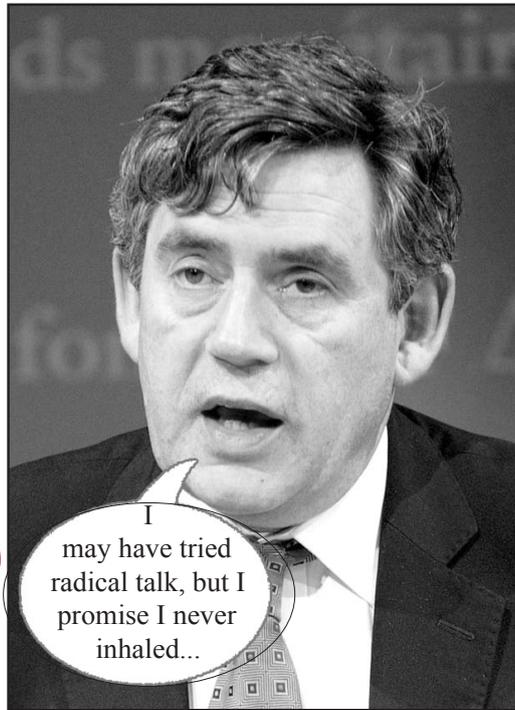
*In 1975 Gordon Brown edited The Red Paper on Scotland, a collection of articles by leftwing Labour activists. He wrote the introduction ("The Socialist Challenge") from which the passages below are taken.*

• "[T]he basic questions which face the Scotland of the nineteen-eighties remain unasked as well as unanswered: who shall exercise power and control the lives of our people? How can we harness our material resources and social energies to meet the needs of five million people and more? What social structure can guarantee to people the maximum control and self management over the decisions which affect their lives, allowing the planned co-ordination of the use and distribution of resources, in a co-operative community of equals?"

• "It is argued that what appear to be contradictory features of Scottish life today—militancy and apathy, cynicism and a thirst for change—can best be understood as working people's frustration with and refusal to accept powerlessness and lack of control over blind social forces which determine their lives. It is a disenchantment which underlines an untapped potential for co-operative action upon which we must build."

• "[T]he discontent is a measure of the failure of both Scottish and British socialists to advance far and fast enough in shifting the balance of wealth and power to working people and in raising people's awareness—especially outside the central belt of Scotland in areas where inequalities are greater—about the co-operative possibilities for modern society."

• "[T]he question is not one of structures not of territorial influence, but of democracy — how working people in Scotland can increase the control they have over the decisions which shape their lives and the wealth they alone produce — and in doing so aid the struggle for a shift of power to working people



elsewhere."

• "If the prospects for the least fortunate are to be as great as they can be, then they must have the final say—and that requires a massive and irreversible shift of power to working people, a framework of free universal welfare services controlled by the people who use them."

• "But socialism will have to be won also at the point of production—the production of needs, ideas and particularly of goods and services. And that demands ending the power of a minority through ownership and control to direct the energies of all other members of our society."

• "[T]he experience of the sixties shows that the market can no longer be seen as the efficient allocator of resources and indeed that the productive forces within our economy have outstripped the capacity of the market."

• "The more automation there is, the greater is the need to deal with the social consequences by increased public expenditure; yet the more the government raises in taxation, the more urgent is the need for more automation. Thus, increasingly, the private control of industry has become a hindrance to the further unfolding of the social forces of production. Consequently, Michael Barratt Brown has convincingly argued that increased state intervention in social and economic affairs implies that it is no longer realistic to envisage a socialist commodity exchange market in a transition from capitalism to socialism . . ."

• "Workers' Power"

• "What has often been cited as an irresolvable clash in socialist theory between regulating material production according to human needs and the principle of eliminating the exploitative domination of man over man can only be met through producers controlling the organisation of the production process."

• "Gramsci's relevance to Scotland today is in his emphasis that in a society which is both mature and complex, where the total social and economic processes are geared to maintaining the production of goods and services (and the reproduction of the conditions of production), then the transition to socialism must be made by the majority of people themselves and a socialist society must be created within the womb of existing society and prefigured in the movements for democracy at the grass roots. Socialists must neither place their faith in an Armageddon of capitalist collapse nor in nationalisation alone. For if the Jacobin notion of a vanguard making revolution on behalf of working people relates to a backward society (and prefigures an authoritarian and bureaucratic state), then the complexity of modern society requires a far reaching movement of people and ideas, acting as a stimulus

**for people to see beyond the immediacy and fragmentation of their existing conditions and as a co-ordinator for the assertion of social priorities by people at a community level and control by producers at an industrial level. In such a way political power will become a synthesis of—not a substitute for—community and industrial life. This requires from the Labour Movement in Scotland today a positive commitment to creating a socialist society, a coherent strategy with rhythm and modality to each reform to cancel the logic of capitalism and a programme of immediate aims which leads out of one social order into another. Such a social reorganization—a phased extension of public control under workers’ self-management and the prioritising of social needs set by the communities themselves—if sustained and enlarged, would in E.P. Thompson’s words lead to ‘a crisis not of despair and disintegration but a crisis in which the necessity for a peaceful revolutionary transition to an alternative socialist logic became daily more evident.’”**

Pretty radical-sounding stuff. We can’t go so far as to say that he was a socialist, but he did employ the language of socialism, talking in terms of “ending the power of a minority through ownership and control to direct the energies of all the other members of our society”, of “eliminating the exploitative domination of man by man”, of “the producers controlling the organisation of the production process”, of “the wealth that they [working people] alone produce”, of “workers’ power”, and that “the market can no longer be seen as the efficient allocator of resources” as well as the solution as lying in the establishment of “a co-operative community of equals”.

His present views, as Chief Executive Officer of British Capitalism PLC, are far, far from those expressed here. But the question is: is this a personal failing of an individual who has betrayed their earlier views or a predictable consequence of the views outlined in the last extract?

In that extract Brown outlined a gradualist strategy for getting from capitalism to what he called socialism, a series of reforms “to cancel the logic of capitalism” and “a programme of immediate aims which lead out of one social order into another”. That was the original aim, many years ago, of those in the Labour Party who wanted to do more than just trying to tackle immediate problems as they arise, as any government has to. But instead of the various Labour governments – since the first one under Ramsay MacDonald in 1924 until the last but one under Callaghan voted out in 1979 – taking measures to cancel the logic of capitalism, they were obliged by economic and political circumstances to *apply* the logic of capitalism. Which involved giving priority to profits and profit-making and taking various anti-worker measures in pursuit of this aim (wage freezes, strike-breaking, anti-union laws, benefit cuts). Having no mandate to do anything else but govern capitalism, they had to do this, inevitably on capitalism’s terms. Gradualism didn’t, doesn’t and can’t work.

In the end the Labour Party itself came to embrace the logic of capitalism and to drop all pretence of trying to replace capitalism with some other social arrangement. Under Blair, and with the full support of Gordon Brown, Labour became the open supporter of the market economy and capitalist economic system that everyone today can see it is.

There will also have been an element of opportunism

involved. The Labour Party is a party of professional politicians, and one thing professional politicians want is to be able to enjoy the fruits of government office from time to time. Some time after Labour lost the 1992 election Brown must have decided that Labour was unelectable with the sort of programme he had embraced in the 1970s and 80s and that any such talk had to be abandoned if he was ever to become a Minister of the Crown. Which he duly did, but his past is still there to haunt him.

ADAM BUICK

## Bottom line building



### Cooking the Books 2

Like everyone else with an email address we get loads of spam. Most go straight into the trash can, but the subject of one – “Crack Patient Paying Problems with these Helpful Hints” – caught our eye. It turned out to be a plug for an audioconference in America on “Tried-and-True Ways To Get Chiropractic Patients to Hand Over Their Dues”. The message began:

“Getting patients to pay their bills at your chiropractic office isn’t always the most successful part of the visit. And even a handful of patients who don’t pay their bills can start adding up – and hurting your practice’s bottom line. But you can learn less-stressful way to collect pays, deductibles and co-insurance in this 1-hour session. Your expert speaker, Marty Kotlar, DC, CHCC, CBCS, will provide strategic advice on everything from gathering patient information to forming an office policy explaining the patients’ financial obligations. Don’t miss this bottom-line-building session . . .”

Chiropractics is an “alternative medicine” that is regarded by most conventional doctors as quackery (it is based on the idea that by manipulating the spine you can deal with ailments in other parts of the body, a bit like reflexology claims for manipulating your toes). But that’s not the point since no doubt teleconferences also take place in America about how conventional doctors can boost their bottom lines too - except that it does not fit in with the caring image that “alternative medicines” seek to cultivate as a way of attracting paying customers.

In Britain NHS doctors – and patients – are freed from this stress since the doctor’s fees are paid to them directly by the government. Not a solution, we imagine, that Marty Kotlar will be proposing in his teleconference, even though chiropractors in Britain would dearly like to get in on the act and even though doctors’ practices in Britain are, with government encouragement, going the American way and converting themselves into profit-seeking businesses. Of course to the extent that they take on private patients these medical businesses do face the problem of getting patients to pay up, as do unrecognised “alternative” practitioners and NHS dentists. So perhaps, after all, they could learn something from listening in to Marty Kotlar’s “bottom-line-building session”.

Most people, in Britain at least, find it abhorrent that people should have to pay for medical treatment and health care. And they’re right; if you are ill, you should get treatment whether or not you can afford to pay for it. Socialists go further. We say the same as-of-right access to what you need should apply across the board, to housing, heating, electricity, food, clothes, transport, entertainment.

But this will only be possible once the means for producing these things have become the common property of the community as a whole instead of being, as at present, provided by profit-seeking businesses owned by rich individuals, corporations or states.

# The trouble with gods

*Those fortunate enough to live in relatively secularized societies should not underestimate the global power of religion.*



**An Aztec human sacrifice**

**G**ods do exist, in a certain sense (I use the word “gods” as a gender-neutral term that includes goddesses). Humans create them in their own image, though without being aware of doing so. The fact that gods are male or female in itself strongly suggests that they are creatures of the human imagination. But they infest the mind as powerful, capricious and mysterious beings who demand endless worship and praise, reverence and obedience, devotion and propitiatory sacrifice. The gods in the head of the believer thwart the development of confidence, self-respect, rational enquiry and independent judgment.

In this way the idea of domination and submission is imprinted in the psyche as a model for relationships between beings. That model is then readily applied to social relationships – to the relationship between man and woman, master and slave, and so on. The Moroccan scholar Fatma A. Sabbah has shown how this works in the case of Islam in her brilliant (pseudonymous) study *Woman in the Muslim Unconscious* (Pergamon Press, 1984), but her analysis applies equally well to the psychology of “God-fearing” Jews and Christians.

The imaginary world of the divine, in turn, draws its inspiration from the real world of human power structures. God is “king of the

universe”, the archangels and angels are his ministers and officials, and the devil has the job of running the Gulag.

My argument is that it is above all these psychological effects, and not specific religious dogmas and practices, which make god worship a bulwark of class society. That, surely, from the socialist point of view is the main trouble with gods.

## Objections

It may be objected that some religious beliefs do not seem compatible with the division of society into classes. An obvious example is the

idea that “we are all equal in the eyes of God.” Beliefs of this kind have, indeed, inspired peasant uprisings. “When Adam dwelled and Eve span, who was then the gentleman?” asked John Ball in the 14th century.

This objection is not completely groundless. Submission to gods does not always and automatically translate into submission to human masters. But surveying the broad sweep of history, I still think that accepting divine authority tends to predispose people to accept human authority as well.

Another possible objection is that belief in gods predates class society. Primitive people already feared gods who embodied the uncontrollable forces of nature. People were in thrall to gods before they were in thrall to other people. And yet this made them especially vulnerable to oppression and exploitation when other conditions were in place for the transition from primitive communism to class society.

## God-kings and priestly castes

Many of the earliest rulers made the most direct use of their subjects’ belief in gods by demanding that they themselves be worshipped as gods (the Roman emperors, for instance) or – more often – as descendants or earthly manifestations of gods. Egyptian pharaohs claimed descent from the creator sun-god Atum or

Re. The Inca was descended from the sun god Inti, while the Aztec king represented the fire god Xiuhtecuhtli (Bruce Trigger, *Understanding Early Civilizations*). The Shinto belief that the Japanese emperor was descended from the sun goddess Amaterasu held sway right up to 1946, when Hirohito renounced divine status.

Some religions directly support the class structure by sanctifying the entire ruling class. The best-known case is the sanctification of the priestly Brahmin caste in Hinduism, although the Indian caste system no longer corresponds precisely to the class structure. Judaism also has its “pure” priestly caste – the *cohanim*, who trace descent from Moses’ brother Aaron.

## Still mighty foes

By and large, however, the mechanisms through which religion supports class society (capitalism) are nowadays indirect. It is still risky to challenge the powers that be, but – except in a few countries like Iran – it no longer counts as sacrilege. The image of God has even started to mutate from that of the irate patriarch to that of the “sympathetic” social worker.

And yet in large parts of the world religion still occupies a very important place in people’s hearts and minds. Those fortunate enough to live in relatively secularized societies should not underestimate its global power. The gods remain mighty foes of their deluded human creators.

**STEFAN**

**2006 SOCIALIST STANDARD INDEX**

An index of articles in 2006 can be obtained by sending two first-class stamps to Socialist Standard, 52 Clapham High Street, London SW4 7UN

# What they did to Thomas Hardy

*The writer Thomas Hardy died, eighty years ago, in January 1928. Here's what we said at the time.*



**P**rimarily this journal is an organ of political propaganda. As such, any attempt to appraise the work of the late Thomas Hardy would be somewhat out of place. But there is one feature connected with his death which needs underlining and emphasising. We refer to the attitude of that old enemy of mankind, the Church. Here was a man who throughout most of a long and thoughtful life, had no use for the Church and its teaching whatever. Although at one time an orthodox Churchman, he has since confessed he found no happiness therein. As an artist in life, he truthfully portrayed the part played by the Church in rural conditions. He

recognised its utility to certain primitive, immature minds. But, as a man, he had no need of it. He saw men and women as the puppets of circumstance. He saw life as a "Chequerboard of Nights and Days

Where Destiny with Men for Pieces plays."

And to Destiny he imputed an almost impish irony. Throughout his works, like a theme, there runs this thread of cynical frustration.

But it seems there are heights of irony of which even Hardy never dreamed. For hardly had he breathed his last, before the Church, whose teachings he had repulsed in life, claimed his corpse for her own. Apart

from the fact that he was a known Agnostic, Hardy had specifically recorded in the opening sentence of his will, his desire to be buried with his own folk at Stinsford. No matter, he was a great man, too great for the Church to attempt to belittle, so they annexed him. There was a further difficulty : Hardy was known to have opposed cremation, and cremation is necessary before burial in the Abbey. The way out of that dilemma was easy. Ignore it. Hardy was dead anyway. What of his relatives, his friends? Yes! they were opposed to the old man's last wishes being trampled on. The *Daily News* correspondent interviewed his brother Henry, his sister Kate, and a cousin, Teresa Hardy. He records :—"They were all very emphatic in declaring their disappointment at Hardy being taken away from them. . . . Teresa Hardy, when I asked her if she did not appreciate the honour done to her cousin, said : 'There is nothing in honour. He wanted to be buried in Stinsford Churchyard, and I think it is cruel not to do as he wished.' " Even the Mayor of Dorchester, Mr. W. F. Hodges, said the proposed Abbey burial would leave a sore feeling in the town.

No matter! The Church must have its poppy-show. An ingenious expedient was suggested. As they could not have Hardy's body buried with his ancestors, the local Rector suggested they might have a piece of him, and it was hurriedly arranged that poor old Hardy's heart should be cut out and buried at Stinsford. As all the world knows, this was done. What Hardy would have thought of the whole proceeding, one can imagine. It is difficult to conceive anything more repulsive and disgusting, in an age which so constantly claims to be "enlightened," and the comments of posterity should be worth reading. Sentiment still plays an important part in human affairs, and possibly will so continue for many years to come. But it is hard to imagine the sentimental majority of people viewing the barbaric mutilation of gentle old Hardy's body with any feelings other than loathing.

**WTH**

**Food to make you fast**

**Chew on This.** By Eric Schlosser and Charles Wilson. Penguin £6.99.

Schlosser is the author of *Fast Food Nation* (reviewed in the *Socialist Standard* for November 2002), and this book covers some of the same ground as the earlier one. That's to say, it looks at the power of fast food companies, especially McDonald's, and the nature of the food they serve.

McDonald's is the largest purchaser of beef in the United States, and this position has enabled them and the other big meat-packing companies to drive down the price



**A Kosher McDonald's in Israel**

paid to ranchers, many of whom have gone out of business. The raising and slaughtering of pigs, cattle and chicken has been aimed squarely at making profits, with little regard for the conditions of the animals or the workers. Chickens, for instance, will live barely six weeks and never see a blade of grass. They die increasingly of heart attacks, caused by a thick layer of fat around the heart.

Of course the fast food companies don't want their customers to think about where the food comes from and how it's made. They'd rather you didn't reflect on the manufactured flavours that are added, or the fact that food for children is made as sweet as possible. Massive amounts of advertising are aimed at kids, who are naturally very susceptible and can influence where their parents take them to eat. Further, the advertising isn't confined to food, as giving away or selling toys is another means to get the kids in.

The employees are often not much older than children, given the fast food industry's reliance on teenage labour. Teenagers are simply cheaper and easier to control. They mostly earn the minimum wage, which in the US is worth less in real terms than it was fifty years ago. There is a large turnover of staff, and the derogatory label 'McJob' sums things up well.

It may even be a McWorld that is developing, as the fast food chains expand outside the US and Europe. The first Burger King opened in Baghdad just nine weeks after the US-led invasion in 2003. The UK has long been part of the McDonald's empire, with 2.5 million people eating there every day.

Capitalist-style fast food treats

appallingly the animals that it raises and kills. It's also bad for the workers it employs and bad for the consumers who eat it.

**PB**

**Local histories**

**The Class War Radical History Tour of Notting Hill** by Tom Vague, *Psycho Geography*, 2007. **Camden History Review 31**, Camden History Society, 2007

The Class War pamphlet, the 'souvenir programme' of a recent London march maturely entitled "Bash The Rich", is a rambling and rather unfocussed (as the doubtlessly pseudonymous author's name would suggest) example of the local radical history writing which is currently fashionable. In this case it also is an unintended comment on the Class War organisation, which has itself become historic. Nonetheless the pamphlet might help locals gain "the sense of place in time" necessary to overcome the crazy disconnectedness of London living which makes political action in the capital so difficult to achieve nowadays.

In contrast the politics (and arts) issue of the *Camden History Review* is, as one might expect coming from



**London: crazy and disconnected**

the premier local history organisation of the capital, immaculately produced and finely focussed. The piece on Camden's MPs is a rather old-fashioned biographical exercise, useful mainly for reference; however, the articles on the fight for a free library in Highgate and the St Pancras Civil Defence revolt of 1957-58 are prime examples of how on-the-ground-floor writing can help illuminate the real processes of history. The particular lesson to be learned from these two cases is that within capitalism every advance in the freedom of knowledge or the search for peace has to fought for tooth and nail. And how fruitless such actions, whether achieved via constitutional reform or direct action, ultimately are. The Socialist Party gets a mention in the fourth political essay, on the radical history of Grays Inn Road, as a radical organisation which once had its head office in the area and which pushes the solution

– production for use not profit – to all capitalist problems from attacks on libraries to warmongering.

**KAZ**

**History writing**

**All Knees and Elbows of Susceptibility and Refusal.** Edited by Anthony Iles and Tom Roberts, 2007. Available online at [www.caughtlearning.org/all\\_knees\\_and\\_elbows/](http://www.caughtlearning.org/all_knees_and_elbows/)

The clumsy title comes from E. P. Thompson's phrase to describe the difficulty of writing "history from below." After the Second World War, a group of Communist Party historians including Thompson, Christopher Hill and Rodney Hilton set out to bring the experiences of the working class to the fore in the study of history. This was to some extent a reaction to structuralist and functionalist interpretations in which workers' experiences and abilities to effect social change were downplayed or ignored. The most famous example of "history from below" is EP Thompson's classic *The Making of the English Working Class*, first published in 1963 and still worth reading. But Thompson's concept of class is controversial in some quarters:

"If we stop history at any given point, then there are no classes but simply a multitude of individuals with a multitude of experiences. But if we watch these men over an adequate period of social change, we observe patterns in their relationships, their ideas, and their institutions. Class is defined by men as they live their own history, and in the end, this is its only definition."

Some have seen this definition of class as being subjective, but Thompson must be right in saying that class is not simply an economic category but also an historical concept. The working class was not just the product of capitalist social relations or the industrial revolution: "The working class made itself as much as it was made," wrote Thompson. Writing history from below means not invoking "iron laws" and ignoring the abilities of the working class to effect social change on the one hand, or getting lost in the detail and denying the importance of class on the other hand. This short pamphlet discusses these and other problems in writing history.

**LEW**



## OBITUARY

### EDMUND GRANT

Edmund Grant, a life-long member, died, at the end of November after being incapacitated and out of circulation for the past six years. His father was a Party member and he himself joined in 1950 at the age of 16 and was a member of successive North London branches. As a conscientious objector to "national service" in the State's killing machine, he was ordered to work instead in Colney Hatch psychiatric hospital. Partly brought up in Argentina, he was a fluent Spanish speaker and also spoke other European languages, which helped him find employment as a shipping clerk. Later he was employed by Remploy. He was a member of the Executive Committee for many years and the Party's candidate at the 1964 and 1970 General Elections. He spoke outdoors, at Hyde Park, White Stone Pond and elsewhere, and indoors at lectures and in debates, including one against the National Front. He wrote occasionally, mainly on Spanish and Latin American affairs, for the *Socialist Standard*. He was an early member of the William Morris Society and of the old ASTMS trade union. Our condolences go to his wife, children and grandchildren.

**S.C. writes:** Eddie Grant personified Oscar Wilde's 'soul of man under Socialism' and served as a model as well as a mentor to many of us who had the patience to

learn from him. (Eddie was not given to abridged versions of the case for Socialism – or of anything else.)

Eddie exemplified a boundless humanism: kindly, jocular, literate, cosmopolitan and never dogmatic. He hated what he called 'narrowness': that particular sclerosis of the intellect which characterises the true believer who knows because he knows. What made Eddie's knowledge so remarkable was his capacity to explore the peripheries of his own experience and understanding, searching for reality in global corners too easily overlooked by others. His linguistic ability helped here, but more important was a deep and uncommon cultural sensibility to different ways of living, thinking and working. His knowledge of European and Latin American history and politics was extensive, as was his great appreciation of music, dance, fine art, literature and the theatre.

Given these broad aesthetic enthusiasms, Eddie's life-long interest in the art and socialism of William Morris is hardly surprising. He was an active member of the William Morris Society and encouraged many others to explore and learn from Morris's constructive approach to socialism. Indeed, like Morris, there was something about Eddie that was particularly unsuited to the absurdities of the money system; doing a job; possessing a passport; or confronting the anti-social. (I was with Eddie when he was mugged one night on the

way home from the Executive Committee; his combination of genuine incomprehension and indignation so frustrated the knife-wielding muggers that in the end they jumped off the train at the next stop in search of a less verbosely recalcitrant victim.) Of course, this was nothing to compare with the *legalised* robbery against which Eddie fought with no less determination.

Many of us gained from Eddie an inescapable core of socialist consciousness. He gave us a foundation for seeing and making sense of history which could only have been absorbed through personal interaction with someone whose principles and behaviour were in accord. His sensitivity to both the personal and global dimensions of power inequalities led him to develop a sophisticated commitment to socialism as a mode of living as well as a system of production. Until his health finally prevented him from doing so, Eddie pursued this commitment with a vivacity and joviality that none who knew him could forget. His truly awful puns reflected a mind that could not resist mocking the absurdity of the world around him. He enjoyed laughter and refused to believe that politics must be deadly serious. Above all, Eddie inspired his fellow socialists not simply to get what they want from the world, but to want more and better from the world – a world that is poorer for his absence.

## from page 10

population last asked how they would define democracy? We, the people, in countries large and small, are *told* that we have democracy. We are told this by leaders who say we should trust them, who keep information from us because that's in our best interest, who deliberately lie to us, who can have us stopped and searched in the interest of national security, who have us watched night and day in our town centres, who listen in to telephone conversations, who have access to more and more of our personal information, bank details etc., who can put blocks on our access to the internet, who have centralised computer records to use, (or lose) as they choose, who can rein us in and let us out with special measures, who decide whether we can show dissent. And they call this democracy. And people buy it.

Nearly 40 years on from Chomsky's talk at the New York Poetry Centre what can be said about the incompatibility of capital and democracy? That capital continues to widen the rifts between people, between sections of community,

between countries; that capitalism is enabling a tiny minority to own an ever-increasing share of the world's wealth to the detriment of billions of people; that capitalism turns a blind eye to democracy, preferring simple acquisition.

Democracy needs no self-aggrandizing leaders with big egos to polish, no experts and specialists with projects linked to big business and personal gain as motivation. Democracy needs no rallying cries causing flag-waving nationalism. Democracy, in essence, is simple and easily understood. Democracy speaks the whole truth (without an oath), reveals all the evidence, enables informed discussion and decisions and requires inclusion for all in dialogue. Democracy means common ownership and control of the world's assets for the benefit of and in the interests of all. Democracy's responsibility is to every member of the world community.

**JANET SURMAN**



Want to receive notifications about upcoming Socialist Party meetings, events, and publications? Then subscribe to spannounce, our new announcement mailing list. Point your web browser at <http://groups.yahoo.com/group/spannounce/> or send an e-mail to [spannounce@yahogroups.com](mailto:spannounce@yahogroups.com).

**CLARIFICATION:** the editorial in the December issue may have given the impression that we were not opposed to the "criminalisation" of racist ideas. As advocates of free speech, we are opposed to making the holding of any ideas a crime.

## Meetings

### West Midlands Regional Branch

Sunday **20 January** 2pm  
Branch meeting.  
11 Dagger Lane, West Bromwich, B71.  
Phone: Ron Cook: 0121 553 1712.

### Central London

January meeting will be on Wednesday  
9 January at 6.30 pm. at the Old Crown  
pub, 33 New Oxford St, WC1.

### West London

As the first Tuesday of the month is  
New Years Day, the branch meetings  
in January, in the Committee Room,  
Chiswick Town Hall, Heathfield Terrace,  
W.4, will be on the second and third  
Tuesdays, 8 and 15 January.

### Manchester

Monday **28 January**, 8.30pm  
'Social Care-Less'  
Unicorn, Church Street, City Centre

### South West Regional Branch

Saturday **12 January**, 2pm to 5pm.  
Is socialism inevitable? Does it depend on  
the actions of the Socialist Party or will it  
happen anyway?  
Village Public House, 33 Wilton Road,  
Salisbury (near Salisbury railway station).

### East Anglia

Saturday **26 January**, 12noon to 4pm  
The Conservatory, back room of Rosary  
Tavern, Rosary Rd, Norwich.

## Upset in Accra: Dr. Nkrumah upsets his friends



In 1951 the Gold Coast legislature for the first time represented all the territory's inhabitants, voting in secret ballot. The elections of 1951 and 1954 were won by the Convention People's Party (CPP), whose leader, Dr. Nkrumah was brought from jail to fill the newly-created post of Prime Minister. The CPP stood on a programme of independence from British rule and when they won a third overwhelming victory in the 1956 elections, Whitehall agreed to the inevitable. At midnight on 5th March, 1957, the Gold Coast ceased to exist and the State of Ghana took its place. A new national anthem—Ghana Arise, by Hector Hughes, a British Labour M.P.—was substituted for God Save the Queen. ( . . . )

The first signs that Ghana was going to betray the hopes of its friends came when Dr. Nkrumah appeared to be fostering his own little personality cult, by having his head stamped on the new coinage and going to live in Christiansborg Castle which, as the old residence of Danish and British governors, is heavy with unpleasant memories. Then came the expulsions and a Special Bill to allow Mr. Edusei

to deport two men without the right of appeal. The municipal councils of Accra and Kumasi were suspended and so was the chief of the 300,000 Akim Abuakwa tribe. Several members of the opposition were kidnapped and from the other side, a plot to assassinate Dr. Nkrumah was alleged. In this hysterical atmosphere, it seemed. Africa's immaculate embryo democracy had been born a deformed dictatorship.

The truth of the matter is that last March saw the end of Nkrumah's days of agitation and faced him with the realities of power over a country which is trying to make its way in the capitalist world. The first reality was a staggering fall in the price of cocoa, so that the first budget was chillingly austere and the Ghanaian workers were told that it would be unpatriotic to ask for higher wages. They had expected better than this from Nkrumah ; a national transport strike was called and rioting broke out in Accra. Another difficulty is that Nkrumah is struggling to establish government on modern capitalist lines and to stamp out the old system of tribal rule.

(from article by Ivan in *Socialist Standard*, January 1958)

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## Declaration of Principles

*This declaration is the basis of our organisation and, because it is also an important historical document dating from the formation of the party in 1904, its original language has been retained.*

### Object

**The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.**

### Declaration of Principles

The Socialist Party of Great Britain holds

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.)

by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom,

the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.



# Money, Money, Money...

It was a bit like an archaeological dig as enthusiastic excavators exposed, one layer after another, not the remains of some prehistoric wanderers but the identities of Labour leaders who had been offered and in some cases accepted, donations to help their campaigns in contravention of the rules of their party and, even more to the point, against the law which their own government had introduced. Day after day the incriminated names emerged from the soil of Westminster: Gordon Brown and Harriet Benn (who both refused); Hilary Harman and Peter Hain (who both accepted). Then there were the people outside the Commons but who, as party officials, must have known what was going on and how troublesome it could be but who apparently did nothing to stop it; people like Labour's funds organiser John Mendelsohn (who put up a defence so feeble as to be incredible) and Party Secretary Peter Watt (who could find nobody to say how blameless he was and why he should not under any circumstances be required to leave his job over so insignificant a peccadillo so had to carry the can and resign). After the Honours for Loans affair, which so bitterly flavoured the final months of the Blair government, another such scandal was the last thing on Gordon Brown's wish list.

## Illegal

The law in this matter is clear; in the case of any donation over £200 the party must record the full name and address of the donor, who must be a registered voter in this country. If the amount is over £5000 these must be reported to the Electoral Commission. In view of this it is not advisable for a donation to be accepted unless the source of it is known to the party. What is not acceptable under the law is that the donor's identity should be obscured by the money passing through the medium of another person. This was what happened with those generous gifts from David Abrahams, a man who has been variously described as one of the party's strongest supporters and their third largest financial backer. While there is no question about his support for Labour and the fortune he has given to the party, there are other aspects about Abrahams which are rather less clear.

To begin with there is his name; to the tenants of some properties he manages in Newcastle he is known as David Martin. Then there is his age, variously given as 53 and 63. When he was resisting being deselected as the Labour candidate in William Hague's seat in Richmond Yorkshire he presented himself as a married man with a young son. Perhaps he did this under the impression that an image of domestic stability would help his case but there were serious doubt about this, aggravated by clashes between him and a divorced woman who asserted that he had more or less hired her and her 11 year old son to pose as his family. Not surprisingly, when he was re-adopted (by one vote) by the Labour Party in Richmond a group of party officials resigned in protest. Abrahams has explained the confusion over his identity by saying that he is a very private person, although a party activist thought him "the pushiest person I ever came across" and to an MP he was "The kind of person you sometimes see at conferences and such - hanging about and wanting to shake hands with everyone".

## The Builder

For all his cunning and survival skills Abrahams was less than totally discreet in his choice of people to conceal his identity by acting as channels for his gifts. One woman, who professed herself puzzled by the matter, said she was a lifelong Tory; another was his secretary. But the most exciting material for the scandal-excavating media was Ray Ruddick, said to be a director of Abrahams' property company but who works as a builder, and leaves his ex-council house each day in a battered old Ford Transit. Ruddick is reputed to have given £140,000 to the Labour Party during the five months since Gordon Brown became Prime Minister but what he said about it was: "I can't stand Labour. I can't stand any

politicians...I'm off to the bingo to see if I can win that sort of money". This penetrative comment dragged the matter down to the appropriate level of a farce - but one which seemed to have brought Labour's spin machine almost to a standstill, unable to respond in the customary manner of diverting attention onto their opponents.

All political parties must be preoccupied with money and the bigger the party the more immediate and desperate their preoccupation. A lot of design, effort and organisation must be devoted to the task of, essentially, persuading millions of people that all the evidence available to prove the impotence of those parties must be disregarded so that they are willing to trust again policies which have been massively discredited. To convince voters of the usefulness of choosing between one hopeless way and another requires a big effort and a lot of money and the parties, steeped as they are in capitalism's obligingly acquisitive morality, do not need to be too choosy about how they come by it. For them, custom, rules and laws are there to be broken if by that they can win advantage over their rivals for power. What this means is that Labour are not alone in financial manipulation; the Tories and the Liberals have similarly disreputable histories.

## Dodgy Tory Finances

The source of the funding of the Tory party is as prudently obscure as it needs to be -and it goes back a long way. Most infamously, in 1993 the businessman Asil Nadir fled to Northern Cyprus, out of the clutches of any extradition treaty, to escape prosecution arising from him defrauding the Polly Peck company of some £34 million. Since then he has often told of his desire to return to England to face the music. If he does so he may well be greeted by some old Tory friends, anxious that the years in exile have not stunted his generosity which, just before his hurried departure, ensured that he gave them £440,000. More recently a Berkshire company going under the name of Bearwood Corporate Services has been a generous, if selective, donor; it is owned by Bearwood Holdings which is itself 99 percent owned by an investment company entirely owned by Lord Ashcroft, previously Conservative Party treasurer and now Deputy Chairman of the party. The Bearwood contribution did not go to Conservative central office but to individual parties in marginal constituencies. But the effects were uneven; in the 2005 election of a sample of 15 seats six were held by Labour, six were won (2 of them gains) by the Tories and three (one gained) by the LibDems. There are questions about Ashcroft's legal status as a donor, connected to his complex financial affairs and whether he is disqualified from donating by really being domiciled in a tax haven.

Another large corporate donor was IIR Limited, a company dealing in conference and training facilities. This firm's donations were registered with the Electoral Commission but they said that they were made personally by their chairman Lord Laidlaw. In fact Laidlaw is a tax exile, Scotland's second richest person; he sold IIR Ltd, for £7 million, in 2005 and is one the four biggest donors to the Tory party.

And so it goes on; what is abundantly clear is that the finances of the big players in the political game are anything but clear and open and accessible. The wealth of people like Abrahams and Ashcroft originates in the exploitation - the wage-slavery - of the working class, who are deceived by the political parties so generously financed into supporting the social system which keeps them in their inferior position. That is the motivation for the millions of pounds which, through a variety of labyrinthine accounting methods, finds its way into the coffers of the Labour and Tory parties and others like them. Through their exploitation and their votes for these parties at the polls workers are paying to keep themselves subjugated.

**IVAN**



# Voice from the Back



## Land Of The Free

Behind all the bombast of "land of the free, home of the brave" national anthem in the USA lies a sinister reality. "From the 1880s to the 1960s, at least 4,700 men and women were lynched in this country. The noose remains a terrifying symbol, and continues to be used by racists to intimidate

**Strange Fruit regrowing?** African-Americans (who made up more than 70 percent of lynching victims). In the past decade or so, only about a dozen noose incidents a year came to the attention of civil rights groups. But since the huge Sept. 20 rally in Jena, La., where tens of thousands protested what they saw as racism in the prosecution of six black youths known as the 'Jena 6,' this country has seen a rash of as many as 50 to 60 noose incidents. Last Tuesday, for example, a city employee in Slidell, La., was fired after being accused of hanging a noose at a job site a few days earlier. These incidents are worrying, but even more so is the social reality they reflect. The level of hate crimes in the United States is astoundingly high — more than 190,000 incidents per year, according to a 2005 Department of Justice study." (New York Times, 25 November)

## Death In A Harsh Society

The latest figures on deaths in winter make for harsh reading and illustrate the fate awaiting many British workers when they are unable to work anymore. "More than 23,000 people died of cold last winter despite it being one

of the mildest recorded, according to the Office for National Statistics. Of these deaths, 19,200 were among those aged 75 and over. Charities called it a 'national scandal' and gave warning of more deaths this winter because of higher fuel prices and colder temperatures." (Times, 29 November)

## Heiress On The Run

She was left \$12 million but it was a mixed blessing as she received threats from blackmailers and kidnappers. "Their threats forced concerned friends to bundle her onboard a private jet under a new identity and take her into hiding. Her location is a closely guarded secret but she is reportedly living somewhere in Florida under 24 hour guard." (Times, 4 December) It is reported that her annual upkeep is \$300,000 but this includes a rotating security team. Oh, did we mention she has weekly grooming visits and has to visit the vet for her liver condition? Yes, the vet! For she is a white Maltese dog called Trouble whose former owner was the hotel tycoon Leona Helmsley. Go on tell us that capitalism isn't crazy!



Maltese fall-guy - A 'Trouble' stand-in

## Old Age Fears

In so-called primitive societies that practiced a hunting-gathering existence, the elderly were protected and respected as knowledgeable members of the group. In modern capitalism the old are looked upon as a burden as can be seen from these findings. "Britons are living in fear of growing old in a society that fails to respect the over-65s or provide adequate support for those in need, a Guardian poll reveals today. ...The ICM poll found: 40% of Britons fear being lonely in their old age. Two thirds of the adult population are 'frightened' by

the prospect of having to move into a care home; More than 90% said they knew they could not survive on the state pension and would need to rely on savings." (Guardian, 3 December)

## Promises, Promises

Back in 1999 the then Prime Minister, Tony Blair promised to halve the number of poor children in 10 years and eradicate child poverty in 20 years. "The government's approach to tackling child poverty has lost momentum and is in 'urgent need' of a major rethink, a charity has said. A Joseph Rowntree Foundation (JRF) report said there has been no sustained progress in the past three years. One in three UK children live in poverty. A report by the Treasury select committee fears the pledge to halve child poverty by 2010 is in doubt." (BBC News, 3 December) This is typical of reformist politicians — make promises, preferably far into the future and they will probably be forgotten when the next election comes along.

## The Price Of Gold

About a quarter of a million mineworkers downed tools on Tuesday in South Africa, the world's top producer of gold and platinum. "This year's death toll has reached 200, mostly owing to rock falls and explosions in several mines. Many mines have been unchanged for decades but recently reopened, thanks to high world prices that have made them profitable again." (Times, 5 December) The miners are concerned about the lack of safety in the mining industry which one striker described as "dripping in blood". The average wage of a miner in South Africa is about \$200 a month. None of them will be wearing gold or diamonds, that is for sure.



Worth its weight in blood

## Free Lunch

by Rigg



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# socialist standard

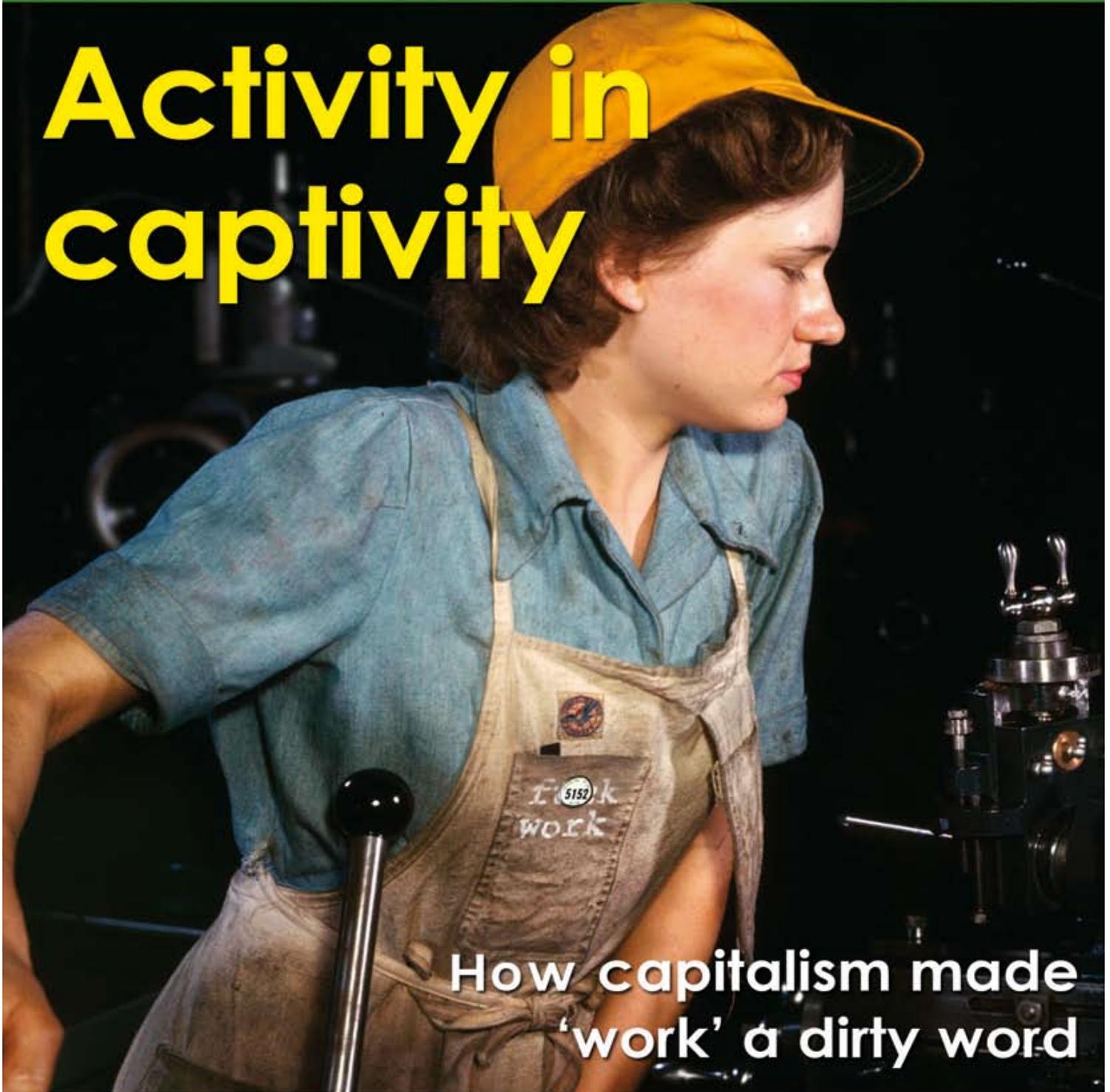


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Journal of The Socialist Party - Companion Party of the World Socialist Movement

## Activity in captivity



How capitalism made  
'work' a dirty word



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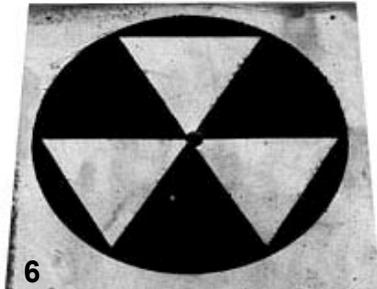


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# socialist standard

website: [www.worldsocialism.org](http://www.worldsocialism.org)



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 Cheques payable to 'The Socialist Party of Great Britain'.

#### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 2 February** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.  
**tel: 020 7622 3811**  
**e-mail: [spgb@worldsocialism.org](mailto:spgb@worldsocialism.org)**

## Introducing The Socialist Party

The Socialist Party is like no other political party in Britain. It is made up of people who have joined together because we want to get rid of the profit system and establish real socialism. Our aim is to persuade others to become socialist and act for themselves, organising democratically and without leaders, to bring about the kind of society that we are advocating in this journal. We are solely concerned with building a movement of socialists for socialism. We are not a reformist party with a programme of policies to patch up capitalism.

We use every possible opportunity to make new socialists. We publish pamphlets and books, as well as CDs, DVDs and various other informative material. We also give talks and take part in debates; attend rallies, meetings and demos; run educational conferences; host internet discussion forums, make films presenting our ideas, and contest elections when practical. Socialist literature is available in Arabic, Bengali, Dutch, Esperanto, French, German, Italian, Polish, Spanish, Swedish and Turkish as well as English.

The more of you who join the Socialist Party the more we will be able to get our ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

The Socialist Party is an organisation of equals. There is no leader and there are no followers. So, if you are going to join we want you to be sure that you agree fully with what we stand for and that we are satisfied that you understand the case for socialism.

## Editorial Democracy matters

Recent months have seen power contested across the world. Brutal suppression of fledgling democratic demands in Burma were followed by blatant abuse of elections in Kenya. At the same time the various factions of Russian capitalism have been brazenly playing out in public their private chess game: to control the state for their own economic ends.

Meanwhile in Pakistan, hope for "democracy" apparently dies with the assassination of an unelected political leader at the head of a feudal political dynasty. And while all this happens, in parts of the USA, voters get an early chance to pick the leader of the "free world". A choice, that is, between the \$100 million presidential candidate and the \$90 million candidate (with every likelihood of two dynasties being in power in USA for some 25 consecutive years).

Closer to home, in a "mature" democracy such as the UK's, all the major parties have been pimping up their policies for drooling millionaires to purchase by means of ever-more creative accountancy over donations.

In contrast to this shabby and sleazy reality of democracy in this society, workers are continually spun the convenient tale that democracy and capitalism are intertwined. It is a reassuring thought for some: that the obscene inequalities of the capitalist economic system are justified by the political freedoms the market supposedly enables.

But it's a myth, of course. Around the world the profit system can be found bedding down very nicely with all sorts of political systems. From fascistic religious dictatorships to liberal democracies, from national liberation movements to supra-economic geo-political blocs, they all end up having to accommodate themselves to capital and its unquenchable thirst for profit.

World socialists applaud those workers around the world who fight – at massive risk to themselves – for basic civil liberties and

trade union rights, for the freedom to hold meetings and participate in free elections. The fight for a measure of democracy worldwide is an essential part of the struggle for world socialism. After all, if workers are not able to fight for something as basic as the vote, they are unlikely to be able to work for the transformation of society from one based on production for profit to one based on production for human need.

The World Socialist Movement does not intend playing into the hands of the global ruling class and their political mouthpieces, whether dictatorial or democratic. We don't intend making it easy for them to treat world socialism as an "undemocratic" threat.

But neither are we under any illusion about the nature of democracy inside capitalism. We confront the myth that capitalism and democracy are interdependent. We oppose the practices of so many so-called revolutionary organisations down the years who expect to bring democracy to the masses while unwilling to practise it internally. We challenge the notion that revolution cannot at the same time be democratic *and* planned, cannot be participative *and* structured.

Where it is available to workers we take the viewpoint that capitalist democracy can and should be used. But not in order to chase the ever diminishing returns of reforming capitalism. Instead we see democracy as a (indeed arguably the only) critically-important instrument available to class-conscious workers for making a genuine and democratic revolution.

And in the process of making a revolution the really interesting work can start of course: that of reinventing a democracy fit for society on a human scale. A democracy that is free from the patronage, the power games and the profit motive that currently – from Moscow to Rangoon, Nairobi to Washington – abuses it.

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## Emission Control? – We Have A Problem

Socialists have for years railed at capitalist market production for being on a relentless collision course with the environment, and have been more than once guilty of tired clichés like ‘profits of doom’ and ‘merchants of menace’. Nobody expected, twenty or so years ago, that the fat cats in their plexiglass palaces would lift their noses from their account books long enough to notice that, outside the window, the last tree was dying in a desert. Now, mysteriously, we see 150 of the world’s largest corporations, including Nestle, Coca Cola, General Electric and Shell, enthusiastically demanding carbon emission cuts of up to 50 percent by 2050 (*New Scientist*, Dec 8, 07). And in the wake of the recent Bali accord, we have most of the world’s countries behind a global effort to cap carbon emissions and prevent disastrous global warming. What is behind this sudden laudable concern for the environment, and how are they going to achieve it? Simple, the only way capitalism can think of doing anything. By making loads of money out of it.

Now the way you make money out of anything in capitalism is to deprive everyone of it, and then charge them for access to it. Thus, at Kyoto, was born the idea of depriving everyone equally of the right to emit greenhouse gases, and then charging a flat rate for access to metered pollution rights. It would work, so long as all countries signed up to it. This last proviso is of course what has taken so long to resolve, which is why Kyoto never really worked and Bali, which was strong on emotion but weak on hard targets, still might not.

So how do businesses make money out of a carbon tax? By developing ‘green’ technologies that produce less pollution, allowing countries to save money on buying or sell on their spare credits to the belching giants like China and the USA. Hence all the new debate in the UK about nuclear power. Hence also the probable Second Coming to Europe of GM technology, previously scorned but now about to return with a vengeance. Agriculture is the largest contributor to global warming, not through carbon directly but through nitrogen in fertiliser, which, apart from the considerable problems of nitrate pollution, algal blooms and dead zones in coastal waters, has the unhappy effect of oxidising into nitrous oxide, which is a greenhouse gas 300 times more potent than carbon (*New Scientist*, Jan 5). Genetically modified crops which don’t need so much fertiliser, or which can take up more nitrogen and waste less of it, are seen as one way to reduce this huge impact.

And genetic modification of crops won’t stop at a few strains of cereal. Rice feeds half the world, and in a more drought-prone world, rice cultivation will be seriously at risk, so drought-resistant strains will have to be developed. And as with salt-resistance, another important factor in coastal areas more prone to flooding, what happens when modifications migrate, as they are known to do, to wild and weedy cousins? Crops could in the future be strangled by superweeds that can withstand flood, drought or weedkillers to threaten the world’s food supplies.

But one of the biggest money-making production bonanzas is biofuels. Transport is responsible for roughly one quarter of all global human emissions, but the oil is running out and the



Deforestation for industrial crops in Borneo



much-vaunted hydrogen option requires unfeasibly massive infrastructure changes for storage and filling-station delivery. Besides, biofuels are close to carbon-neutral, absorbing as much in growing as they emit in burning. Better still, with some strains such as switchgrass offering up to 540 percent more energy than is required to grow them, leading to a carbon-saving of 94 percent compared to petrol, the smart money is in inedible crop-growing (*BBC Online*, Jan 8). Already large swathes of North America are switching to corn-based biofuel production, both to earn carbon credits and as a future hedge against Arab and Chinese-controlled petroleum, while Latin American countries, in particular Brazil, are gearing up to sugarcane-based ethanol harvesting.

So lucrative is this potential market that, not to be outdone, developing countries like Indonesian Sumatra are hurriedly destroying what’s left of their last vestiges of rainforest in order to cash in on palm oil production for diesel fuel. And who could blame them when, prior to Bali, there was no agreement under Kyoto to recompense ‘green’ countries for preserving such unprofitable natural forest. As much of Sumatra’s richest forest is bulldozed, the peat that it has lived in for thousands of years is ripped up, and this releases more carbon than will ever be saved by the palm oil grown on it (*New Scientist*, Dec 1, 07). The Bali accord hurriedly attempted to address deforestation for the first time, but much of the damage has already been done and it remains to be seen whether forest-rich countries stand to gain more by sitting on their green growth or churning it up for the bio-barrels.

Nor are these the only problems. Subsistence farmers pushed off land to make way for biofuel production, and given no help or financial aid by regional governments, have no choice but to invade natural forest and clear it by slash and burn in order to live. And food supplies are threatened on a larger scale too, as biofuels, though efficient in some ways, are the most land-hungry method of producing energy, many times more than fossil, wind, nuclear, hydro or solar. There is only so much arable land, and the population is rising. What happens to human food supplies as the world’s engines groan ever more hungrily to be fed? According to recent research, the total availability of suitable undeveloped land for biofuels is between 250 and 300 million hectares, but even using the most efficient crops it will take 290 million hectares to produce 10 percent of the world’s projected energy requirement in 2030. But by then, the world will also need 200 million of these same hectares to feed the extra 2 to 3 billion people who will then be alive (*New Scientist*, Dec 15, 07). And this is to say nothing of all the extra nitrous oxide being emitted by fertilised monocrops, if suitable GM alternatives are not developed or are not accepted for use. On top of all that, there is the problem of water supply. Switching 50 percent of transport and electricity requirement to biofuels by 2050 will require up to 12,000 cubic kilometres of extra water per year, close to the total annual flow down the world’s rivers (*New Scientist*, Dec 15, 07). All this and in a drier world too where water wars are already widely predicted.

The truth is, nobody really knows if the pros of biofuel production outweigh the cons. Like all capitalist economics, it is largely guesswork. All capitalism really knows for sure is that, in the words of the aforementioned large corporations, “the shift to a low-carbon economy will create significant business opportunities”, or in plainer language, there’s gold in them that green hills. Besides, the subtleties of comparative studies may be lost on governments keen to assuage a growing public demand that they ‘do something’ about the environment. Australia, already suffering the longest drought in its recorded history, has recently turfed out its long established climate-sceptic government in favour of one which, within weeks, signed up to Kyoto. As Bob Dylan would say, it don’t take a weatherman to know which way the wind blows.

Dear Editors,

I would be interested in your answers to the following points:

(1) Massive social improvements have been achieved since WW2 by modifying capitalism. This is a proven strategy for improving the lives of working people. Abolishing capitalism is unproven and so ambitious and unlikely that most people can't even imagine it. Better to play the percentage game and stick with a socially modified form of capitalism along Scandinavian lines.

(2) I work for a company owned by capitalists so why don't I feel oppressed? I make as much money as I want doing a job I enjoy without being an owner or shareholder.

(3) People need a contrast between work and leisure in order to appreciate and enjoy their leisure time. This would be lost if paid work was abolished.

(4) Are NHS workers also wage slaves? If so, why? Since they work for the good of the whole of society not a capitalist's profit.

**N. B., Macclesfield.**

### Reply:

(1) It is true that, compared with their equivalents in 1945, most people in Britain today are better off in terms of what they consume. But this hasn't been the result of Scandinavian-type "social modification" of capitalism since it has also happened

in other countries, such as the US, which have not adopted such a policy. It will have been the result partly of workers working more intensively than they did in 1945 and so needing to consume more to regenerate their mental and physical energies and partly also of their increased productiveness allowing the capitalists – under trade union pressure – to pay higher wages while still extracting more profit. Even so, most people do probably see things like you do, which will be one of the reasons why they have not been interested in socialist ideas. But they still have money problems and they are also affected by wider social problems – wars and the threat of war, pollution, crime – which can only be solved in the context of a socialist society. On the world scale of course it's a different story with record numbers living in absolute poverty.

As to Socialism being ambitious – what worthwhile goal isn't? 99 percent of the socialist revolution consists of imbuing our class with the confidence and ambition to succeed, and a revulsion of living as wage slaves whether pampered or ill-fed: once we have this our numbers will carry the day.

(2) Just because you don't feel oppressed doesn't mean you are not being exploited. Why do you think your capitalist company employs you if not because it is getting more money from what you do than what it pays you? It's certainly not doing

this just to give you money to live on. Wait and see what will happen if the company ever runs into financial difficulties or is taken over.

(3) All that those socialists who have speculated about the disappearance of the distinction between work and leisure in socialism mean is that work, like leisure activities today, could become something people like doing – not an impossibility since even under capitalism today you yourself say you like the job you're doing. Of course, there will still be a distinction in socialism between organised work to be done during set hours, even if enjoyable, and recreational activities carried out at the individual's discretion.

(4) Yes, NHS workers are wage-slaves in the sense that, not having any large unearned income from owning property, to get the money to buy the things they need to live, they have to sell themselves – or more accurately, their working abilities – on the labour market for a wage. They may be employed by a governmental body and be doing a useful job (at least some of them, not those working in accounts) rather than for a profit-seeking capitalist firm, but they are still exploited in the sense of working for a longer time than the value of the working skills they sell and are paid for.

–Editors.

## Contact Details

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#### LONDON

**Central London branch.** 2nd Weds. 6.30pm. The Shakespeare's Head, 64-68 Kingsway, Holborn. (Nearest tube: Holborn.) Tel: Tristan 0207 6223811

**Enfield and Haringey branch.** 2nd & 4th Monday. 8pm. Angel Community Centre, Raynham Rd, N18. Corres: 17 Dorset Road, N22 7SL. email: julianvein@blueyonder.co.uk

**South London branch.** 1st Tues. 7.00pm. Head Office. 52 Clapham High St, SW4 7UN. Tel: 020 7622 3811

**West London branch.** 1st & 3rd Tues. 8pm. Chiswick Town Hall, Heathfield Terrace (Corner Sutton Court Rd), W4. Corres: 51 Gayford Road, London W12 9BY

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#### MIDLANDS

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**Redruth.** Harry Sowden, 5 Clarence Villas, Redruth, Cornwall, TR15 1PB. Tel: 01209 219293

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J. Moir. Tel: 0131 440 0995 JIMMY@jmoir29.freereserve.co.uk Branch website: <http://geocities.com/edinburghbranch/>

**Glasgow branch.** 3rd Wednesday of each month at 8pm in Community Central Halls, 304 Maryhill Road, Glasgow. Richard Donnelly, 112 Napierhall Street, Glasgow G20 6HT. Tel: 0141 5794109. E-mail: richard.donnelly1@ntlworld.com

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**Socialist Party of Canada/Parti Socialiste du Canada.** Box 4280, Victoria B.C. V8X 3X8 Canada. E-mail: SPC@iname.com

**World Socialist Party (New Zealand)** P.O. Box 1929, Auckland, NI, New Zealand.

**World Socialist Party of the United States** P.O. Box 440247, Boston, MA 02144 USA. E-mail: wspboston@covad.net

# Nuclear weapons are still there

**W**ho protests against nuclear weapons nowadays? People seem to have half-forgotten them. But they are still there, patiently lying in wait. In *The Seventh Decade: The New Shape of Nuclear Danger* (New York: Henry Holt & Co., 2007), Jonathan Schell even speaks of a “nuclear renaissance” in the new century.

True, there are fewer nukes than there used to be. The number of active nuclear weapons has declined from a Cold War peak of some 65,000 to below 20,000. In another decade it may fall to 10,000. But this is scant consolation, for several reasons:

- \* Many decommissioned weapons are not destroyed, but only partially dismantled and placed in storage.

- \* The 10,000 remaining nukes will still suffice to wipe out the human race many times over. Even the use of 100 would cause disaster on an unprecedented scale. Atmospheric scientists at UCLA and the University of Colorado modeled the climatic effects of the use of 100 Hiroshima-type bombs – just 0.03 percent of the explosive power of the global arsenal – in a nuclear war between India and Pakistan. These countries have fought four wars and now have about 75 nukes each. Direct fatalities would be comparable with WW2, while millions of tons of soot borne aloft would devastate agriculture over vast expanses of Eurasia and North America.

- \* Nuclear weapons do not serve merely as status symbols or for mutual deterrence. Resort to them remains an option for the contingency of a serious setback in a conventional war, and new types of high-precision nukes, such as the so-called “bunker busters”, have been designed for that purpose. Nuclear weapons may even be used to stop a state acquiring nuclear weapons, or to suppress nuclear capacity that is in danger of falling under “terrorist” control (say, in the context of a disintegrating Pakistan).

- \* Finally, the number of nuclear weapons states has increased and is likely to increase further. The nuclear nonproliferation regime is gradually losing its ability to inhibit the chain reaction. The double standard on which it is based – one rule for members of the nuclear club, another for the rest – is (as Schell argues) no longer viable. If all states with the requisite economic and technological capacity are not to acquire nuclear weapons, then they must all agree to renounce them.

The numerical decline might be cause for optimism if it could be seen as progress toward nuclear disarmament. Unfortunately, there are no grounds for such an interpretation. Nuclear weapon states are determined to maintain and upgrade their arsenals. Total numbers are falling as Russia and the US shed what they consider excess capacity, but they are restructuring their nuclear forces, not giving them up. Once this process is complete the decline in numbers will level off.

## The Cold War is dead. Long live the Cold War!

So why have people half-forgotten the nuclear threat?

For one thing, it has been overshadowed by another threat to the human species – global warming.

Even before people became fully aware of this new peril, however, the end



of the Cold War had largely dispelled the fear of nuclear war. A reformist at the time, I was closely involved in the peace and disarmament movements of the 1980s. With benefit of hindsight, I realize now that these movements did not perceive the nuclear threat in its broadest sense because they were too preoccupied by the specific context of the superpower nuclear confrontation of that period. This was especially true of European Nuclear Disarmament (END).

Western governments told us that “we” needed nuclear weapons to deter the Soviet threat. We anti-nuclear campaigners did not believe they were right, but we were naïve enough to believe that *they* believed what they told us. We drew the logical implication that they would become favourably disposed to nuclear disarmament if relations with the Soviet

Union could only be sufficiently improved. So we hopefully looked forward to the new and deeper East-West détente heralded by Gorbachev.

Not only did the Cold War come to an end; the Soviet Union itself collapsed. No more “Soviet threat” to worry our rulers! But did they heave a sigh of relief and rush to dispose of their nuclear weapons? No, they started to come up with substitute rationales for keeping the things. Thus Blair, announcing renewal of the Trident program in 2006, explained that nuclear confrontation with another major power “remains possible in the decades ahead.” Schell sums it up nicely: “By reviving and refurbishing their arsenals, the nuclear powers signal that they expect that great-power rivalries will return” (p. 210).

The Cold War is dead. Long live the Cold War!

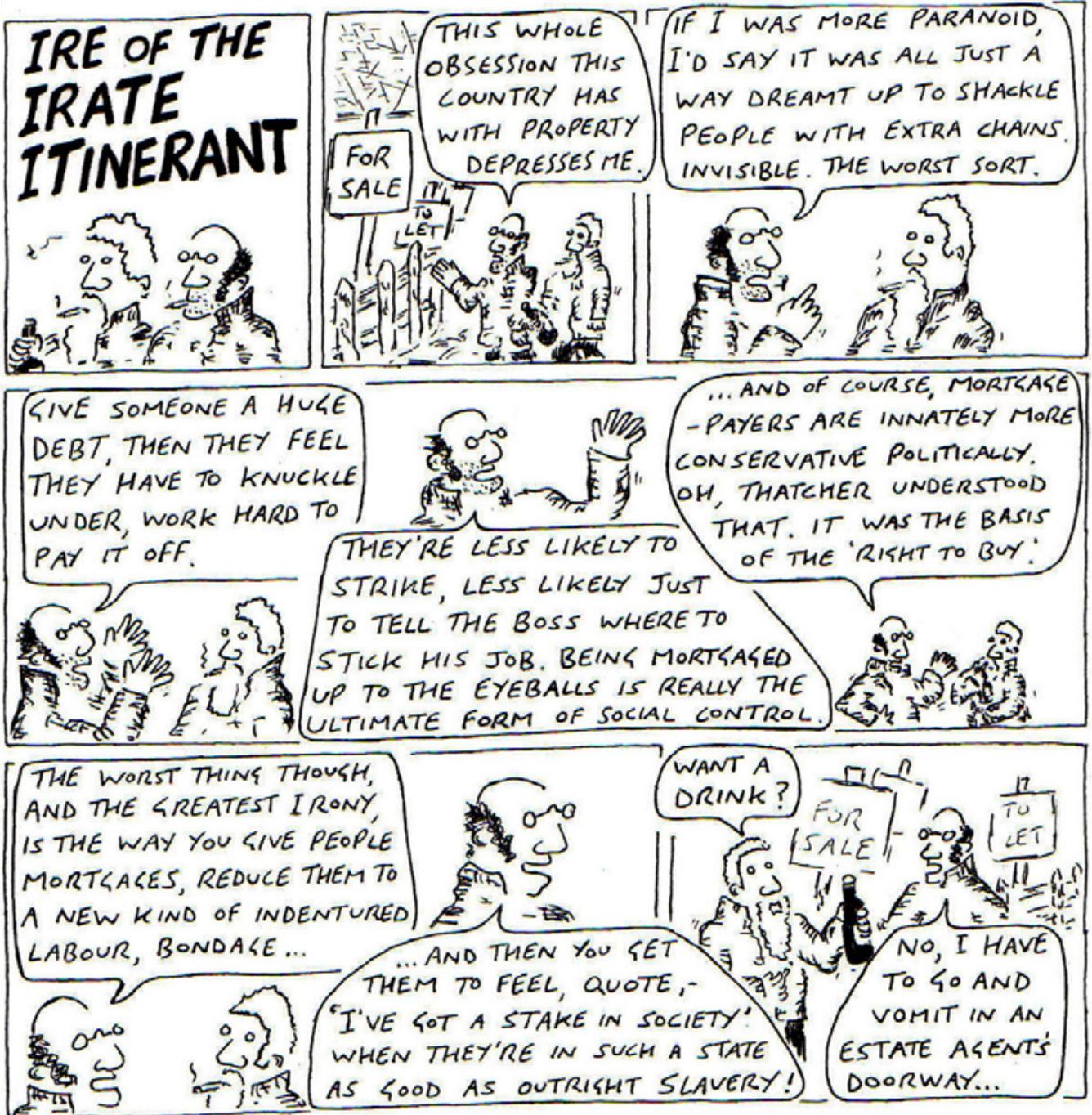
The unpredictability of the future, they tell us, is itself a good reason to hold on to nuclear weapons. And the future is always unpredictable.

The world is dominated by a system based on conflict – conflict over resources of all kinds, conflict between competing property interests and the states that represent them. Once nuclear weapons were discovered and became tools in this conflict, they were bound to threaten human survival. The threat only seemed to have a necessary connection with the specific *pattern* of global power that happened to exist at the time. That pattern has started to change, there are new potential adversaries, but the conflict-based *system* remains. So does the nuclear threat.

## Can nuclear disarmament be achieved under capitalism?

Schell calls for “action in concert by all the nations on Earth” (p. 217) to abolish nuclear weapons, halt global warming, and tackle other urgent global problems. His eloquence is moving, but his vision is only very briefly sketched and lacks substance. True, he has some technical and organizational proposals. Like IAEA director Mohammed ElBaradei, for instance, he would revive the Baruch Plan put forward by Truman in 1946 and place all nuclear fuel production under the control of an international agency. But he fails to consider what political, social and economic changes might be necessary to create and sustain the international trust and cooperation that he seeks.

Let us suppose, for the sake of argument, that nuclear disarmament



were somehow to be achieved within the existing conflict-based system. Many states would still have the technological capacity to make nuclear weapons again if they so decided. This is known as the "breakout" problem. It is hard to imagine countries resisting this temptation when at war or even under conditions of acute military confrontation. As we need not just to achieve but to *maintain* nuclear disarmament, we therefore also need to abolish war in general, together with all weapons that can be used to threaten war. A close reading of Schell suggests that he accepts this point, though he does not spell it out.

But take the argument a step further. Wars arise out of conflicts over the control of resources. Doesn't this mean that an end has to be put to such conflicts? And

how can this be done without placing resources under the control of a global community – that is, without establishing world socialism?

Socialists are not *against* nuclear (or general) disarmament within capitalism. We know that the world faces problems of the greatest urgency and we know that the global social revolution is not an immediate prospect. We have no wish to hold human survival hostage to the attainment of our ideals. Please go ahead and prove us wrong by abolishing nuclear weapons without abolishing capitalism. Nothing, apart from socialism itself, would make us happier. The trouble is that we simply don't understand how it can be done. That is why we see no alternative to working for socialism.

**STEFAN**

### Labour, Lib-Dem, Tory



**The Socialist Standard examines their case**



Work: a dirty word?

*Work is a “four-letter word” today under capitalism, but our view of it might change in a society where it is solely a means of improving the quality of our lives.*

## as it is, work as it could be

### “That would never work!”

A typical response, I imagine, to the description of a society where people work because they want to, on a voluntary basis. Such a society would not work, we are told, because no one in it would *do* any work.

However, that view of work as, well, *work*—rather than something enjoyable—tells us more about today’s society, where our motivation to work is primarily the need to pay rent and put food on the table. Immersed as we are in this reality, it is not surprising that it shapes our view of labour in general (past, present *and* future), so the idea of a society based on labour performed willingly, without any form of coercion, seems ludicrous to most people.

Given that typical outlook, it is not easy to convince someone of the necessity and feasibility of a fundamentally

new mode of labour by simply elaborating the description of work in the future (which can never be an exact blueprint). No matter how appealing that future society might appear, compared to present-day reality, it will probably still seem to be a figment of the imagination.

A better approach, I think, is to start with the present, looking at the work-related problems we face and considering their root cause. On that basis it should become clearer that socialism is not an idle dream but the real solution to undeniably real problems, and that the workplace problems we experience today can also be solved by, or will cease to exist in, that new form of society.

#### Work problems

Most of us have first-hand experience of bad jobs, so there is no need to present concrete examples here. But if we consider why a particular job is unpleasant it generally comes down to one or a combination of the following factors: long hours, low pay, high intensity, monotony, and (for lack of a

more precise category) the boss. We know all of this—perhaps *too* well—but here I want to consider the reason why these problems occur.

That answer is not hard to find if we reflect, just for a moment, on the essential nature of capitalism as a society where production is a means of generating profit for a minority ruling class that owns and controls the means of production. It is no exaggeration to say that those two closely intertwined facts (i.e., the profit motive and class ownership) are at the root of most of the problems we face at the workplace.

The hunger for profit is insatiable; no capitalist will settle for a five percent profit if there is a chance to get six. This is not merely a question of individual greed, but the systematic pressures of competition that capitalists ignore at the risk of ceasing to be capitalists. This drives them—not unwillingly—to squeeze as much surplus value out of workers as possible, whether by prolonging the working day, lowering wages, or increasing the intensity of labour.

All of this goes without saying, I think, and the direct connection to workplace problems is equally clear.

But even setting aside the impact of profit chasing on the labour process, we are still left with the fundamentally undemocratic workplace. Those who own or control the means of production call the shots (and pocket the profits), whether we are dealing with a small company, a corporation, or a state-owned enterprise. The workers, meanwhile, have no choice but to work in the manner assigned to them. No matter how enjoyable the work itself might be, this lack of control over the labour process (not to mention over hiring and firing decisions) contributes to the dissatisfaction we experience at our jobs.

#### **Idle hands?**

Considering the fact that the labour process is a means of generating profit for a minority class that directs that process, it is no wonder that a certain gloom hangs over workers on their morning commute. Those looking down on them from the comfort of the executive boardroom might take it as proof of the inherent laziness of people—or at least of *other* people. This idea of a slovenly human nature is ironically (or perhaps naturally) most prevalent among the “leisure class,” who look to the pressure of competition to whip the lazy workers into shape.

It should be obvious, though, that people are far from being lazy by nature. Nearly everyone, except the most demoralized or pampered, is eager to find worthwhile work. And if we cannot find enjoyment or self-fulfilment in the jobs we do to earn a living, we will try to find those qualities in the activities we pursue in our “free” time.

One reason we may underestimate the desire to work is that those leisure time activities come under the category of “hobbies,” even

though they do not always differ in substance from types of labour performed for wages. What tends to make a hobby enjoyable and fulfilling is precisely the qualities so often lacking in the jobs done to earn a living. Instead of being a way to benefit others, performed under their direction, a hobby is an activity pursued for its own sake that can be a means of self-development and self-fulfilment.

The same thirst for and enjoyment of meaningful labour can also be seen in our attitude towards the jobs we must do to earn a living. Despite all of the drawbacks that stem from the profit motive, as sketched above, our jobs can still be a source of satisfaction and self-development and we can find ourselves engrossed in the work itself without always thinking about the end of the working day or the upcoming paycheck. Indeed,

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**“the idea of labour performed willingly, without any form of coercion, seems ludicrous to most people”**

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unless we had this capacity to enjoy work—and to seize on those worthwhile aspects of our jobs—the bosses (who complain about “lazy workers”) would be very hard-pressed to obtain any work, and hence profits, from their employees.

#### **A social change**

The aversion to work that is not uncommon today is certainly not due to inherent human laziness or the general nature of labour itself; it stems rather from the problems arising from its function as a means of profit making for a minority capitalist class. So as long as the current social system remains in place, we will be stuck with the problem of long working hours, tedium, and high intensity.

The solution to those workplace problems, along with a whole string of other problems, is thus a fundamental social change that establishes a new form of society, where production is no

longer subjected to the logic and tyranny of capital. That is an unprecedented change, certainly, which still seems impossible to most people today, but socialists are convinced that it is both possible and urgently necessary.

I should note, though, that the creation of a fundamentally new society will not take us into the realm of science fiction, as human beings will still be obliged to carry out labour in order to produce the material wealth that makes our continued existence possible. Socialism will not free us from the need for productive activity, but rather alter the form and purpose of that activity. Simply put, production in a socialist society will become a means of satisfying the various needs of the members of society as decided democratically by those members themselves

#### **Work transformed**

The fundamental reorientation of society following a socialist revolution will obviously have an enormous effect on the labour process and the personal experience of work.

The first change that seems likely, for a number of reasons, is a major reduction in the length of the working day. This will be possible, first of all, because production will only be intended to satisfy the needs of society’s members, as determined by them, so there would be little incentive to continue working beyond that point, thereby piling up unwanted goods and squandering natural resources. Unlike today, any increase in the productivity of labour, so that more goods

can be produced using less labour-time, could immediately shorten the length of work for individuals. And there would not be the terrible waste of labour we see today under a system where goods are produced for a fickle market, rather than to directly satisfy needs, and may thus rot on store shelves or in warehouses if not purchased (particularly



at the outset of an economic downturn).

Another reason that the working day may become the working morning or afternoon is that the relative size of the pool of adults willing and able to perform the productive labour, which produces the wealth of society, will increase with the addition of the unemployed and those engaged under the current system in unproductive labour (e.g., bankers, lawyers, salesmen, etc.). The entire financial sector, for instance, will no longer have a reason for existence in a society where products are not bought and sold on the market. Other unproductive individuals include gamblers, prostitutes and criminals, as well as the entire capitalist class. All of these people can finally engage in work that is worthwhile.

The shorter working day is only a quantitative change, of course, but it would bring about an immediate improvement in the quality of our lives, as we can easily imagine. Even if we consider our jobs today, a significant reduction in the working day (provided the intensity of labour remains unchanged) would make most jobs, at the very least, far more bearable, and allow us to engage in other activities we find more agreeable.

More significant, however, is the *qualitative* change in

the labour process and in our attitude towards work once labour has solely become a means of improving our lives and production decisions are made democratically by the members of society themselves, who collectively control the means of production and have free access to the goods that are produced. Marx describes this new society as an “association of free individuals, working with the means of production held in common, and expending their many different forms of labour-power in full self-awareness as one single labour force” (*Capital*, vol. 1). In this socialist society, the production process would become transparent; individuals could easily grasp the connection between the labour they and others perform and improvements in their own and other people’s lives. This is a qualitative change not only from the perspective of the labour process of society as a whole, but also in terms of the attitude that each individual would likely have towards work.

Another important qualitative change in the labour process and our view of it stems from the fact that each individual within the “association” or community will be actively involved in making the important decisions regarding production. Those decisions would be made by them *democratically*, according to the simple criterion of improving

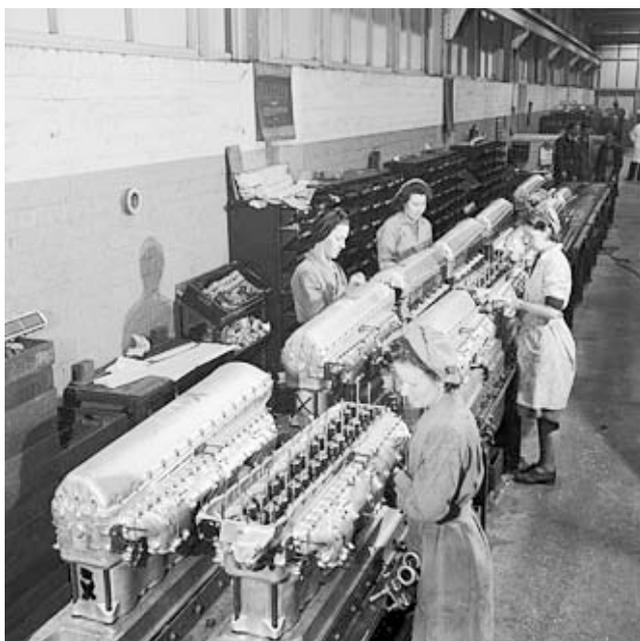
the quality of their own lives. That democracy contrasts sharply with the utter lack of influence workers have on the decisions made by capitalists and politicians today that affect them. In socialism, the members of the society will be able to decide on the plans for production (and other aspects of life) and then work together to

realize them.

In the process of collectively making those decisions one can imagine all sorts of issues that might be debated. Certainly there is the question of what to produce and in what quantity. But in addition to such matters, close attention will also be paid to what might be called the qualitative or even aesthetic aspects of the labour process, reflecting the fact that the entire society is now oriented towards improving the level of human life. This means that there would be an effort to make the experience of work itself as enjoyable and fulfilling as possible. All of the decisions would also have to take into consideration the resources available, both in the present and future, so that a short-term gain in the quality of life does not lead to disaster for latter generations. These are some examples of the big questions that might be considered, but there would be countless others, covering every imaginable aspect and consequence of the labour process.

So, to finally return to the initial question about voluntary work, will people actually work on a voluntary basis in a socialist society? Or would they only take advantage of the free access to goods and not participate in the work to produce those goods?

My answer, of course, is that the vast majority of people would be willing, and perhaps eager, to work in a society where the benefits of their own labour, both to themselves and the community at large, are clear and where they themselves make all of the decisions regarding production. There may be a few individuals who choose to do nothing, or at least nothing that adds to the wealth of society, but I imagine they would be looked on more with pity than anger, just as we might view someone today who has no real interest in life. It seems safe to say that most will participate in work as a way to both develop themselves and improve their own lives through the fruit of that labour. ■  
**MICHAEL SCHAUERTE**



*Drudgery, dreary, dull, and not democratic*

# Profit laundering: what's justice got to do with it?

*"Tax Havens Cause Poverty" proclaims the home page of the Tax Justice Network. No, they don't. The profit system does.*

The Tax Justice Network ([www.taxjustice.net](http://www.taxjustice.net)) thinks that world poverty can be effectively tackled by reforming the international system of taxing profits so as to eliminate tax havens and tax dodging – "profit laundering" as they aptly call it – by capitalist corporations.

This would make no essential difference. World poverty is not caused by corporations behaving badly. Their "bad" behaviour as identified and described by the Tax Justice Network is not bad from a capitalist point of view. It is normal, and in fact it is not possible to alter it – either by legislation or by appealing to the "morality" or "ethics" of corporate leaders. It's the way the capitalist profit system works and can only work. As long as you've got capitalism, in the famous – or infamous – phrase, there is no alternative. No alternative, that is, to capitalist corporations pursuing the maximisation of profits above all else. This is not a matter of choice by corporate executives. It is not because they are personally greedy or insensitive and deliberately choose to run their corporations in this way. It's the reflection in their minds of the underlying logic of the system of which in the end they – like the rest of us in fact – are just cogs.

But what is this underlying logic? What is capitalism?

## Capitalism

Basically, it's *the market system*. Not just markets – they existed before

capitalism – but a whole economic system where every aspect of the production and distribution of wealth takes place via the market, by means of a vast network of buyers and sellers. This includes the buying and selling of labour – or, more accurately, of labour-power, of a person's ability to work. In fact, capitalism is based on the existence of a class of people whose only productive resource is our ability to work in some capacity or other (whether so-called manual or so-called intellectual) which we are obliged to sell on the labour market for a wage or salary. But sell to whom? To those who own the other resources essential to production: land and natural resources, and mines, factories, transport, communications. In other words, capitalism presupposes the division of society into two classes: those who own the means of wealth production and those who don't. This is not a 50:50 division, more like a 5:95 one. So capitalism is a *class society*. Like everything else under capitalism, the relationship between these two classes is a market one, one of buying and selling.

But there's more to this particular market relationship than to that between other buyers and sellers. In other cases, it is a simple exchange of something of one value for something else of an equal value. Such an exchange of equal values is also involved in the wage contract – we get as our wage or a salary more or less

the value of the labour-power we are selling – but human labour-power has the unique property of being able to create new value. The difference between wages and salaries and the new value added in the course of producing some good or service is the source of profit, which it is the aim of every capitalist and every capitalist enterprise to extract and maximise.

Some of this profit is creamed off by fat cat directors and owners to support an extravagant life-style but most of it is re-invested. If a capitalist firm did not do this with a view to keeping its productive methods up to date so as to be able to produce as cheaply as possible, it would lose out in the battle of competition with its rivals and, eventually, either go bankrupt or be taken over by one of them. So, under the pressure of market competition, capitalist firms are forced to accumulate most of their profits as more capital.

This competitive struggle to make and accumulate profits as more and more capital is the essence of capitalism. It's an impersonal economic mechanism that imposes itself on all enterprises involved in producing for the market, whether they are owned by individuals, corporations, the state or even by a workers' co-operative. The logic of profit always ends by imposing itself, even on governments, and there's nothing that can be done to stop this as long as capitalism lasts.

## Taxes

Despite what some ideologists of a "pure capitalism" claim, capitalism cannot exist without the existence also of a coercive state – and never has. In fact, the state helped capitalism come into being, as by establishing trading monopolies like the East India Company and as by driving peasants off the land and into factories. But the state produces nothing (unless it is itself involved in production, as it sometimes has been) and so has to be financed by a levy on those who possess wealth or who control the production of wealth, i.e. by taxes. As the 19<sup>th</sup> century economist (and MP) David Ricardo showed a long time ago, in the end the burden of taxation falls on property and property-incomes such as rent and profit (any taxes on wages are passed on to the employer). Taxes on profits of course reduce the wealth of capitalists but they generally accept the principle of paying taxes as they recognise the usefulness of the services that the state provides them, not least the armed force to back them up in conflicts with other capitalists supported by their state over markets, trade routes, sources of raw materials and investment outlets. But they are not masochists; they'll only pay the taxes they absolutely have to. And a whole business



Above: Egyptian peasants seized for non-payment of taxes. Above right: Adam Smith

has arisen to advise them how to minimise their tax burden.

Some companies are better able to do this than others, and the Tax Justice Network have a point when they say that:

“The ability of transnational corporations to structure their affairs through paper subsidiaries in tax havens provides them with a significant tax advantage over their nationally or locally based competitors. Local businesses, no matter whether they are technically more efficient or more innovative than their transnational rivals, will be competing on an uneven field. In practice, of course, differential tax treatment favours the large business over the small one, the international business over the national one, and the long-established business over the start-up”. (John Christensen and Richard Murphy, *Development Journal*, September 2004).

Quite true. But why should we, as wage and salary workers, worry about this? Why should we get involved in this dispute between two sections of the capitalist class as to how the tax burden should be shared between them? Why should we take the side of small business as against large business, or national business or businesses in the Third World against international business? Taxation is not our concern as wage and salary workers. Even if multinational corporations were forced to pay more taxes (which is not inconceivable), this would not benefit us, it would only benefit their smaller, national-based competitors. And it wouldn't benefit the mass of the people in the Third World either. Only the business and political elites there who would then have more money to spend on their armed forces and their privileged lifestyles. “Tax Justice” is not our concern.

### Corporations

The profit logic imposes itself irrespective of the type of enterprise. In Adam Smith's day – the middle of the 18<sup>th</sup> century – most enterprises were run by individual capitalists who risked all their money; there was

no distinction between their personal wealth and that of their business. So, if their business failed they were ruined. As capitalism developed more and more capital was needed to start and sustain a business. This problem was partly overcome by partnerships, but this was complicated legally and partners were also still personally liable for the debts of the business; so, if it went under they went under too.

The solution, found and implemented from the middle of the 19<sup>th</sup> century, was the limited liability company. This was a legal business entity in which people could

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**“No law will ever be passed that goes against this impersonal logic of profit – and, even if it were, it wouldn't work”**

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invest money to be used as capital but only be liable in the event of bankruptcy for the amount of their shareholding. Hence the name in Britain of limited liability company. In France it was called a “nameless [i.e. impersonal] society” and in America a “corporation”. Whatever they were called, all had a separate legal personality, allowing them to sign contracts, pay taxes, sue and be sued as if they were real people. Even if, as the recent film *The Corporation* has underlined, they were real people they would be locked up as dangerous psychopaths. No real person is so cold and calculating and so obsessive about pursuing a single aim.

As might have been expected, many of the early company promoters and directors were rogues who swindled and robbed those who put up the money for their companies, i.e. the shareholders. Legislation was therefore introduced to protect

shareholders. Company directors were required to act in such a way as to exclusively further the financial interests of the shareholders, i.e. to make as much profit for them as they could. All their acts as directors had to be justified by this end: they had to try to maximise profits and were not allowed to siphon off money for themselves nor, it could be added, to spend it on “ethical” objectives which they might personally favour.

As Christensen and Murphy noted in their article:

“... tax minimization through elaborate and frequently aggressive tax avoidance is regarded as one of the prime duties that directors are required to perform on behalf of their shareholders.”

“Compelled by the profit logic, and by a legal principle that asserts that tax payers may organize their affairs in such a way as to pay the least tax possible under the law, the majority of large businesses have been structured so as to enable tax avoidance in every jurisdiction in which they operate.”

The Tax Justice Network thinks that this can be changed, both by changing company law and by appealing to corporate executives to behave “ethically”, but they are wrong. Company law – and the legal obligation on corporations to be “a pure money-making machine” – is a reflection of the underlying economic reality of capitalism which, as we saw, is the impersonal economic mechanism of the making and accumulation of profits as more and more capital. No law will ever be passed that goes against this impersonal logic of profit – and, even if it were, it wouldn't work. Any government which tried it would cripple industry within its borders by rendering it less competitive internationally, so provoking an economic crisis and mass unemployment – and the coming into office of a government that would repeal the legislation in question. Within capitalism there is, quite literally, no alternative to corporations being pure money-making machines.

So, if there's no way out under capitalism what are we in the Socialist Party proposing? Basically, to end capitalism, not trying to patch it up or trying to make it work in some other way through tax reforms. Capitalism is a global system. So, we're talking about a world-wide change, a global change in both senses of the term. Both world-wide and thorough-going.

To end the operation of the impersonal economic mechanism of the pursuit and accumulation of profits as capital, the first thing that must happen is that the natural and industrial resources of the planet must stop being the property of rich individuals, corporations or States and become instead the common heritage of all humanity. On this basis, the productive resources of the world can be freed from the tyranny of profit-driven market forces and become available to be used, under democratic control, to simply turn out the things that the world's population needs to live and to enjoy life, in accordance with the principle "from each according to their abilities, to each according to their needs".

In the current atmosphere of cynicism, apathy and alienation,



Completing tax forms in an American Internal Revenue office, 1920s

to talk in terms of a world-wide democratic revolution to replace world capitalism with world socialism must seem incredibly utopian. Be that as it may, it is the only way out and until people organise to abolish the capitalist profit system the problems we have been discussing

will continue. The real utopians are not us, but those like the Tax Justice Network who still think that you can do something constructive within the capitalist framework of class ownership and production for profit. You can't.

**ADAM BUICK**



## Cooking the Books 1

### Ever heard of tryvertising?

"Your Money's No Good Here" read the headline of an article by David McNeill in the *Irish Times* "Innovation" supplement (10 December). "Tokyo has a shop with no price tags, no cash registers or no paying customers – what's it all about?" No, they haven't introduced socialism in Japan. So what is it all about?

One of the more abstruse objections to socialism is that it would have no means of knowing what new products to make available and so people would have a narrower choice than under capitalism. The critics concede that, with free access to what they needed, people might well take from the common stores and distribution centres only what they needed till their next visit – just as today, when some things are free, they end up taking only as much water or free travel or free phone calls as they need. But, the objection goes, how would you find out what new products to make available?

Socialists have replied that this would not be a problem in that the same sort of techniques for finding out what new products people might like that are used under capitalism could, with suitable modification, be used in socialism. Of course it could not be called "market research" since there'd be no markets, so it would have to be called something like "new wants

research". But the techniques would be the same even though the aim would be to find out what new products people would take under conditions of free access instead of what they might be prepared to pay for.

Market research has traditionally involved questionnaires and many people have earned some extra money by stopping people in the street or phoning them to ask what they think of some product. The clue to what's it all about is in the name of the Tokyo free shop: Sample Lab. It's a shop where firms provide samples of their products for people to take and try without having to pay for them. According to David McNeill, this is known as "tryvertising".

It's not really like things would normally be in socialism, even though there are no price tags and no cash registers. Those who use the free sample shop have to pay a modest registration and annual membership fee and are expected to answer questions about the products they take away and try, and they can only take five products at a time. The advantage for the capitalist firms who supply the free samples is that they get some feedback on what people think of their new product and how well they are likely to sell if marketed, a feedback that is said to be more accurate than from questioning people in the streets or by phone.

But this technique, at present prostituted in the service of profit, could easily be adopted in socialism. There could still be sample shops where a representative cross-section of people could come and take new products to try in return for answering questions about what they thought of them. It might even still be called "tryvertising".

# Social responsibility and corporations

*Can corporations be trusted, or even expected, to have any social responsibility?*

**M**illions, billions even, are spent by corporations in PR attempts to green up their images. Not spent to improve conditions for their workers, not spent to find alternative, better methods of production less harmful to the environment, not spent to seriously reduce consumption of the world's shrinking non-renewable resources, not spent to significantly reduce pollution of the planet's earth, air and water; simply spent to present an illusion of green, caring, altruistic, socially responsible business. One may even be lulled into believing that profit is the least of their worries.

Yeah, but – that far too frequent punctuation in what was meant to be a meaningful conversation – there are laws and regulations that outlaw trade in illegal timber and diamonds and there are agreements like Kyoto to reduce pollution and big name companies are now taking responsibility for the level of pay and conditions of their workers in the sweatshops in Indonesia and Bangladesh etc.

Right, of course. There are laws and agreements and treaties but for every one there are loopholes. Agreements are signed and then reneged on regularly. The buck gets passed from pillar to post with elites denying knowledge until forced by public pressure to 'take steps' to repair damage done to their image. Business just doesn't work with the best interest of the majority in mind. We have to look at the *raison d'être* of the business world which is not to make or supply goods specifically at the behest of the citizenry, not to provide the services demanded by them. Business makes the goods and provides the services *and* manufactures the need. It is simply and straightforwardly to make a profit. One very simple example is the call-centre. Who do you know who would choose to sit waiting on the end of a phone with mind-numbing music and recorded apologies just to get the answer to a simple question and you know you're waiting while the company is either making money by selling you something or saving money by not employing enough bodies to answer the phones. Where's the responsibility to the consumer there?

Yeah, but we need these products and services anyway, don't we?

Maybe we do need some of them but many products are produced for a created market; stuff to sell to those who have enough money to be in any particular market place. Obsolescence is built in – to cars, washing machines and other electrical gear; fans' football strip needs replacing/updated once or twice a year; fashion is a must in everything, spurred on by advertising and the media, itself a smaller and smaller group of expanding mega-businesses concentrating profit and control into fewer and fewer hands; clothes, furniture, house decoration, garden decoration, accessories of all kinds, creating an unending lust for more, more, more. The other side of this is that millions of people don't have access to most of this stuff because they don't have the resources or the access to earn the resources with which to pay for them. Even sufficient food, clean drinking water and adequate shelter is beyond the reach of many. This surely demonstrates that the over-riding motivation is profit, not responsibility. There is a green-washing, white-washing, brain-washing going on constantly by corporations and their PR departments trying to keep up with or preferably to stay

one step ahead of the watchdogs and activists ready to reveal their next miscalculated step.

Yeah, but the activists and watchdogs do get some changes made . . .

Yes, they do. However, what gains are made are more than made up for by losses in other areas. Ask the activists. Ask them and ask yourself why there are more activists working in more areas than there ever were before. Slavery was abolished generations ago but it hasn't stopped slavery and trafficking. Forcing one clothing company to stop employing children or to pay a minimum wage or to allow their workers some time off the premises or even to accept that these are areas of their responsibility, not just of their sub-contractors' doesn't address the fundamental issue of general social responsibility. 'Social responsibility' and 'environmental responsibility' have become convenient screens to hide behind, theatrical masks behind which amoral, unethical pirates can continue their quest for a larger share of the world's pie untouched by the cognisance of starving millions who can't get close enough to even smell the pie. The fact is, whatever sop a corporation may deign to give, whatever concessions any number of corporations may yield, globally there are more people without work, without prospect of work, who are homeless, who are destitute – and closer to home there are more who work longer hours for less pay, who have reduced pension rights and less bargaining power.

Yeah, but back to public pressure . . .

Public pressure is important but to know, to be aware of what form that pressure should take is more important. Public awareness must come first for any kind of pressure to be effective. First we have to recognise that the corporations are just following their designated route in pursuing maximum profits so it's pointless complaining about them doing their utmost to fulfil their mission. If we focus on this only as a single issue then we are allowing ourselves to be sidetracked. If we truly wish to give people and the environment a fair deal we have to see this issue as one part of a much bigger whole. In this particular issue the only way to positively affect the whole production line from raw material to consumer is to remove the profit involved. By removing money from any transaction along the chain the gains will be for the environment and people's welfare. Similarly with regard to other issues (water – health / big dams / privatisation; wars – weapons and proliferation / numberless casualties; oil the far too frequent punctuation in what was meant to be a meaningful conversation / environmental problems / imbalance in use of resources; farming – cash crop problems / big pharma – seed rights ownership / landless peasants; trafficking – drugs / sex / workers / babies; and on and on...) awareness of the negative effects of the money/profit system reveal that, as it's the capitalist system itself that requires this profit motive at its base to function, it goes without saying, it's the capitalist system as a whole which has to be replaced. And imagine how much more quickly that change could be brought about with the combined effort and energy of all those dedicated people around the world seeking justice and fairness for all through their single issue campaigns; how much stronger and more powerful the whole when all the separate parts work together for the ultimate single issue, socialism.

**JANET SURMAN**

## Thicker than Water / Obituary of a capitalist ?

In the late 1970s a shepherd in Perthshire, Scotland was made redundant. Around the same time the Conservative Party of Margaret Thatcher was starting its privatisation programme, including the deregulation of

public transport, permitting anyone to provide bus services in competition to the council services. The shepherd gave his £25,000 redundancy pay to his two children, Ann and Brian, to buy two second-hand buses.

Accelerate twenty-five years forward and their company (Stagecoach) has grown into an international transport conglomerate extending to bus, rail and airport operations, with holdings in five continents and turnover of £1.5bn.

Brian Souter is now the richest man in Scotland and his sister Ann Gloag is the richest woman. Souter has an explanation for this: "ethics are not irrelevant, but some are incompatible with what we have to do, because capitalism is based on greed". But unknown to many there was a third founder of Stagecoach, way back in the early 1980s. What happened to him ?

In December 2007 a number of newspapers reported on the death of the third founder, Robin Gloag. Who's Robin Gloag to deserve an obituary, you might wonder? He certainly was not well-known, but his was arguably the flip-side of a capitalist "success" story. It would be hard to read his obituary and not reflect on the misery capitalism causes.

Robin Gloag at one time owned one-third of Stagecoach, along with Brian Souter and Ann Gloag – his wife. At the time of his death he still retained one share in Stagecoach the international bus and train company. "They tried to get me to sign it away, but it's still in my name... They didn't push hard enough and I didn't fall off a cliff."

But he was all but pushed off a cliff, being legally shafted within the rules of the market when the thieves fell out. Brian Souter and his sister Ann manoeuvred Robin Gloag out of the business after 3 years. It seemed he didn't have the

necessary personality or willingness to match their ambitions for the fledgling company. He preferred to have his head under the bonnet of the coaches.

He was given £8000 to leave. But when he used this pay-off from Stagecoach to set up a small-scale rival running only one small route near Perth this was still perceived as too much of a threat by his (now ex) wife and brother-in-law . They halved their fares then dropped them to nothing to put him out of business altogether. No love appears to have been lost. After putting his company into administration, Ann Gloag and Soutar purchased it for pennies and sacked him.

Dysfunctional families falling out over money happens regardless of class of course. World socialists aren't interested in individuals – it's the system we oppose. We are opposed to the nice fluffy capitalists just as much as the bastards, the Richard Bransons and Anita Roddicks, as well as the Brian Souters or the Conrad Blacks of this world.

As the business grew, the ultra-competitiveness with which Stagecoach forced Robin Gloag off the roads become legendary in the initial cowboy world of unregulated bus services . One Monopolies and Mergers Commission judgement branded Stagecoach's behaviour as "deplorable, predatory and against the public interest". Investors were delighted however.

While Ann amassed enormous wealth, Robin Gloag continued to work at his small coach hire business. He was no capitalist : "I am far too soft" he said. Ironically, he had planned to run it as long as he was fit enough, reflecting: "It's what I have always done and I enjoy it... I have never been afraid of hard work." Robin Gloag died in December 2007 working at the age of 64; he was covering a shift for one of his employees who was sick.

The Stagecoach story is a lesson in the random nature of business success. Capitalism partly justifies itself on the basis that it is open to anyone to become a capitalist. In reality the vast majority of the members of the capitalist class were born in the right bed to start with. But there are exceptions, including the shepherd's children, Ann Gloag and Brian Souter. But their story is not one of incredible initiative or hard work, just a fair bit of

money to start with and good timing (the launch of Stagecoach conveniently coincided with a national rail strike). Plus of course a willingness to shaft anyone – friends or family – who got in the way.

On the same day that Robin Gloag was killed at work, Stagecoach reported healthy six-monthly results, posting a 9 percent rise in profits to £85 million. |

**BRIAN GARDNER**

**"Ethics are not irrelevant, but some are incompatible with what we have to do, because capitalism is based on greed"**



# Capitalism Chinese-style



*A five-year congress of the Chinese Communist Party*

The 17th Congress of the Chinese ‘Communist’ Party was held back in October. It was five years since the previous one, so this is clearly not a decision-making body that determines how the party — and therefore the country — should be run. Rather it’s a rubber-stamp gathering that endorses what the CCP’s power-holders have already decided. The Central Committee is ‘elected’, but even that meets less than once a year, and it is the political bureau and its standing committee (nine men in dark suits) who really run things.

The CCP has changed over the years. It now has over 70 million members, and another 20 million applicants for membership. The growth of private capitalism in China has led many of the wealthiest people in the country to join the party. In the Hongdou textile group, which has assets of over a billion yuan (around £60 million), all the high-level managers are party members. Another capitalist, Liang Wengen, who has a fortune of three billion yuan (£190 million), was a delegate to the congress. If private entrepreneurs can join the party, he said, it “helps to enhance the brand recognition of our company.” Western companies may promote their brands by sponsoring football teams, while in China they do so by joining the ‘Communist’ Party!

A new party constitution was adopted at the congress. This talks about building ‘socialism with Chinese characteristics’, which includes a supposed socialist market economy, i.e. “optimizing resource allocation while giving

play to market forces”. As the balance shifts towards private rather than state capitalism and state-owned enterprises are increasingly listed on the stock market, all pretence at any connection to Marxism has long since been dropped.

Instead, the rich are getting much much richer. According to some reports there are over a hundred billionaires in China, while the average income is less than \$1000 a year. No wonder many Chinese workers, especially in the south, are prey to the ‘snakeheads’ who promise good jobs and decent wages in return for a huge fee for smuggling people out of China and across to Europe. The jobs and pay are never quite what is promised, of course,

but the prospect is better for many than the grinding poverty of life in China. Within China there are 120 million migrant workers who have moved to the cities to find work and yet fail to escape poverty and exploitation.

In December, the China Labour Bulletin published a report on the workers’ movement in China 2005-6 (see [http://www.clb.org.hk/en/files/File/research\\_reports/Worker\\_Movement\\_Report\\_final.pdf](http://www.clb.org.hk/en/files/File/research_reports/Worker_Movement_Report_final.pdf)). It begins as follows:

“After working repeated overtime shifts for an entire month, Hu Xinyu, a 25-year-old employee at the Huawei factory in Shenzhen, collapsed and died from multiple organ failure on May 28, 2006. Two days later, Gan Hongying, a 35-year-old woman employed in a clothing factory in the Haizhu district of Guangzhou, died after working a total of 54 hours and 25 minutes (22 hours overtime) in the previous four days. A few weeks later, a senior union official publicly admitted that China’s official trade union was virtually powerless to prevent forced overtime in factories across the country.”

So workers endure forced overtime in dangerous conditions while the bosses count their ill-gotten gains and flaunt their membership of the ‘Communist’ Party. It’s still capitalism, and becoming less and less different in any way from the kind found in the West.

**PB**



# The last time the police went on strike

*What we said in 1919 about the police unrest and strikes of that time. Ironically today's demonstrations are organised by the Police Federation, the company union set up in 1919 to stop a real union being organised.*

## **Bobby's discretion**

So, the bobbies have funk'd it. We are not, for the present, at all events, to be treated to the comic spectacle of strike processions of bluebottles being shepherded through the streets by their own blacklegs, the "specials." The world has lost an entertainment.

Of course, we are not blind to the difficulties of the policemen's situation. Their bosses had got the stranglehold on them. By the simple expedient of stopping sixpence in the pound of their wages, confiscating their fees for the service of summons, and in other dubious ways, the capitalists provide a pensions fund at poor Looby's expense. The loss of this pension, together with the "sack," is the first threat the bosses hold over the bobbies' heads. Bobby is a man with no other trade in his hands in the vast majority of cases. So the threat of losing a regular job has special terrors for him. In addition, the loss of his pension—a pension designed, as most pensions are, to get a disciplinary grip upon the subject which probably no other expedient possible in a "free country" could afford, is a prospect requiring a quite uncommon type of mind to withstand.

The bosses, of course, played the game for all it was worth. They said they were flooded with applications from soldiers and ex-soldiers to take the policemen's jobs. They also talked loudly but vaguely about the arrangements that were being made to meet Buttons' grievances. It was the old game of bribe some and threaten others—the game played from the beginning to the end of the recruiting for the war—the game played to kill the demobilisation trouble after the Armistice. As, in the earlier case, the single and the young were promised jobs and preferment if they enlisted, and the married and the older ones were threatened that they would have to go if they did shove the others in; as, later, the older men were promised early demobilisation if they kept quiet, and detention till the last if they did not, while the younger men were soothed with extra money, so the older policemen were threatened more particularly with the loss of all that was so nearly won,

while the younger men were soothed with promised improvements in the longer road before them.

Meanwhile the policemen played their cards just about as badly as they could. They ~~have~~ climbed down under threats—that which hardly anything could more completely have exposed their weakness and fear. Added to this they have climbed down before their bosses had committed themselves to the vaguely talked-of concessions, and in face of this confession of funk and weakness those concessions are going to shrivel up considerably. The bosses have found out all they wanted to know—that the reward they are offering their bulldogs is sufficient to secure their allegiance to their odious duties. If they dare not decline those duties for themselves they can never dare to decline to perform them for others. So, when labour troubles come Bobby will not, the masters are assured, be a trade unionist, and they have secured this, thanks to their cunning, at about the lowest possible price.

The *Daily Chronicle* in its issue of June 2 tries to point out to the policemen why the Government can never recognise the Police Union, and, as usual, it reveals only half the truth. "The police exist," our contemporary says, "to support the State. That is what they are for. . . They cannot strike and agitate, or even become public politicians, without ceasing to be policemen." Which is true enough as far as it goes, but does not dispose of the not unimportant fact that the policeman is so essentially a member of the exploited class that he cannot get his admitted grievances redressed until he threatens to cease to be a policeman.

The more important matter, however, is the statement that a policeman is only such to support the State. The complement of this half truth is, of course, that the State is only an instrument for keeping the workers in subjection. Directly this position is realised it becomes obvious how far the police are from getting recognition for any police union that could possibly link them with the unions of the industrial world. The position of police force affiliated with the industrial

trade unions would indeed be a tragic one in a time of strife. This the bosses have sense enough to perceive, if the underlings have not. And it is for this reason rather than that they are afraid of being dictated to by the men that the Government will never recognise the Police Union.

It was probably a lie that the police authorities are inundated with blackleg applications from soldiers, but the capitalists have a deep pocket, and, as long as their control of the instrument of the State lasts will have no serious difficulty in obtaining men who will carry out their behests. It is simply a question of the price.

The only thing that can deliver the policeman—as the rest of us—from the tyranny of his tormentors is for the working class to assume control of the State, and to use its forces, including the police, to abolish capitalism and establish the Socialist Commonwealth.

(editorial, *Socialist Standard*, June 1919)

### The police v. the police

The capitalist Press has been busy explaining to Simple Simon that the action of the police in “breaking their oath” is not only mutiny, but “a crime.” Of course, it is always a crime when the bulldog turns and rends its master’s hand, notwithstanding that that hand was doing things with a stick. But there is another side to the question.

During the long period when the workers were more somnolent than they are now, and that condition was reflected in a far more incomplete organisation and a far greater trust in and submission to their union officials, the bosses were not so much afraid of the “labour unrest” as they are to-day. Consequently they did not attach the same importance to the bobby as they do now, and they made the mistake of paying him accordingly.

The result was inevitable. Notwithstanding his oath, the policeman was forced to struggle for a betterment of his miserable condition. More even than in other trades—if that were possible—this necessarily meant organisation. A union was formed, and as the aspect of

industrial affairs became darker, a police trade union, affiliated possibly with other trade unions, deriving a certain amount of its strength from those unions, was regarded as an extremely sinister thing.

The bosses got a bit nervous. They made panic concessions, and then they started to cut out the “cancer”—in other words, to smash the union.

Now it is quite clear that the men owed every jot and tittle of the improvement in their condition to the union. Their oath availed them nothing. It was only intended to bind them to vile conditions of pay and tyrannical discipline. They might have stood meekly by it till doomsday, nothing would have been done for them. Only when they seriously threatened to commit the “crime” of leaving their oath to look after itself, as butcher Asquith did his registration and other pledges, and Lloyd George did his pledge concerning sending young boys to the “front,” did the masters deign to give them some measure of alleviation.

It is quite plain, then, where the crime comes in. It is certainly not in breaking their oath, which they had been driven to do by the callous indifference of the bosses to their claims, but in their desertion of the instrument which had gained them so much. To allow that to be crushed out, and those who had undertaken the task of organising them for the struggle, to go down in the hour of victory is both a mean and cowardly crime.

Writers in this paper have previously pointed out how extremely unlikely it was that any sort of union that could be any good to the men would secure official recognition. The forecast seems to be pretty correct. Had the police, however, behaved with sufficient courage and intelligence as to force the question of recognition to a successful issue, the simple and inevitable result must have been the increased use of bayonets instead of batons in industrial disputes. The masters have more strings than one to their bow.

A. E. J.

(*Socialist Standard*, August 1919).



## Cooking the Books 2

### The price of bread

The price of bread went up by 10 per cent last year and is likely to go up again this year. Wheat is a commodity, something produced primarily for sale not use; in fact it is a world commodity traded on world markets and so subject to international speculators betting on its future price going up or down. Its price is fixed by trading in Chicago where speculators as well as genuine buyers and sellers meet electronically. The *Times* (18 December) reported that “the Chicago wheat price has risen from about \$5 a bushel in the fourth quarter of last year to reach \$10.09 yesterday”.

As wheat is the main ingredient of bread what happens in Chicago in the end affects the price of bread too. That the price of such an everyday item depends on world developments is a striking illustration of the world-wide nature of production today and one of the reasons why socialists say that the basis for a world socialist society already exists today.

The price of wheat is fixed in Chicago because the US is the biggest exporter of wheat, from its highly productive prairie farms. According to estimates by the International Grains Council, in 2007 of the 56 million tonnes produced in the US, 32 million were exported. The other major exporters were Canada (15 million), Russia (12 million), EU (10 million) and Argentina (10 million). (<http://www.igc.org.uk/en/downloads/gmrsummary/gmrsumme.pdf>). Normally Australia would be the second biggest exporter but a prolonged drought there reduced its 2007 output.

The IGC forecasts that world wheat consumption in 2007/8 will be 611 million tonnes whereas production in 2007 will only have been 603 million. So countries have been digging into their reserves and will be looking to replenish them. Hence the current rise in the world price of wheat. There is even talk of this being the biggest wheat shortage in history.

As the price of wheat rises so it becomes profitable to plant more land with it, either by switching from something else or by bringing previously unused land back into cultivation. This latter is what has happened in Europe. Meeting in Brussels on 26 September EU agriculture ministers agreed to fix a zero “set-aside” rate for the autumn 2007 and spring 2008 sowings. The press release went on: “The change comes in response to the increasingly tight situation on the cereals market. It should increase next year’s cereals harvest by at least 10 million tonnes”

Set-aside is the scheme under which EU farmers are paid not to grow food. In the past they were encouraged just to let the land lie fallow but, more recently with the rise of an environmentalist conscience, the scheme has been justified in terms of creating nature reserves and restoring “natural” wildernesses. That the whole scheme is in effect being suspended and previously set-aside land brought back into cultivation, in response to rising world wheat prices, exposes the real reason for set-aside: maintaining crop prices by reducing supply – while the world poor starve.

Which confirms what socialists have long said, that the world could produce more food if the aim of production was the satisfaction of human needs. People are starving simply because they lack the means to pay, not because the food cannot be produced – as this new output demonstrates, there is plenty of scope for increasing supply.

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### Against multinationals

***Multinationals on Trial.* James Petras and Henry Veltmeyer. Ashgate. 2007.**

The basic thesis of this book is that multinational corporations (MNCs) are not simply capitalist corporations which have investments throughout the world in search of the highest rate of profit, but that they are also agents of the states in which they have their home base, helping them to build up and consolidate an “empire”.

Their argument is that MNCs investing in Third World countries do not benefit them or help them to develop; on the contrary, through various financial devices and unequal contracts, they are vehicles for extracting and transferring wealth from these countries back to the home country. Further, once established in a Third World



**ING House, headquarters of the Dutch multinational ING**

country, they outcompete or takeover local businesses and corrupt and co-opt local politicians and officials. The local politicians then come to adopt a foreign policy favourable to the home state and the process of the incorporation of their country into that state’s empire is achieved. The “imperial” state in turn helps their MNCs by using institutions such as the IMF and WTO to facilitate MNC entry into other countries through the imposition or negotiation of measures to encourage foreign investment, tariff-free trade, repatriation of profits, denationalisations and the protection of MNC property rights.

There is a certain amount of truth in this. States do support MNCs in this way, but it is not so obvious that MNCs are conscious agents of a state’s “imperialist” ambitions, especially as Petras and Veltmeyer are not always clear which states are “imperial”: The US (of course) but sometimes they speak of “the Euro-American Empire” or the West generally, so avoiding the problem of deciding whose empire a euro-american MNC would be helping to build.

“Imperialism” is a slippery word as all states seek to channel as much of world profits their way as they can. It is just that some states are stronger – some, much, much stronger – than others and so are better at doing this. In which case “imperialist” would just be another way of describing the successful states. But this does not mean that currently weaker states are not striving to do the same.

Petras and Veltmeyer take the side of the weaker states in this world-wide strug-

gle between all states to grab a share of world profits and offer advice to developing countries on how to combat the policies of the stronger, more successful states. The authors tell them not to rely on foreign investment to develop, but to adopt measures such as nationalisation, state monopoly of foreign trade, protectionism and exchange controls instead. In short, a policy of national state capitalism, although they themselves don’t use this term. They see themselves as “anti-imperialist” and even pro-working class and socialist. Anti-imperialist maybe, but not socialist.

At the end of the first chapter, they grossly distort Marx’s materialist conception of history when they write of “the class and national struggle, which as Marx once pointed out is the ‘motor force of history’” (our emphasis). Marx did indeed see class struggles as the motor force of history, but not national struggles as such. National(ist) struggles are class struggles under an ideological smokescreen, but not of the working class. They are either struggles by an aspiring capitalist class to establish themselves as a new national ruling class or struggles by an established but weak national owning class to gather a bigger share of world profits for themselves. There is no reason why socialists should support them.

**ALB**

### Buying People

***Selling Olga: Stories of Human Trafficking and Resistance.* Louisa Waugh. Phoenix £8.99.**

The Olga of the title is a Moldovan woman who was earning 35p a day working in an outdoor market. In desperation she and a friend replied to a newspaper ad promising well-paid jobs abroad, and were told they would be caring for elderly people in Italy. They ended up being sold to a bar-owner in Kosovo, where they were forced to work as prostitutes. After two years Olga managed to escape and returned to her home town, where she was housed and supported by the International Organisation for Migration. During her time in Kosovo she was beaten so badly that she lost almost 70 per cent of her sight.

Louisa Waugh’s book is full of appalling stories such as this, of women trafficked into the sex industry and forced to ‘repay’ those who arranged their journey and employment. Not all trafficking involves sex slaves, however, and many of those smuggled to other countries work in construction and agriculture, among other industries. The International Labour Office estimates that two and a half million people are caught up in trafficking, though others give far higher figures. In Moldova it has become one of the largest national industries, while Albania is another big source of trafficked women.

And what are the causes of this shocking ‘industry’? One is the fact that many men are willing to pay for sex, so pimps can make a profit from it. But on the sup-

ply side the answer is one simple word: poverty. Waugh quotes the director of an organisation called the Useful Women of Albania: “Women are trafficked from Albania because they are desperate to leave in the first place . . . if women are living here in poverty and they have nothing, then they will sell the only thing they can make money from: their own bodies.” The line between those who are trafficked and those who migrate ‘freely’ is a thin one. A report for Save the Children referred to “a steady rise in emigration for voluntary prostitution abroad in order to escape poverty and bleak futures in Albania.” But prostitution can rarely be voluntary in any real sense, and few of the women who migrate in order to earn money from selling sex are prepared for precisely what awaits them.

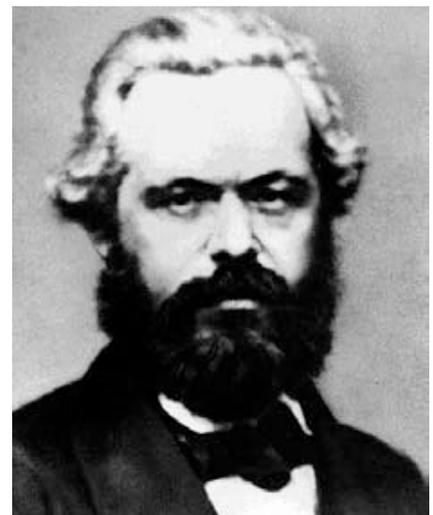
Many governments in Western Europe, including the UK, have addressed the problem of trafficking by cracking down on illegal immigration. But this has only led to the creation of an underclass of undocumented migrants, a group which includes those who died in Morecambe Bay in 2004. Forced labour — not confined to sex work — is an important part of the British economy, for capitalism wants cheap and pliant labour power. The extremes to which it will sometimes go to obtain it, graphically depicted in Waugh’s pages, show why it’s necessary to get rid of this diabolical system.

**PB**

### Marx misunderstood

***Economics Transformed.* Robert Albritton. Pluto Press, 2007**

Classical economics began with the publication of Adam Smith’s *Wealth of Nations* in 1776. It continued with John Stuart Mill’s *Principles of Political Economy*, first published in 1848, which was to re-



main a standard textbook on the subject for nearly a century. After the Second World War, neoclassical economics became the new orthodoxy in academia. The main difference with neoclassical economics is a much greater emphasis on math-

emational formulas. However, what unites classical and neoclassical economics, together with all its various sub-divisions, is a theory of price with explicit or implicit policy recommendations for running the economy – unemployment levels, interest rates, cures for inflation, and so on. Where does Marxian economics fit into all this? The short answer is – it doesn't. Marxian economics provides a theory of profit and doesn't presume to tell the capitalists and their governments how they should run their system.

Profit-making is the life-blood of capitalism, though you wouldn't guess it from the news reports that economic well-being is threatened by a lack of "consumer confidence" – in other words, you're not buying enough stuff from the shops. Capitalist economics is there to explain that profit is untouchable as the reward for waiting for investments to pay off for the capitalists, and as a reward for risking their capital. But these are an attempt at *justification* of profit, not an explanation of the *source* of profit, which is what Marxian economics is concerned with. Waiting and risk in themselves do not create profit. There is only one way that vast personal fortunes and the social accumulation of capital can be satisfactorily explained: as the result of the unpaid labour of the working class being appropriated by the capitalist class in the form of profit.

And then there are the consequences of the profit motive: crises, recessions and mass unemployment; and all the other effects which create human and environmental degradation in its wake. Albritton doesn't deal adequately with any of this, which is unfortunate in a book which claims we can be "Discovering the Brilliance of Marx" in economics. Moreover, Albritton's understanding of Marx is undermined by his claim that we can "democratically manage markets so as to serve the needs of social justice." Firstly, Marx never made that claim and in fact specifically argued against the use of markets of any sort. Secondly, markets presuppose private or class ownership of the means of production and distribution. Students of Marxian economics will need to look elsewhere.

**LEW**

## Bronterre O'Brien

**Bronterre O'Brien and the Chartist Uprisings of 1839. David Black. Radical History Network, 2007**

James O'Brien contributed articles to the *Poor Man's Guardian* under the pseudonym "Bronterre" and eventually adopted it as his middle name. O'Brien soon became the *Poor Man's Guardian* editor as it campaigned for universal suffrage at the time of the 1832 Reform Act. This Act however merely redistributed the vote amongst the ruling class, leading to the drawing-up of the People's Charter in response ("essentially a program for universal male suffrage," according to Black) in 1838 by the

London Working Men's Association and the Birmingham Political Union. In June 1839 a mass petition was presented to, and rejected by, Parliament. Violent uprisings then occurred around the country, including a fierce battle in Newport, South Wales, in which 24 died and 50 were wounded by gunfire. After the Newport uprising was



**Chartist meeting, Kennington Common, 1848**

suppressed its leader, John Frost, was sentenced to death (later commuted to transportation for life) and O'Brien was sentenced to eighteen months in prison for making seditious speeches.

Black's short tract on this particular episode reads like a Trotskyist analysis of the event as a failure of leadership (in Trotskyist literature working class setbacks are *always* the result of a betrayal of leadership). Thus Black argues: "if the Rising in Monmouth had not been led by John Frost it might well have succeeded." Succeeded in doing what? Taking and holding Monmouth? Creating a revolutionary situation? Such fantasies were dismissed by O'Brien who had withdrawn from active involvement by this stage. According to Black:

"He explained later that he could not conscientiously take part in secret projects which could only at best produce partial outbreaks, which would easily be crushed and would lead to increased persecution of the Chartists."

The Chartist campaign lasted another 10 years before collapsing in failure.

**LEW**

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## Meetings

### Chiswick

Tuesday 19 February, 8pm

RAVAGES OF ECOTOURISM

Speaker: Brian Johnson

Committee Room, Chiswick Town Hall, Heathfield Terrace, W.4 (nearest tube: Chiswick Park).

### Manchester

Monday 25 February, 8.30 pm

Discussion on Nationalism

Unicorn, Church Street, City Centre

Please be advised that the next business meeting of **Central London Branch** will be held on Wednesday, 20 February 2008 at 18:30 at the

Shakespeare's Head, 64-68 Kingsway, Holborn. (Nearest tube: Holborn.)



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## Old familiar faces



Here it is, then: *Universities and Left Review*. Very well got up, good typography; indeed, the Abbey Press (the people who print it) are to be complimented on having a range of bold, large and display types almost sufficient to keep up with the editors' delight in Names. The cover bears the contributors' names (Isaac Deutscher, Claude Bourdet, Peter de Francia, E. P. Thompson, G. D. H. Cole, Joan Robinson, etc..) in massive black letters, their topics in small ones. (. . .)

What purpose, then, does the *Universities and Left Review* serve? Pretentious, empty of ideas, its material picked from ideological dust-heaps, it has set out to make a splash—or, as the first editorial put it, to take a beachhead. Its avowed purpose is to publish discussion on “the common ground of a genuinely free and genuinely socialist society.” Its way, the editors say, is “to take socialism at full stretch — as relevant only in so far as it is relevant to the full scale of man’s activities.”

If that were true — “the full scale of man’s activities” — it really would be interesting. But, of course, it isn't. Search the *Universities and Left Review*, and only in a



line here and a phrase there will you find the working class mentioned. Professor Cole has a good word for them, and there is a little lofty patronage from David Marquand (“in the thirties, there had to be an effective mass movement for the intellectuals to join”) and E. P. Thompson (“the experience of rank-and-file political activity teaches us and keeps our ideas on the ground”). The names in the *Universities and Left Review* see themselves (bear witness, the articles on art, the cinema, architecture) as members of an élite: the General Staff on that beach-head, the upper crust of the “genuinely socialist society.” (. . .)

*Universities and Left Review* seeks comment from the socialist viewpoint. It can be simply made. There is not a word concerning Socialism from beginning to end of the *Universities and Left Review*. Reformist claptrap, yes; pretentious verbiage, indeed; chatter about how things are for the intellectuals, above all. But of the interests of the working class, the great majority of mankind—not a whisper.

The most useful left-winger we ever saw was Tom Finney (above). The day he scored against the Arsenal—now, that was worth three-and-six.

(from article by Robert Coster, *Socialist Standard*, February 1958).

## Declaration of Principles

*This declaration is the basis of our organisation and, because it is also an important historical document dating from the formation of the party in 1904, its original language has been retained.*

### Object

**The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.**

### Declaration of Principles

The Socialist Party of Great Britain holds

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.)

by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom,

the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.



# The mass debaters

*Who will win the race? Which horse is your money on? Will we notice when they win?*

The excitement is killing me. Who has seen whiter, glossier, teeth and lies whiter and glossier still than those that were bared on television during the recent debates between Democrats and Republicans? The race culminating in the presidential trophy in late 2008 is solidly on, with these wealthy members of the capitalist class vying for leadership of the world's most prosperous land, brought to them by the generous contributions of our dear readers' unpaid surplus value.

These sellers of capitalist reforms are so impeccably dressed and groomed, so charming and witty, so passionate in their determination to give a structurally exploitative society a new lease on ideological life, that it might well take an Odyssean resistance to temptation on your part to keep from falling for their well-oiled sell, written and rehearsed with a large team of marketing professionals from behind the curtains.

## Obama

Senator Obama, for all his oozing liberal rhetoric and strong likeability factor, while an Illinois Democratic senator has always supported a free market system. Isn't that the one in which most of us must work so hard to produce free surplus value for our employers that we don't even have enough free time to ourselves?



One of the most popular bills that he signed in 2007, the Shareholder Vote on Executive Compensation Act, also known as "Say On Pay," allowed shareholders to limit the inflated salaries of corporate CEOs but while this was easily and incorrectly perceived as a Robin Hood move, the reality was that studies in the *Wall Street Journal* had previously demonstrated that poorer CEO performance was correlated with more

inflated salaries, and also that in economically troubled companies, worker morale suffered the most when CEOs were receiving pay of exceptionally bloated dimensions. In short, fiscal policies and laws must attempt to look after the interests of the capitalist class as a whole, even at the minor expense of individual capitalists. Behind each liberal dream sits a wallet somewhere waiting to bulge.

Obama was further criticized and praised last year for spending \$18 billion on promoting merit pay of the nation's teachers by cutting costs from the NASA Constellation Program, delayed now by 5 years. On the surface, noble and caring, no? Well, in capitalism the only nobility are the ones who still own parts of the land, and even the most caring sentiment finds a way out of the heart and into the coffers of the rich. His plan to improve merit pay for teachers was harshly criticized by the National Education Association (the largest labour union in the U.S.), the Urban Institute and the Cato Institute, on the grounds that merit pay could actually end up favouring schools in better neighbourhoods whose track records were stronger as a result of the inflow of local resources, could lower the morale of teachers owing to the resulting competition between them, and could create a new expensive bureaucratic superstructure overseeing the programme itself. Isn't it sickening that in capitalism resources cannot be directly accorded to those who deserve it the most, our children's teachers, without producing such negative consequences upon the institutions and atmosphere in which our children are learning?

Obama is also on record for stating that he is not opposed "to all wars, only dumb wars" (famous Fall 2002 speech at the anti-war rally at Chicago's Federal Plaza). While urging for a date by which de-escalation of the militarization of Iraq should begin, Obama has also consistently refused to actually cut funding for the Iraq War. Capitalism makes it hard for seemingly honest, intelligent and good-intentioned politicians such as Obama to take a solid stance against the murder of the innocent (who are always the ones in war to die in greater numbers than the intended targets), even for those politicians who would likely come across as largely anti-war in a private conversation (if they too openly challenge the status quo, they may be attacked for undermining the war on terrorism – and as a result of their careful public manoeuvring, their platform always seems unpredictable and inconsistent).

## Clinton

Hillary Clinton lost the Iowa caucus but won the Democratic Party primary in New Hampshire. She is thus very much in the race to become her party's presidential candidate at this time, with the biggest next date that may tip the scales in favour of Clinton or Obama

what is dubbed by the press Big Tuesday on February 5th (something to get so excited about when we get home from work that day). Clinton is garnering a lot of support for her life-long struggle to medically insure all Americans, however she no longer advocates a single-payer insurance system as she once did and as all other capitalist nations around the world presently provide. Another example of the compromise she had to make to remain a viable leader of the Democratic Party, and a perfect example of how the needs of capitalism so taint the original ideals of those running for big offices that by the time they arrive there, they look, smell and sound like anyone else in the White Lie House. Indeed, the only Democratic Party candidate who does presently advocate a single-payer insurance plan is John Edwards, who is presently trailing significantly behind the other two in the race.



Hillary Clinton is assuredly not going to be making the world any safer from war, either. It is true that she has worked to improve the medical and psychiatric treatment benefits available to veterans, thus leading one to assume that she is more willing to improve in the patching up of those who fought abroad than in preventing their being massacred physically and emotionally there in the first place. However, as the potential leader of one of the world's great powers, her job will be to make sure that she protects the economic interests of this country's industries and their standing in the marketplace as a whole. Rather than attempting to make the world safer from war, her own website recites the same sort of patriotic dribble one finds frothing out of the mouths of every other leader running for president, in her case: "every member of our armed forces will receive a fair shot at the American dream when their service is over." We all know, of course, how "fair" the American dream is, especially the millions of American presently failing to pay off their mortgages at a landslide rate, and the volunteers at the 51,000 food pantries across our "fair" land that are presently providing food assistance to the millions of extra customers turning up at food banks in recent years (according to America's Second Harvest "2006 Hunger Study").

## Ron Paul

Ron Paul, a Republican presidential candidate, actually came out in the recent debates the strongest opponent of the Iraq War. His opposition seemed partially fiscal in nature, as he deplored the \$300 billion spent on it thus far. But it was also ideological, as he felt the arming of groups who later turn against the United States (e.g., the Kosovars who aided Islamic terrorists, or the Afghan jihadists themselves, and their friend Osama bin Laden) had acted to fuel increased national insecurity rather than security, and increased terrorism rather than less. And of course, Ron Paul is probably right on this score, surprisingly coming from a member of the Republican Party, the party that always advocates small government but seems in each office hell-bent on creating a bureaucratic gigantic proto-fascist war economy state.



However, Ron Paul, like the rest of the Republicans or Democrats, feels that capitalism can somehow behave more rationally than it does – or at least they want us to believe that with our vote they can transform its foul waters to fine wine. The reality is quite the opposite, as history shows again and again. Tensions between nations are always present over shifts in political allegiances between countries that may benefit some better than others. Global politics is a macrocosm of the local economy, with each company vying to get as much of the business as it can, such as trade, material resources and opportunities for future economic growth. From the perspective of a capitalist enterprise or a nation, the planet is a great big hamburger to chow on, with the unneeded parts thrown away on the landfill – children, nature, women, the elderly, education, health, and common sense. It is, at the bottom-line, a violent and wasteful way for humans to treat both each other and their world. It benefits only those in control of the resources and keeps the rest of us in a state of emotional tension about the relative lack of security that exists around the planet, at any time potentially plunging us all into another world war or terrorist attack. It is a world gone mad.

**DR WHO (WSPUS)**



# Voice from the Back

## TEN WASTED YEARS

Socialists have always stressed that supporting schemes of reforms will not fundamentally change the nature of capitalism and here comes an official capitalist institution whose findings back up that view. "There are 1.4 million children living below the poverty line in Britain, even though at least one of their parents has a job. Despite the changes to taxes and benefits, and the introduction of the national minimum wage, the number of poor children in working households is no lower than in 1997, a report by the Institute for Public Policy Research says." (*Times*, 3 January)

## NO IMMIGRATION PROBLEM

Politicians ever ready to seek the votes of little-Englanders often speak about the problem of immigrants from abroad coming to this country and causing problems such as housing, medical care and education. We imagine these politicians will completely ignore this type of immigration though. "Lev Leviev, who until a week ago was classified as the richest man in Israel, has joined the growing list of Israeli billionaires who have made their homes in London, where wealthy foreigners are not asked to pay tax on income earned overseas. This month, Mr Leviev officially moved into a bullet-proof house in Hampstead, which he bought for £35m. His near neighbours include several other mega-rich Israeli tycoons who prefer UK tax rates. In Israel, they are liable for tax on all their income, no matter where it is from. ...News of his departure has shocked the Israeli business community and created a political headache for its government, because of the drain of wealth from Tel Aviv to London. Among those who have made their homes in London are Zvi Meitar, the founder of one of Israel's biggest law firms; Benny Steinmitz, a diamond dealer and property tycoon; Yigal Zilka, head of Queenco Leisure International; and the real estate developer, Sammy Shimon." (*Independent*, 8 January)

## THIS IS COMMUNISM?

Socialists have always maintained that countries like Russia and China that have claimed to be establishing socialism were in fact building up state capitalism, and now a pillar of US capitalism agrees with us that China has nothing to do with socialism. "The spending choices for China's rich are



Bugatti: as driven by China's rich

multiplying as quickly as the world's fastest-growing major economy can mint new tycoons. In the latest sign of China's rising upper crust and its growing appeal to international marketers, Robb Report, a self-declared catalogue of the best of the best for the richest of the rich, is making its pitch here with a Chinese-language edition. The 200-plus-page Chinese monthly, published under the name Robb Report Lifestyle, is packed with news, product placements and advertising that promotes elite brands such as Volkswagen AG's Bugatti sports cars and Lürssen yachts." (*Wall Street Journal*, 9 January)

## CHINESE BOOMING DEATH RATE

"Accidents in China's notoriously dangerous coal mines killed nearly 3,800 people last year, state media reported Saturday – a toll that is a marked improvement from previous years, but still leaves China's mines the world's deadliest. A total of 3,786 were killed in mining accidents in 2007 – 20 percent lower than the 2006 toll, indicating the effectiveness of a safety campaign to shut small, illegal mining operations and reduce gas explosions, the Xinhua News Agency quoted the head of China's government safety watchdog as saying. Coal is the lifeblood of China's booming, energy-hungry economy. The mining industry's safety, which has never been good, has often suffered as mine owners push to dig up more coal to take advantage of higher prices." (*Yahoo News*, 12 January) The development of capitalism in China has led to more deaths amongst the working class. Surprise, surprise?



Chinese miner

## PROPHETS AND PROFITS

The future of global warming is a complex subject, but many experts believe the growth of carbon emissions could lead to disaster. One of the supporters of that notion is the World Bank with its various schemes to halt or lessen these emissions, but their difficulty is that they also support the profit system so they are left in a contradictory position. "The World Bank has emerged as one of the key backers behind an explosion of cattle ranching in the Amazon, which new research has identified as the greatest threat to the survival of the rainforest. Ranching has grown by half in the last three years,

driven by new industrial slaughterhouses which are being constructed in the Amazon basin with the help of the World Bank.



The new global threat?

The revelation flies in the face of claims from the bank that it is funding efforts to halt deforestation and reduce the massive greenhouse gas emissions it causes. Roberto Smeraldi, head of Friends of the Earth Brazil and lead author of the new report, obtained exclusively by *The Independent on Sunday*, said the bank's contradictory policy on forests was now clear: "On the one hand you try and save the forest, on the other you give incentives for its conversion." (*Independent on Sunday*, 13 January)

## IN A SANE SOCIETY WE LIVE BACKWARDS

In a sane society technological advances would be looked upon as a step forward for humanity, but we don't live in a sane society we live in capitalism. Simon Caulkin the Management Editor of the *Observer* reveals some alarming outcomes of such technical progress. "More than half of all UK employees – 52 per cent – are now subject to computer surveillance at work, according to research from the Economic and Social Research Council's "Future of Work" programme. That's a remarkable figure, and it has led to a sharp increase in strain among those being monitored – particularly white-collar administrative staff. ... Substantial pay rises for most managers contrast with static or even declining wages for low-end computer-monitored workers, who are working harder, and longer hours, into the bargain." (*Observer*, 13 January)

## POOR AND DESPERATE

Men and women because of poverty are forced to work for wages. Inside Europe and North America they have to do as they are told by their masters, to turn up on time to be respectful and if asked to do so cringe, but it is even worse for our African comrades. "Last year roughly 31,000 Africans tried to reach the Canary Islands, a prime transit point to Europe, in more than 900 boats. About 6,000 died or disappeared, according to one estimate cited by the United Nations." (*New York Times*, 14 January) Men and women of the working class are dying to be exploited. Let us get rid of this mad society, 6,000 died last year, how many this year?

## Free Lunch

by Rigg



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# socialist standard



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## Fifty M.A.D. years

Mutually Assured Destruction -  
still living in the shadow  
of the Bomb

© 2008



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#### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 1 March** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.  
**tel: 020 7622 3811**  
**e-mail: [spgb@worldsocialism.org](mailto:spgb@worldsocialism.org)**

## Introducing The Socialist Party

The Socialist Party is like no other political party in Britain. It is made up of people who have joined together because we want to get rid of the profit system and establish real socialism. Our aim is to persuade others to become socialist and act for themselves, organising democratically and without leaders, to bring about the kind of society that we are advocating in this journal. We are solely concerned with building a movement of socialists for socialism. We are not a reformist party with a programme of policies to patch up capitalism.

We use every possible opportunity to make new socialists. We publish pamphlets and books, as well as CDs, DVDs and various other informative material. We also give talks and take part in debates; attend rallies, meetings and demos; run educational conferences; host internet discussion forums, make films presenting our ideas, and contest elections when practical. Socialist literature is available in Arabic, Bengali, Dutch, Esperanto, French, German, Italian, Polish, Spanish, Swedish and Turkish as well as English.

The more of you who join the Socialist Party the more we will be able to get our ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

The Socialist Party is an organisation of equals. There is no leader and there are no followers. So, if you are going to join we want you to be sure that you agree fully with what we stand for and that we are satisfied that you understand the case for socialism.

## Editorial

### The Disarming Truth

Fifty years ago this Easter the Campaign for Nuclear Disarmament was effectively born from demonstrations held outside the Atomic Weapons Research Establishment at Aldermaston, Twenty-five years on from Easter 1958, CND (and similar movements) had risen again, able to mobilise millions onto the streets of capital cities throughout Western Europe in response to a return to cold war US/USSR rhetoric.

During the 50 years of CND's history some things have changed: Trident has replaced Polaris and Faslane submarine base has replaced Greenham Common cruise missile base as the focus for protest. Meanwhile the global nuclear stockpile is now double what it was in 1958, and the number of nuclear states has also more than doubled.

And it wasn't just the badges with the distinctive CND logo that were recycled from the 60s to the 80s: the same kilogrammes of uranium or plutonium from scrapped and ageing warheads have been thoughtfully reused ten years later in the next generation of killing technology.

Despite the laudable aims then – as embodied in their title – the reality of CND is that it has been a front: a cover for the little-known CPPTSRNP (Campaign for Possible Partial, Temporary and Reversible Slowing of the Rate of Nuclear Proliferation). A bit more accurate, if a little clumsy when put on a banner, and hardly a good rallying cry for supporters of course. But CND has, by whatever measure you wish to use, failed. Not through lack of effort of course – no other issue dominated politics throughout the 60s, 70s and 80s.

The parties of the World Socialist Movement are unique in opposing all war – not just certain types of war or certain situations. This is based on a recognition that the interests of the working women and

men who usually make up the cannon-fodder and collateral damage of war can never be aligned with states and governments. We oppose the monopoly that the global owning class have over ownership of the earth's productive resources that are the usual spoils of armed conflict. We see little value therefore in pleading with our rulers to continue their capitalist battles, but to request that they use only this or that weapon.

In the Socialist Party we were sometimes told by CND supporters that there just wasn't enough time to work for socialism: there were only weeks or months left to stop nuclear annihilation and that objective had to be the priority. Thankfully that prediction proved to not be the case. But it is a common objection to the case for socialism, that there is some immediate more pressing campaign that – with just one final shove – will be won, and only then can we start to look to changing the basis of society.

The history of movements to reform one part or another of capitalism has been a history of failure in the main part. We can choose to tinker at the margins or to get to grips with the problem. We can complain about the symptoms, plead with our rulers, or make the decision to address the cause. The history of CND should give us no confidence that reformism is fit for purpose – certainly not with regard to trying to do away with weapons.

We predict that unless the war machine that is capitalism is politically challenged by a majority – armed with nothing more or less than an understanding of how it works – then in another 50 years we will still have wars raging round the globe, with ever more sophisticated weaponry. And of course, we will still have CND. The choice is between a world to win and a world to lose.

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## The Socialist Gene?

Is there a gene for socialism? Are we hard-wired to organise a communal society, share everything and live a peaceful and democratic life in harmonious coexistence with nature and other species? Is anybody asking this question? If not, why not?

Let's face it, people have asked much sillier questions. Recent examples have included: is there a gene for aggression, or obedience, or homosexuality, or whatever human behavioural tic is currently inspiring tabloid copy-editors. Usually they are on the lookout for ways of explaining away character traits which their readers regard as undesirable, and which through cod-genetics can be made to look like evolutionary flaws or dead-ends, or else alibis by which the readers can avoid taking any personal responsibility. Serious researchers do ask questions about cooperation, altruism, sacrifice and other socially more admirable traits, but of course, 'serious' research is all a matter of what funding bodies are willing to pay for, so while the military will certainly be interested in studies which show aggression to be innate, and which thereby affirm the importance of the military, it is hard to see who, in a capitalist world, would be very keen to bankroll research pointing to the desirability of abolishing banks.

What's odd about these questions is that they run counter to the trend of all the evidence, which suggests that genes do not operate in isolation but in matrices, and that one single gene can never be identified as being attributable to one single and discrete characteristic, either mental or physical.

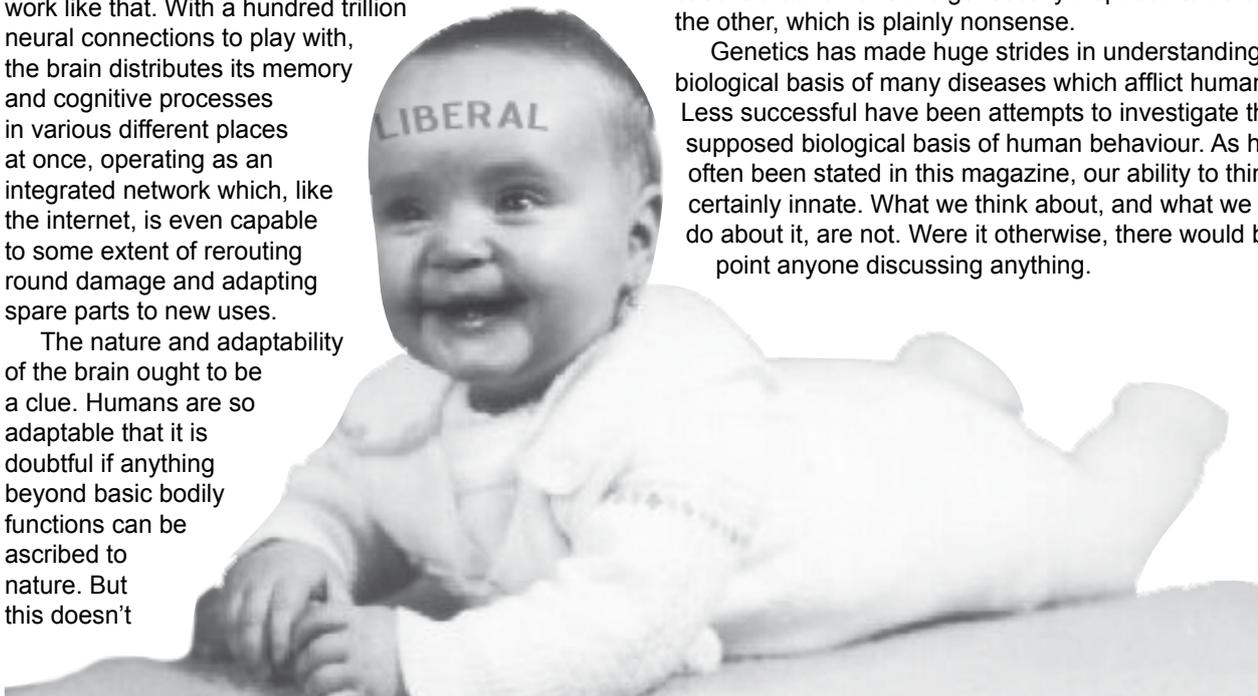
This is strange when you consider how the brain works, and how it is popularly supposed to work. Nobody expects to be able to extract a single brain cell and find, encoded within it, a phrase from Romeo and Juliet or a picture of a Ford Mondeo. We realise the brain doesn't work like that. With a hundred trillion neural connections to play with, the brain distributes its memory and cognitive processes in various different places at once, operating as an integrated network which, like the internet, is even capable to some extent of rerouting round damage and adapting spare parts to new uses.

The nature and adaptability of the brain ought to be a clue. Humans are so adaptable that it is doubtful if anything beyond basic bodily functions can be ascribed to nature. But this doesn't

stop the speculation, because there is a small window of opportunity, via the study of identical twins, to explore the 'nature' side of the nature-nurture debate. For, argue people like Steven Pinker, we are not born a 'blank slate', so something must be genetically already in there. Something, but what? That's the trouble. Until some intelligent life form is discovered in the cosmos, which can be studied and compared, there is no way to guess what is natural and what isn't.

A recent article in *New Scientist* illustrates the problem, when it asks whether political leanings are encoded in the genes (Feb 2). Some disparity between voting habits of identical twins is cited in support of this outlandish claim, which is being seized on by political scientists as a potential magic key to unlock the voter's brain. Identical twins, it seems, are more likely to give the same answers to political questions than non-identical ones. While interesting, this is hardly 'startling', as the article puts it. If identical twins are truly identical, and if they are brought up together, it is not very surprising that they would develop the same views. The article does not mention identical twins who were brought up separately, however. If one twin is brought up in an impoverished mining town and the other in a mansion, would they still hold the same political views? If they did, this really would be startling. And where non-identical twins hold different views, no mention is made of a comparison with non-identical non-twins and whether the two correlate. This is significant because different siblings within a family experience that family differently, and differential experiences of attention, affection, expectation and responsibilities may well affect their subsequent political development. Lastly, we are told that identical twins tend to give the same answers, but we are not told what these answers are. Logically, of the 30,000 twins studied over two decades in Virginia, one would expect by random chance a greater number either of Democrats or Republicans. This information is not provided, possibly because the obvious conclusion to be drawn from either case is that humans are genetically disposed to be one or the other, which is plainly nonsense.

Genetics has made huge strides in understanding the biological basis of many diseases which afflict humanity. Less successful have been attempts to investigate the supposed biological basis of human behaviour. As has often been stated in this magazine, our ability to think is certainly innate. What we think about, and what we then do about it, are not. Were it otherwise, there would be no point anyone discussing anything.



**Work and leisure**

Dear Editors

Although I agree with much of what the editors write in reply to the letter by N.B. (February *Socialist Standard*), I think there is more to say about work and leisure in a socialist world.

N.B. writes “People need a contrast between work and leisure in order to appreciate and enjoy their leisure time.” The editors comment on this: “Of course, there will still be a distinction in socialism between organised work to be done during set hours, even if enjoyable, and recreational activities carried out at the individual’s discretion.”

Both N.B. and the editors assume that the line commonly drawn between work and leisure by people in capitalism will also be drawn by people in socialism. I question this. A few people today—some retired workers and some capitalists who are more than non-employed parasites—are able to live productive and enjoyable lives which they don’t divide into work and leisure segments. In socialism I expect many more such people and society will be the better for having them.

In capitalism it is understandable that workers do divide their lives into work (paid employment) and leisure (mostly as customers of the leisure industry). In socialism there won’t be employment or the leisure industry. Instead there is likely to be a division (though not a hard and fast one) between *socially committed* activities and *individually chosen* activities. Both types of activity will straddle what we today call work and leisure.

Most of us will commit some of our time to being, for example, train drivers, classroom teachers, members of orchestras or football teams. Most of us will also spend some of our time doing things that don’t require being with other people at a specified time and place—for example, handicrafts and individual sports.

Michael Schauerte (in the same issue) writes of the socialist revolution: “The first change that seems likely, for a number of reasons, is a major reduction in the length of the working day.” Michael shows too little creative imagination about what work will mean for us in socialism.

Certainly we won’t want to spend more time than we have to on activities or in circumstances that we find unpleasant, boring or damaging. But why should we be concerned with “the length of the working day”? Some activities and interests—socially committed or individual chosen—may be so absorbing, thrilling or delightful that it wouldn’t make sense to long to reduce time spend on them.

People will have much more choice about their lifestyle than they do now. Some may choose Marxian multi-tasking: hunter, farmer, critic, philosopher, blogger, all in one day. Others may devote their whole lives to one interest or activity, bordering on the obsessive. I guess most of us will be somewhere between these two extremes.

**STAN PARKER, London NW3.**

**Northern Rock**

Dear Editors

The Tories have always presented themselves as the party of low taxation, and with another ‘former left’ turned New Labour Cabinet Minister carcass for them to succulently devour (Peter Hain over allegations of sleaze), are naturally revelling in the government’s current dilemma over whether to either nationalise completely Northern Rock or initiate a cobbled up tax funded financial scheme that acts as a veneer for doing something.

The principal question therefore for a party which is allegedly in opposition and whose fundamental tenet of ideology is low taxation to promote free enterprise (albeit also rigidly upheld by New Labour) is why don’t they let this tenet do the talking, by insisting that Northern Rock is an unequivocal market failure and should, like other failed firms, go into liquidation to save the billions of pounds of taxpayers’ money necessary to prop it up?

The reality is, despite all the hype and bluster between both, neither they or New Labour could possibly allow this to happen because if a financial institution of this magnitude were allowed to collapse it would expose to the voting public at large the underlying fragility of the entire capitalist system. Hence this is why most mainstream financial commentators seem reluctant to emphasise that Northern Rock is the first obvious symptom in the UK of a far greater endemic problem of the global financial system where borrowing and speculation has basically outweighed actual economic growth. Indeed the term ‘credit crunch’ is simply a useful euphemism that conveys the myth that it was all down to politicians or financial gurus failing to exercise foresight beforehand. In fact the majority of mainstream politicians in parliament today simply oversee these inept ‘fat cat’ policies as a formality, regardless of the detrimental effects they have on the livelihoods of millions of their constituents particularly if they are working class or homeowners with mortgages.

So for the Tories, as long as New Labour carries the can for this Northern Rock debacle the better. However for the average voter, where the whole fiasco and the billions that are conveniently found to save it should be precipitating a public revival in socialist thinking in some shape or form, the chronic ideological vacuum that exists in British politics today is comprehensively exposed.

**NICK VINEHILL, Snettisham, Norfolk**

**Reply:** Good point. The ideological supporters of capitalism like to preach the virtues of competition eliminating lame ducks, but the government – guardian of the interests of a national capitalist class as a whole – doesn’t always let this happen, especially not in a case like Northern Rock which could have a domino effect and even if this costs “the taxpayers” (i.e., the rest of the capitalist class) money. The Tories nationalised Rolls Royce in 1973 for similar reasons (it remained nationalised till 1987) – *Editors.*

**The Hull Floods**

Dear Editors

Last year’s floods were the widest spread, if not the worst on record, in Britain. Great swathes of the country were affected including the West Country and Yorkshire. Worst affected, however, was Hull, my home town. Local events did not attract much attention in the national media. Hull is a visually uninteresting town, off the beaten track, with few rich people to make a noise (it is the ninth most deprived area in England). The death toll was low, with only one person killed, and, unlike in Gloucester, the floods did not generate any stunning aerial views. However in terms of human impact the northern port was certainly in the front line as can be seen in the recent “The June 2007 Floods in Hull: Final Report by the Independent Review Body” (<http://content.thisis.co.uk/hull07/Complete%20v7.pdf>).

Stated simply the rainfall on the 25 June was exceptionally heavy and followed in the wake of another heavy storm ten days earlier. The soil was already completely saturated and the drains filled to capacity. There was just nowhere for the water to go. This is a matter of some concern for the area is completely flat with much of the built up area below sea level. Nearly 9,000 homes and 1,300 businesses were affected and 91 of 99 schools in the area damaged, 43 severely so. Institutions affected included the University, where the library (once run by poet Philip Larkin) was badly damaged. As might be expected, the poorer areas, including Bransholme (said to be one of the worst estates in Britain), suffered most. Some 6,300 people had to seek temporary accommodation; around 1,000 are still living in caravans, upstairs or in lodgings. The trauma of being flooded out has been considerable and, with repairs badly backlogged, long lasting.

Immediately after the event great play was made in local papers over the state of the roadside drains. Undoubtedly in some cases these were blocked due to reductions in street cleaning budgets. However the official report largely negated claims of any major impact. The Independent Review Body did find there were “serious issues” with the drainage facilities, specifically a failed pumping station on Bransholme, and commented “detailed information about the performance and operation of water utilities’ drainage systems should be in the public domain”, a clear condemnation of the damaging privatisation undertaken over the past quarter century. It also picked up on insurance problems faced by many, recommending that the state underwrite flood risks.

Ironically given these proposals of intervention by the state (which clearly isn’t interested), it was the community response which provided back up to most people: “The people of Hull showed extraordinary levels of goodwill, comradeship and willingness to help neighbours during the floods”. So much for selfish human nature.

**KEITH SCHOLEY, HULL**

# Still In Chains: South Africa After Apartheid

*"They never freed us. They only took the chain from around our neck and put it on our ankles." Anti-apartheid activist Rassool Snyman to Naomi Klein.*

The fight against the system of racial segregation and white supremacy called apartheid ("apartness" in Afrikaans) was one of the great liberal and left-wing causes of my generation. It was a fight not only for political democracy in South Africa but also for socio-economic reform. The Freedom Charter, adopted by the African National Congress in 1955 ([www.anc.org.za](http://www.anc.org.za)), called for "restoring national wealth to the people" (understood as nationalization of the mines, banks and "monopoly industry"), "re-dividing the land among those who work it to banish famine and land hunger," improved pay and working conditions, free healthcare, universal literacy, and decent housing for all.

Apartheid as a political and legal system was dismantled in the early 1990s. South Africa's capitalists did not on the whole object. Apartheid had brought them immense profits from the exploitation of a cheap captive labour force. But it had its drawbacks. By denying training and advancement to a large majority of the workforce, it created a growing shortage of skilled labour. Capitalists are often willing to accept a measure of social change, provided that they can set its limits.

## Little change

Although apartheid is gone, economically South Africa is still one of the most unequal countries in the world. Almost all the land, mines and industry remain in the same (mostly white) hands. Almost half the population lives below subsistence level. Unemployment is widespread; children scavenge on dumps and landfill sites from sunrise to sunset seven days a week. Life expectancy is falling (a drop of 13 years since 1990) as AIDS, drug-resistant TB and other diseases spread.

Even segregation still exists in practice. The wealthy take shelter in "gated communities" from the violence pervading the shantytowns. As the wealthy are no longer exclusively but only predominantly white, the proper name for this is class rather than race segregation.

True, efforts have been made to improve living conditions. Close to two million new homes have been built. (Whether they count as "decent housing" is another matter.) Water, telephone and electricity networks have been expanded. But while millions were rehoused, millions were also evicted for rent arrears. Nine million people were connected to the water supply, but during the same period ten million were disconnected as the price rose out of their reach.

## Caught in a web

How did the main reform goals of the Freedom Charter come to be abandoned? Political journalist William Mervin Gumede tells the story in his book *Thabo Mbeki and the Battle for the Soul of the ANC* (Cape

Town: Zebra Press 2005).

While political negotiations, conducted in the glare of publicity, moved the ANC toward government office, parallel and almost unpublicized economic negotiations, led on the ANC side by Thabo Mbeki (now president), ensured that when the ANC did take office it would be unable to act against white business interests. A new clause of the constitution made all private property sacrosanct. Power over economic policy was ceded to an "autonomous" central bank and international financial institutions.

"The ANC found itself caught in a web



made of arcane rules and regulations... As the web descended on the country only a few people even noticed it was there, but when the new government ... tried to give its voters the tangible benefits they expected the strands of the web tightened and [it] discovered that its powers were tightly bound" (Naomi Klein, *The Shock Doctrine* pp. 202-3).

## Relentless pressure

The ANC hierarchy came under "relentless pressure" from local and international business, the (business-controlled) media, foreign politicians, the World Bank and IMF, etc. It was "an onslaught for which the ANC was wholly unprepared" (Gumede, p. 72). This does not mean that crude demands and threats played a crucial role. It was a process more of seduction than intimidation, aimed at integrating a set of new partners into the institutional structure and social milieu of the global capitalist class.

This meant providing opportunities for ANC officials to go into business or train at American business schools and investment banks. Leading figures were lavished with hospitality: "Harry Oppenheimer [former chairman of Anglo American Corporation and De Beers Consolidated Mines] was eager to entertain Mandela at his private estate, while Anglovaal's Clive Menell hosted

him for Christmas (1990) at his mansion...

While separated from his wife, Mandela's home for several months was the palatial estate of insurance tycoon Douw Steyn... His daughter Zinzi had a honeymoon partly financed by resort and casino king Sol Kerzner, and Mandela spent Christmas 1993 in the Bahamas as a guest of Heinz and Independent Newspapers chairman Sir Anthony O'Reilly" (Gumede, p. 72).

It seems churlish to begrudge Mandela a little luxury after 27 years in prison. But what were his benefactors' motives?

## The markets: stern taskmasters

Nevertheless, the most effective form of capitalist influence was the impersonal pressure of "the markets." As Mandela told the ANC's 1997 national conference: "The mobility of capital and the globalization of the capital and other markets make it impossible for countries to decide national economic policy without regard to the likely response of these markets" (Klein, p. 207). And the markets punished the slightest sign of deviation from the "Washington consensus" with capital flight and speculation against the rand.

Mbeki was the first to grasp what was needed to win the markets' confidence. Precisely in order to live down its "revolutionary" and "Marxist" past, the ANC leaders had to prove themselves more Catholic than the pope. "Just call me a Thatcherite" – quipped Mbeki as he unveiled his new "shock therapy" programme in 1996. South Africa could not afford the protectionist measures with which Malaysia, for instance, warded off the Asian financial crisis of 1997. Orthodoxy, however, was never rewarded with the hoped-for flood of foreign investment. The markets are stern taskmasters: they demand everything and promise nothing.

## A sell-out?

It is not altogether fair to say that Mandela or Mbeki "sold out." They simply saw no escape from the "web" spun by global capital. Indeed, at the national level there is no escape. Reformers in other countries, such as the Solidarity movement in Poland and Lula's Workers' Party in Brazil, have gone through much the same experience on reaching office. Socialists have long said that socialism cannot be established in a single country. Now we also know that under conditions of globalization even a meaningful programme of reform cannot be implemented in a single country.

Capital is global. That is its trump card against any attempt to defy its dictates that is confined within national boundaries. The resistance to capital must also be organized on a global scale if it is to have any chance of success.

STEFAN



## LONDON ELECTIONS

The Socialist Party will be contesting one seat in the elections to the Greater London Assembly on Thursday 1 May, the same day as the election for the mayor of London. The seat is Lambeth & Southwark and our candidate will be Danny Lambert. This is the constituency in which our Head Office is situated. Members and sympathisers who wish to help distribute our election leaflets, please contact the Election Dept at 52 Clapham High St, London SW4 7UN or phone 0207 622 3811 or email [spgb@worldsocialism.org](mailto:spgb@worldsocialism.org).

## Labour, Lib-Dem, Tory



**The Socialist Standard examines their case**

Want to receive notifications about upcoming Socialist Party meetings, events, and publications? Then subscribe to spannounce, our new announcement mailing list. Point your web browser at <http://groups.yahoo.com/group/spannounce/> or send an e-mail to [spannounce@yahoogroups.com](mailto:spannounce@yahoogroups.com).



### Tough at the Top?

"A study by the Bow Group, a centre-right think-tank, found that 27 per cent of FTSE 100 chief executives have contracts that continue to pay bonuses if profits rise by as little as 1 per cent above inflation. Nearly one in ten firms will still pay bonuses if profits fail to beat inflation." (*Times*, 4 February)

### Smile, Damn You Smile

"Microsoft is developing Big Brother-style software capable of remotely monitoring a worker's productivity, physical wellbeing and competence. ... The system would allow managers to monitor employees' performance by measuring their heart rate, body temperature, movement, facial expression and blood pressure." (*Times*, 16 January)

### Words Of Wisdom

David Attenborough in an interview said: "Every society that's ever existed has felt it necessary to have creation myths. Why should I believe one? People write to me and say: 'You show us birds and orchids and wonderful, beautiful things - don't you feel you should give credit to He who created those things?' My reply says: what about a parasitic worm that's boring through the eye of a four-year-old child on the bank of an African river? It confuses me that I should believe in a god who cares individually for each and every one of us and could allow that to happen" (*Observer Magazine*, 20 January)

### This is Progress?

"Josette Sheeran, the head of the World Food Programme (WFP) in Rome, said: 'We're seeing more people hungry, and in greater numbers than before. We're seeing many people being priced out of the food market for the first time. We're seeing less crop production in many places; shorter harvest times.' ... According to the UN world food index, prices rose by 40 per cent last year. Ms Sheeran said oil prices were driving up costs because oil was used for planting, fertiliser and delivering food." (*Times*, 13 February)

### Labour's Sorry Record

"Poverty affects 3.8 million children in the UK, making ours one of the worst rates in the industrialised world. Children living in poverty are likely to have lower self-esteem, poorer health, and lower aspirations and educational achievements than their peers. Poverty also shortens lives. A boy in Manchester can expect to live seven years less than a boy in Barnet, North London." (*Times*, 12 February)

### A Brave New World?

"Here's a vision of the not-so-distant future: Microchips with antennas will be embedded in virtually everything you buy, wear, drive and read, allowing retailers and law enforcement to track consumer items — and, by extension, consumers — wherever they go, from a distance. A seamless, global network of electronic 'sniffers' will scan radio tags in myriad public settings, identifying people and their tastes instantly so that customized ads, 'live spam,' may be beamed at them. In 'Smart Homes,' sensors built into walls, floors and appliances will inventory possessions, record eating habits, monitor medicine cabinets — all the while, silently reporting data to marketers eager for a peek into the occupants' private lives." (*Yahoo News*, 26 January)

## Contact Details

### UK BRANCHES & CONTACTS

#### London

**Central London branch.** 2nd Weds, 6.30pm. The Shakespeare's Head, 64-68 Kingsway, Holborn. (Nearest tube: Holborn.) Tel: Tristan 0207 6223811  
**Enfield and Haringey branch.** 2nd & 4th Monday, 8pm. Angel Community Centre, Raynham Rd, N18. Corres: 17 Dorset Road, N22 7SL. email: julianvein@blueyonder.co.uk

**South London branch.** 1st Tues, 7.00pm. Head Office, 52 Clapham High St, SW4 7UN. Tel: 020 7622 3811  
**West London branch.** 1st & 3rd Tues, 8pm. Chiswick Town Hall, Heathfield Terrace (Corner Sutton Court Rd), W4. Corres: 51 Gayford Road, London W12 9BY

**Pimlico.** C. Trinder, 24 Greenwood Ct, 155 Cambridge Street, SW1 4VQ. Tel: 020 7834 8186

#### Midlands

**West Midlands branch.** Meets every two months on a Sunday afternoon (see meetings page for details). Tel: Tony Gluck 01242 235615

#### Northeast

**Northeast branch.** Contact: Brian Barry, 86 Edmond Ct, Ryhope, Sunderland SR2 0DY. Tel: 0191 521 0690. E-mail 3491@bbarry.f2s.com

#### Northwest

**Lancaster branch.** P. Shannon, 10 Green Street, Lancaster LA1 1DZ. Tel: 01524 382380  
**Manchester branch.** Paul Bennett, 6 Burleigh Mews, Hardy Lane, M21 7LB. Tel: 0161 860 7189  
**Bolton.** Tel: H. McLaughlin.01204 844589

**Cumbria.** Brendan Cummings, 19 Queen St, Millom, Cumbria LA18 4BG  
**Carlisle:** Robert Whitfield. E-mail: rewcb13@yahoo.co.uk tel: 07906 373975

**Rochdale.** Tel: R. Chadwick. 01706 522365

**Southeast Manchester.** Enquiries: Blanche Preston, 68 Fountains Road, M32 9PH

#### Yorkshire

**Hull:** Keith Scholey, 12 Regina Crescent, Victoria Ave, HU5 3EA. Tel: 01482 444651

**Skipton.** R Cooper, 1 Caxton Garth, Threshfield, Skipton BD23 5EZ. Tel: 01756 752621

#### South/south east/south west

**South West branch.** Meets every two months on a Saturday afternoon (see meetings page for details). Ray Carr, Flat 1, 99 Princess Road, Branksome, Poole BH12 1BQ. Tel: 01202 257556.

**Bristol.** Shane Roberts, 86 High Street, Bristol BS5 6DN. Tel: 0117 9511199

**Canterbury.** Rob Cox, 4 Stanhope Road, Deal, Kent, CT14 6AB

**Luton.** Nick White, 59 Heywood Drive, LU2 7LP

**Redruth.** Harry Sowden, 5 Clarence Villas, Redruth, Cornwall, TR15 1PB. Tel: 01209 219293

#### east anglia

**East Anglia branch** meets every two months on a Saturday afternoon (see meetings page for details). David Porter, Eastholme, Bush Drive, Eccles-on-Sea, NR12 0SF. Tel: 01692 582533. Richard Headicar, 42 Woodcote, Firs Rd, Hethersett, NR9 3JD. Tel: 01603 814343.

Richard Layton, 23 Nottingham Rd, Clacton, CO15 5PG. Tel: 01255 814047.

**Cambridge.** Andrew Westley, 10 Marksby Close, Duxford, Cambridge CB2 4RS. Tel: 07890343044

#### Northern Ireland

**Newtownabbey:** Nigel McCullough. Tel: 028 90852062

#### Scotland

**Edinburgh branch.** 1st Thur. 8-9pm. The Quaker Hall, Victoria Terrace (above Victoria Street), Edinburgh.

J. Moir. Tel: 0131 440 0995 JIMMY@jmoir29.freereserve.co.uk Branch website: <http://geocities.com/edinburghbranch/>

**Glasgow branch.** 3rd Wednesday of each month at 8pm in Community Central Halls, 304 Maryhill Road, Glasgow. Richard Donnelly, 112 Napierhall Street, Glasgow G20 6HT. Tel: 0141 5794109. E-mail: richard.donnelly1@ntlworld.com

**Ayrshire:** D. Trainer, 21 Manse Street, Salcoats, KA21 5AA. Tel: 01294 469994. E-mail: derricktrainer@freeuk.com

**Dundee.** Ian Ratcliffe, 16 Birkhall Ave, Wormit, Newport-on-Tay, DD6 8PX. Tel: 01328 541643

**West Lothian.** 2nd and 4th Weds in month, 7.30-9.30. Lanthorn Community Centre, Kennilworth Rise, Dedridge, Livingston. Corres: Matt Culbert, 53 Falcon Brae, Ladywell, Livingston, West Lothian, EH5 6UW. Tel: 01506 462359 E-mail: matt@wsmweb.fsnet.co.uk

#### Wales

**Swansea branch.** 2nd Mon, 7.30pm, Unitarian Church, High Street. Corres: Geoffrey Williams, 19 Baptist Well Street, Waun Wen, Swansea SA1 6FB.

Tel: 01792 643624

**Cardiff and District.** John James, 67 Romilly Park Road, Barry CF62 6RR. Tel: 01446 405636

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**Swaziland.** Mandla Ntshakala, PO Box 981, Manzini.

**Zambia.** Marxian Education Group, PO Box 22265, Kitwe.

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**Norway.** Robert Stafford. E-mail: hallblithe@yahoo.com

### COMPANION PARTIES

#### OVERSEAS

#### World Socialist Party of Australia.

P. O. Box 1266 North Richmond 3121, Victoria, Australia. Email: commonownership@yahoo.com.au  
**Socialist Party of Canada/Parti Socialiste du Canada.** Box 4280, Victoria B.C. V8X 3X8 Canada. E-mail: SPC@iname.com

#### World Socialist Party (New Zealand)

P.O. Box 1929, Auckland, NI, New Zealand.

#### World Socialist Party of the United States

P.O. Box 440247, Boston, MA 02144 USA. E-mail: wspboston@covad.net

# To Campaigners for Nuclear Disarmament



*The first ban-the-bomb march from Aldermaston to London took place at Easter 50 years ago. We reprint here a leaflet we put out for the 1961 CND March.*

**W**riting only a few years after the end of the second world war and witnessing on every hand the active preparations for another on an even more gigantic scale, it is not necessary to emphasise that war is literally an issue of life and death for men, women and children in every part of the globe. Nor is it necessary to prove at length that another war may be immeasurably more destructive of life and the means of sustaining life than were the wars from which the human race has suffered already during the present century. Everybody who takes even a casual interest in news of the atom and hydrogen bombs and other weapons of mass destruction of cities and peoples has received some impression of the agonising fate that may be in store for all the centres of civilisation if the Powers again come into armed conflict." (From *Socialist Party and War*, June 1950).

Ten years ago the writer stood on a Socialist Party platform in a North London suburb, flourishing a copy of the "Bulletin of Atomic Scientists." The atomic scientists had written with concern – many with disgust – about the horrible effects of the weapon (conceived in 1942), which in desperate haste, the American Government was developing in an attempt to maintain its atomic supremacy – the "Hydrogen Bomb."

Few stopped to listen. People did not want to hear about nuclear weapons

or war or politics. They had had their fill. The piteous agonies of the people of Hiroshima and Nagasaki were relatively unknown and their import not understood. Such knowledge tormented only an insignificant few who lacked the resources to make known all the terrors of the past and the perils of the future. Others even more knowledgeable, such as the Labour Cabinet, under Mr Attlee, whose representative was present at the bombing of Nagasaki, quietly arranged the making of a British atomic bomb – thereby smoothing the way for nuclear weapon development under the Conservatives. The so-called Communists who in 1945 had called for further attacks on Japan, were engaged in nullifying the Western monopoly of atomic striking power by a hypocritical "Ban the Bomb" campaign.

Later, in 1954, the tragic incident of the Japanese fishermen aroused the anger of millions in Japan and stirred many thousands in other countries to protest. In Britain information about the nature of atomic weapons was gradually assimilated and after a number of false starts, the National Campaign for the Abolition of Nuclear Weapon Tests came into being. From it, in 1958, sprang the Campaign for Nuclear Disarmament (CND). Long before the emergence of the anti-nuclear movement, members of the Socialist Party had become aware of the problems associated with nuclear warfare and weapon tests. Did the use

or testing of nuclear weapons make it necessary to modify our political standpoint in any way? Must we deal with the nuclear menace first in order to make the world safe for Socialism? Much discussion ensued and in this article, therefore, we put forward a point of view which is neither a dogmatic response to a new situation nor a hastily conceived compromise designed to gain political support.

As there are still a number of "Campaigners" who are attempting to change Labour Party policy, it may be useful to comment briefly on the Labour Party's actions in the past. In its history it has supported several major wars; it was in office when the atomic bombs were dropped on Japan. It has supported the testing of nuclear weapons and in fact, is committed to the use of hydrogen bombs in an "all-out" war.

Those who support the Labour Party – which is alleged to have been struggling for Socialism and the "Brotherhood of Man," are now reduced after fifty-four years of "Socialist" thinking and re-thinking, to seek CND support on grounds which, were the issues not so tragic, would be laughable. After having played a vital part in the making and using of atomic weapons they have the effrontery to claim a sympathetic hearing from "Campaigners" on the grounds that a minority of the Labour Party are now wholly or partly opposed to nuclear weapons – and this is

supposed to be a "Socialist" Party!

In 1950, the writer recalls asking a Labour Party member how he could reconcile his party's support of atomic weapons with its professed concern for human brotherhood. After a very apologetic defence, his parting words were. "Ah! Wait for the Conference! We'll show the right-wingers!" Every year we have heard the same pathetic tale. Now, when pressure from CND and elsewhere has made an anti-nuclear weapon vote a possibility at the Labour Party Conference, the Parliamentary Labour Party is considering ways to avoid implementing such a decision! It is a tragedy that so many well-meaning people spend their lives attempting to build a more sensible world through the Labour Party.

If they pondered deeply they would see that in the early days of this century, when Labour Party supporters chose to disregard the sounder theoretical (and therefore more practical) position of the Socialist Party, the path was taken which eventually led to Labour Party support of the trench massacres, the deliberate saturation bombing of working class dwelling areas, the atomic bombings, nuclear weapons and their testing and other chemical and bacteriological weapons. May we say to those young people who seek to use the Labour Party as an instrument of social change, that the problems which now confront us are, in fact, the result of the allegedly more practical policies of those parties prepared to administer capitalism. It would be quite illogical to assist those who bear a share of the responsibility for a world where our innocent children play in the shadow of deadly rockets, as yet unaware of the insidious strontium in their bones.

Do not fall under the spell of left-wing orators who one minute talk feelingly of a world socialist community and who, in the next breath, admit that the Labour Party is hardly 'socialist'.

Whenever the deeds of the Labour Party give rise to dismay among its active minority, wherever there is the possibility that numbers may break away, there always appears to be on hand, a 'militant' left-wing leader to challenge the leadership, to thunder against capitalism or "the Establishment" and to give fresh hope to the doubtful.

When, however, it is time for voting, it is not unknown for these 'militants' to seek support for the Party whose policy they had bitterly opposed!

We do not question their sincerity. We merely point out that this kind of action is inevitable while these left-wing leaders give their support to parties which are prepared to administer capitalism.

What is required is not a trust in leaders and their promises but an attitude of self-reliance and a determination on the part of ordinary people to understand the nature of world problems.

### **The Communist Party?**

In 1945, two days after the bombing of Hiroshima, the Russian Rulers fearing,

perhaps, a belated American attempt to deprive them of some of the spoils of Yalta, hastened to declare war on Japan. A right to participate in the final share-out of the Far Eastern loot; a desire to safeguard their sphere of influence, these were the real concerns of the Russian Government. No protest at a sickening outrage. No sorrow expressed at the agonies of the Hiroshima victims, the seared, stunned survivors; the radio-active remnants of what had been men, women and little children! So much for the party of Lenin and Stalin in the glorious fight for Peace!

The Russian Government has not hesitated to test high-yield nuclear weapons when it has

Russia is a capitalist country. All the basic features of capitalism exist there; class monopoly of the means of production, backed up by a powerful state apparatus, the dominance of commodity production and the profit motive, the subjection of the majority to wage-labour, the "anarchy of production" called "state planning;" all are there.

All modern nations have these basic attributes. They may have particular features arising from the different national and economic backgrounds from which capitalism developed in each country. Each emerging capitalist class was born into a certain historical situation. The new industrial capitalists of England in the nineteenth century had the world at their feet; the later arrivals to the capitalist jungle, while having advantages in being able to learn and apply the latest techniques, found themselves surrounded by already entrenched rivals.

It is not what men think or say about themselves that is crucial to the analysis of a social system. It is how they are related to other men about the means of production, what role they play in the productive process, what, in fact, they do. In struggling with the traditional capitalist groups of the world, the top representatives of Russian capitalism, are different in no fundamental way. They are all as helpless to prevent war, and all as ruthless in its prosecution when diplomacy has failed.

### **The Campaign?**

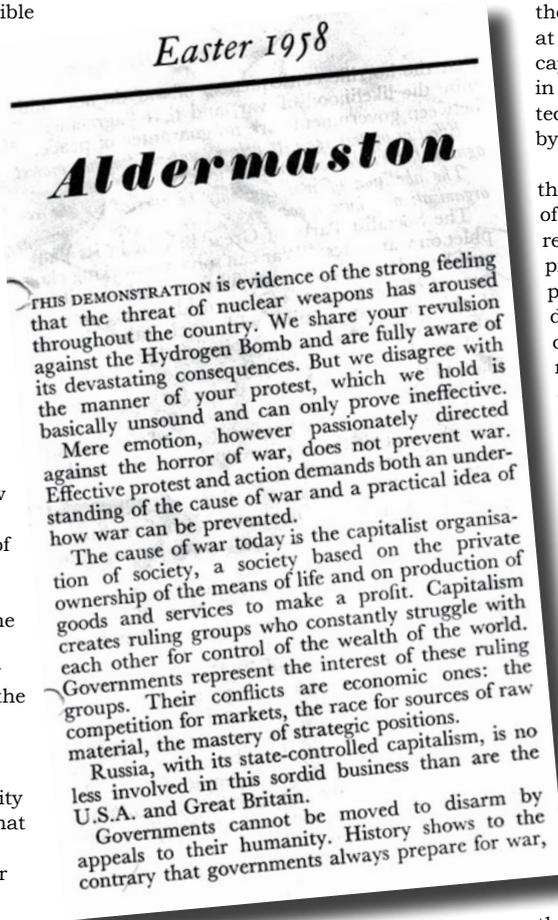
What have we to say about the Campaign itself? To Socialists, to see so many people expressing their displeasure, after a long period of political inactivity, at the stupidity and recklessness of their rulers, was a refreshing change. Discontent, however, if it is not to undergo an eventual decline from determined idealism to a hopeless cynicism, must partake of sound theory. What has held "Campaigners" together, so far, has been a common revulsion against one of the weapons of mass-murder and a belief that even if

the movement was divided in its aims and methods, it was the only means by which the semi-apathetic majority of ordinary people, on whom the pro-Bomb parties relied for support, could be shaken from their dangerous lethargy.

When one examines the propositions of the Campaign ("Sanity or Suicide" Page 8), its inadequacies can clearly be seen. CND says that all wars, even if they did not start as nuclear wars, would become nuclear wars, because the losing side would use nuclear weapons. If it accepts that all wars are going to be nuclear wars, then it follows that it should oppose all wars. It does not take up this position, however, at no time has it advocated opposition to conventional programmes.

The fundamental weakness of the Campaign is emphasised in one of its own comments on the subject of nuclear weapons, for it says: "Even if they had been outlawed and stocks destroyed, the

**continued on page 19**



### **Socialist Party leaflet distributed at the first Aldermaston March**

considered this necessary, and it has contributed its share of Strontium 90 to the atmosphere. It is obvious that the major H-Bomb Powers have carried out sufficient large-scale nuclear weapon tests for their immediate needs - this is the main reason for the suspension of such tests. It should be noted, however, that in common with the Western Powers, the U.S.S.R., in spite of its propaganda sallies, did not commit itself to unconditional, unilateral cessation of these tests - it reserved the right to resume if it deemed that its security was in jeopardy. Time-honoured diplomatic double-talk!

It must not be thought that Russia comes into conflict with the other powers because of ideological reasons; because its social system is alleged to be "Socialist."

# War: the socialist attitude

*Since our formation in 1904 our response to the problem of war has clearly distinguished us from other organisations claiming descent from Marx and Engels and the early socialist pioneers.*

**W**e analyse social affairs in *class* terms. We approach problems in the field of economics and politics from a consideration of what we see as being the real interests of the world working class. It is our contention that there are only two classes in present day society. Firstly, the working class, who collectively produce the wealth of society and who, in order to live, have to sell their ability to work for a wage or a salary. Secondly, the capitalist class who accumulate profit through the economic exploitation of the working class.

This situation leads to an inevitable conflict of interests and the generation of social and economic problems that cannot be solved while capitalism of whatever form continues. Commodity production (production of wealth for sale with a view to profit) inevitably brings conflict over access to markets and sources of raw materials, and for the control of trade routes, and for strategic point around the globe. Attempts are made to resolve these conflicts through discussion and diplomacy. Where diplomacy fails there remains the threat of force of arms to get what is wanted. From time to time this clash of interests breaks out in armed conflict. For the Socialist Party “capitalism and war are inseparable. There can be no capitalism without conflicts of economic interest.” (SPGB: *War and the Working Class*. 1936. p.1)

Within a year of our founding the Party published an article putting forward our view on war. In it the author wrote:

“I do not think it will be questioned by any socialist that it is his duty to oppose the wars of the ruling class of one nation with the ruling class of another, and refuse to participate in them.” (‘The curse of national prestige.’ *Socialist Standard*, August 1905.)

This has been our consistent view ever since. So long as the working class continue to support capitalism so long will its wars, and preparations for war, continue. Before the mass slaughter of the First World War we argued that because wars were the outcome of economic and strategic conflicts between the capitalists of the various nations any attempt to abolish war while those economic conflicts remained was bound to be futile. International meetings passing pious resolutions aimed at achieving “universal disarmament” were doomed to failure. This is what one early member wrote in December 1910 about a pre-World War I peace campaign:

“[That] the ‘anti-war campaign’, as such, is, from the working class standpoint, absurd. Just as the class struggle cannot be abolished save by abolishing classes, so it is impossible for capitalist nations to get rid of the grim spectre of war, for Capitalism presupposes economic

conflicts which must finally be fought out with the aid of the armed forces of the State.” (‘Socialism and the anti-war campaign.’ *Socialist Standard*, December 1910.)



The only solution to war and the myriad other problems that face the workers of the world is to abolish capitalism and replace it with socialism. This involves democratic political action by a majority of the working class who understand the need for change and know how to bring it about.

We do not call for people to love one another (though we are not opposed to that of course) rather we appeal to the workers of this and other countries to recognise their common class interest and to organise consciously and politically to gain the political power necessary to dispossess the owning class – to strip them of their right to own the means of life – and to put in its place a system of common ownership and democratic control of the means of wealth production – socialism.

Socialism will be a classless, propertyless and moneyless world community of production directly for use without the mediation of buying and selling. Nothing else will suffice. Abolition of class ownership will result in the abolition of conflicts of interest both between the owners and the non-owners and also between competing national groups of owners organised politically into armed nation states. We

can conceive of no situation in which we would give our support to either side in any of capitalisms armed struggles.

The role of the Socialist Party in helping bring socialism about is one of agitation and education. We are an instrument to be used by a conscious working class once the need for a revolutionary social change is recognised. Because they don't stand for socialism, we are “hostile to every other Party”, even to those which claim to have socialism as their goal.

Much of our argument with the left-wing revolves around their demands for reforms. Most radical left-wing parties say (or in the case of the Labour Party used to say) that their goal is “socialism”. However they also pursue reforms of capitalism as “stepping stones” to socialism. Any political party doing this soon find themselves saddled with the problems inevitably associated with the running of capitalism.

In an article written in the *Journal of Modern History* on the eve of the Second World War the historian Harry J. Marks dealt with the collapse of the German Social Democratic Party as a revolutionary party in 1914. He encapsulated and highlighted the dangers to a working class movement inherent in the pursuit of reforms. The author wrote that:

“By accepting the policy of the German Government on August 4, 1914, as fundamentally its own, the role of this enormous organisation as an independent factor in world history sank to insignificance and became no more than that of a cog to gear the labour movement into the German war machine.” (Harry J. Marks: ‘Sources of Reformism in the SDP of Germany 1890-1914.’ *Journal of Modern History* XI (1939) p. 334.)

Our hostility therefore is no mere semantic quibble. It goes to the heart of our case against adopting the “something now” approach to problems, including the problem of war. Unlike those on the left who are choosy as to which wars they object to, we in the Socialist Party are against all of capitalism's wars. Nor do we single out one or two aspects of war – atomic weapons, or land mines, or poison gas, or the use of child soldiers – we oppose the system that give rise to these things.

Both the established capitalist class and those intent on joining them by force of arms need these weapons to defend and advance their interests against threats from competing groups of capitalists also armed to the teeth to defend *their* interests. The working class on the other hand have no such interests to defend. The workers *have* no country. What they do have is a common interest in making the world the common heritage of all who live in it.

**GWYNN THOMAS**

# Basic Income: a dangerous reform

*The Green Party's idea of paying everyone a minimum income whether or not they are working might seem attractive, but it won't necessarily leave us better off.*

In 1795 the magistrates of Speenhamland in Berkshire started a system under which farm labourers on poverty wages had their income supplemented from the poor-rates. The result was predictable. Farmers were encouraged to keep, and even to extend, paying low wages. The payment from the poor-rates became a wage subsidy to employers. Today, the Green Party wants to revive this under the name of "Citizen's Income", which they describe as "an automatic, unconditional payment sufficient to cover basic needs of every individual, working or not".

This is more commonly called a "Basic Income". Daniel Raventós, whose study (and advocacy) of the proposal has just been published by Pluto Press, goes into more detail:

"Basic Income is an income paid by the state to each full member or accredited resident of a society, regardless of whether or not he or she wishes to engage in paid employment, or is rich or poor or, in other words, independently of any other sources of income that person might have, and irrespective of cohabitation arrangements in the domestic sphere" (*Basic Income: The Material Conditions of Freedom*).

He lists various things in its favour: that it would abolish poverty, enable us to better balance our lives between voluntary, domestic and paid work, empower women, and "offer workers a resistance fund to maintain strikes that are presently difficult to sustain because of the salary cuts they involve".

Maybe it would do some of these things, but two linked questions arise. Where's the money going to come from, and how likely is it to be introduced in the form its advocates want?

Abolishing means-tested benefits such as income support (in Britain) and paying every citizen a state income equal to the official poverty line (of 60 percent of average after-tax income) wouldn't be cheap. Raventós, basing himself on income tax returns in his native Catalonia, calculates that it could be done by means of a 50 percent flat-rate tax on all incomes. Others have suggested that it might be financed by a wealth tax or by a tax on pollution, but Raventós wants to show that his scheme could be financed merely by redistributing the money the state already collects and spends on family allowances, pensions and means-tested benefits, without any extra taxes. In other words: that the total amount of money paid by the state either as benefits or tax concessions would remain the same, merely distributed differently amongst workers. As we said of the 1943 Beveridge Report that laid the foundations of the post-war "Welfare State" in Britain: it would be "a reorganisation of poverty".

Raventós lists various objections to the Basic Income scheme, basically that it would reduce the incentive to work, an argument he is able to refute; but he misses the main objection that, like the Speenhamland system, it would be a wage subsidy to employers. To understand this, we need to look at the economics of wage labour in some detail.

Labour market forces bring it about that the income of workers is more or less what they need to keep their

working skills up to scratch and to raise a new generation of workers. At one time, in the early days of capitalism, workers' incomes were made up exclusively of what their employer paid them. Since the introduction of pay-as-you-earn income tax and the "Welfare State" matters have become more complicated. The income of many workers is now made up not only of their take-home pay from their employers but also of various payments from the state, mainly family allowances but also tax credits for the worst paid.

If a basic state income of say, £200 a week (or £10,000 a year), was brought in, this would upset the balance: market forces would tend to bring about a new equilibrium, with those workers who currently get no extra income from the state (those without a dependant family) seeing their take-home pay from employers tend to fall by £10,000. Of course it wouldn't be as simple as this since in many cases the extra state payment would be compensating for the abolition of family allowances, but there would in general be a strong downward pressure on wages and salaries.

That there would be a tendency for something like this to happen has been recognised by less naive advocates of Basic Income than Raventós. C. M. A. Clark, who wrote a study of the effects of the introduction of a partial Basic Income scheme in Ireland (*The Basic Income Guarantee: Ensuring Progress and Prosperity in the 21st Century*, 2002), admitted this was a possibility. In a previous article in the *American Journal of Economic Issues* in June 1996 he and fellow author Catherine Kavanagh had gone into more detail. They described part of the "conservative case for a Basic Income" as follows:

"By partially separating income from work, the incentive of workers to fight against wage reductions is considerably reduced, thus making labour markets more flexible. This allows wages, and hence labor costs, to adjust more readily to changing economic conditions" (<http://hss.fullerton.edu/sociology/orleans/basic.htm>).

And "the liberal argument against Basic Income" as being that:

"if a Basic Income policy is seen as a substitute for a full employment policy in the traditional Keynesian sense, then it is a major step backward and would harm all workers. The Basic Income would, in effect, subsidize employers, allowing them to lower wages . . .".

Clark and Kavanagh conclude, rather over-optimistically:

"Whether a Basic Income policy would weaken or strengthen workers' power in the labor market is a more difficult question to answer. It would depend on the context in which the Basic Income policy was instituted and the support workers already received from the state. The existence of a minimum wage, strong unions, and enforced pro-labor legislation might be essential to preventing the Basic Income from becoming a wage subsidization policy".

Clark and Kavanagh are being over-optimistic because no union can be that strong and because no state could sustain "pro-labor legislation" for any length of time that adversely affected profits.

Unions do have some power, but it is limited to working with favourable labour market forces to get higher wages and better working conditions. When, however, labour market conditions are against them the most they can do is to slow down the worsening of wages and working conditions. If all workers got a basic income from the state of £5000, let alone £10,000, a year, this would change labour market conditions in favour of employers. In pay negotiations they would point to the state payment as evidence that they did not need to pay so much in wages or salaries to maintain their employees' accustomed standard of living. The workers and their unions would realise this and the negotiations would be about what the reduction in wages and salaries should be. If the reduction was less than the Basic Income then the unions would be able to cry victory, but a reduction there would be. It is just inconceivable that a state payment to everybody in work would not adversely affect wages and salaries.

As to "pro-labor legislation", this presumably means that the state should take the side of workers against employers. Many Labour and similar governments have come into office promising to benefit wage and salary earners, and all of them have left office without doing this; most in fact have done the opposite and have ended up restraining wages and cutting state benefits. Why? It is not because they were sell-outs or were not determined or resolute enough. It was because they were attempting the impossible: to make capitalism work in the interest of the wage and salary working class.

Capitalism runs on profits, derived from the unpaid labour of workers, and can only run as a profit-making and

profit-accumulating system in the interest of those who live off profits, i.e., the capitalist class who own the means of production and employ others to operate them. Any government has to accept this and that, if it's not to provoke an artificial economic crisis, it has to give priority to profit-making over "pro-labor" legislation. This is why Labour and similar governments have always failed.

In fact, insofar as Basic Income is seen as a "pro-labor" measure as it is by Raventós, then that is a reason why it is never likely to be introduced, at least not in the form that people like him want. As we saw, Raventós puts forward as an argument for Basic Income that it would "offer workers a resistance fund to maintain strikes that are presently difficult to sustain because of the salary cuts they involve". But can anyone realistically imagine that any government would bring in a measure that would make striking easier for workers? Already, today, there are provisions to cut state benefits paid to strikers. No state is going to shoot itself in the foot by undermining in this way the profitability and competitiveness of enterprises operating from within its borders.

So, if a Basic Income scheme is ever introduced, it's not likely to be more than some limited reform of the tax and benefits system. But even it were to be introduced in full it could turn out to be counter-productive for the working class by leading to an across-the-board decrease in wages.

**ADAM BUICK**



## Marx and corals

In his latest book, *Coral, A Pessimist in Paradise*, the biologist and popular science writer Steve Jones attributes to Marx the statement that "we see mighty coral reefs rising from the depth of the ocean into islands and firm land, yet each individual depositor is puny, weak, and contemptible". Marx was something of a polymath, but an expert on corals?

These words do appear in *Capital* – in chapter 13 of Volume I on "Co-operation" – but were not written by Marx. He was quoting a passage from a book by Richard Jones making the point that by working together humans can construct things which they would not otherwise be able to.

The Rev. Richard Jones (1790-1855) was the Rev. Malthus's successor as Professor of Political Economy at the East India College in Haileybury. Marx held Jones in fairly high esteem – a whole chapter of *Theories of Surplus Value* is given over to a discussion of his views – because he did not regard capitalism as an ideal system deduced from assumptions about human nature but as just one historically evolved way of organising the production and distribution of wealth.

But to return to Jones the Biologist. After misattributing the quote to Marx, he continues, believing himself to be summarising Marx's view: "Every atoll proved that collective action, by polyps or by people, was a natural law. Society had been ruined by an altogether artificial medium called cash, which matured into capital and led to exploitation. In an ideal world all would give what they could and get what they needed. In time the state – and money – would lose its *raison d'être* and a global system of mutual aid would begin" (chapter III).

Although Marx did want a society without state or money in which people "would give what they could and get what they needed", he did not base the case for this on what happened

in nature. That was the position set out by the anarcho-communist Peter Kropotkin in his 1902 book *Mutual Aid, A Factor in Evolution*.

Kropotkin's position has an obvious attraction for socialists as it would turn the tables and make socialism natural and capitalism unnatural. His book has always been popular amongst socialists as an answer to the Social Darwinists who argued that Darwin's "struggle for existence" and "survival of the fittest" applied to human society too and that any attempt to limit it would lead to the degeneration of the human race.

Kropotkin sought to counter this argument by bringing forward evidence that the struggle for individual survival was not the only factor in biological evolution but that co-operation and mutual aid both within and between species were too. Kropotkin was a scientist in his own right – he had done some pioneering work on the geography of Siberia – and Jones says his contribution was taken seriously by biologists who called his theory "mutualism" (not to be confused with the market anarchism of that other anarchist Proudhon). It is now called "symbiosis" (literally, living together) and is a recognised fact of nature.

The trouble is that, whereas there is agreement on this fact, there is no agreement on its interpretation. While Kropotkin saw this as an argument for a co-operative, communist society, others have argued that it is not really mutual aid but rather mutual exploitation. As a self-confessed pessimist Jones tends to agree, but he does make the point that the science of biology can't contribute anything to what he calls "philosophy" beyond supplying facts. He's basically right, though we would express it differently: that conclusions about how human society should be organised cannot be derived from the behaviour of other organisms. The Social Darwinists (and their latter-day incarnation, the Sociobiologists) are wrong to try to do this but so, even if unfortunately, are Socialist Darwinists like Kropotkin. Marx was right to steer clear of such arguments and base the case for a stateless, moneyless communist society on an analysis of human society not biology.



# Can the media be made democratic?

*That there was once a press free from commercial or governmental influence is a myth.*

Since the early twentieth century American journalists have been fascinated by the uneasy relationship between democracy and a media industry that has grown immensely powerful and profitable. The opinion that the democratic process has been undermined – epitomised by declining electoral turnout – by an industry more concerned with increasing corporate profits than the meaningful dissemination of information has repeatedly led to demands for media reform.

In the first part of the twentieth century the American writer and journalist Upton Sinclair drew attention to the corrosive influence of advertising that led newspapers to adapt content to suit powerful sponsors and encourage editorial self-censorship. Sinclair's book *The Brass Check* (1919) was a scathing attack on a monopolistic press, in which he said that commercial journalism had become "a class institution serving the rich and spurning the poor," with the task of "hoodwinking of the public and the plunder of labour". Brought in some years after the publication of Sinclair's book, the Federal Communication Act of 1934 was widely seen as the first real attempt to curb media monopoly and reinvigorate the supposedly democratic values embodied in the American Constitution through "public interest, convenience and necessity." But these and later reforms failed to consider one possibility: What would happen if the government ever saw public information as secondary to free market economics? What would happen if the government actually joined forces with the media to communicate a common ideology that devalued "democracy"?

## Media deregulation

According to Bill Moyers, one of America's best known and respected post-war journalists, this is exactly what happened

under the banner of media deregulation. Beginning with Ronald Reagan, deregulation sowed the seeds for a consolidation that eliminated much of the independent media and prompted editorial policy to downgrade the importance of news. But the crowning achievement in the demotion of meaningful news came later with the 1996 Telecommunications Act, which was passed with the support of both political parties. This legislation allowed communications conglomerates and advertisers to join forces to dismantle competition safeguards and devise "new ways of selling things to more people" across the full array of digital and conventional media. Within the media corporations the strategy eliminated remaining divisions between editorial and marketing functions to "create a hybrid known to the new-media hucksters as 'branded entertainment.'" (Bill Moyers, *Journalism and Democracy*, Alternative Radio, 8 November 2003).

Moyers' assessment of the American newspaper industry is equally gloomy. Here, according to a study by the Consumers Federation of America, two-thirds of today's newspaper markets are monopolies. Not satisfied with this stranglehold, the major newspaper chains have combined with the trade group representing almost all of the broadcasting stations to lobby for further autonomy to extend cross-ownership of media, claiming that this will strengthen local journalism. Moyers notes that in typical fashion none of the organisations involved felt it necessary to report this news, remarking, "they rarely report on how they themselves are using their power to further their own interests and power as big business, including their influence over the political process". He draws further evidence from the book, *Leaving Readers Behind: The Age of Corporate Newspapering*, which concludes that the "newspaper industry is in the middle of the most momentous

change in its three hundred year history – a change that is diminishing the amount of real news available to the consumer”.

Looking back over American history, Moyers says that during the War of Independence freedom and freedom of communication were the “birth twins in the future United States”, but that today freedom of communication has become an obstacle to corporate profits and has been abandoned. He says that the media that once championed democracy now works hand in glove with government to intentionally undermine democratic values. He identifies certain developments that have ambushed democracy. These include censorship by omission, government refusal to disclose or debate in public, and the overarching power of media giants that “exalt commercial values at the expense of democratic values” to produce “a major shrinkage of the crucial information that thinking people can act upon”.

But according to Moyers perhaps the most repugnant development is the rise of a “quasi-official partisan press ideologically linked to an authoritarian administration that in turn is the ally and agent of the most powerful interests in the world”. This convergence, he says, “dominates the marketplace of political ideas” promoting the “religious, partisan and corporate right” to engage “sectarian, economic and political forces that aim to transform the egalitarian and democratic ideals embodied in our founding documents”. He goes on to provide examples where investigative newsgathering and scrutiny over government, police and the courts has been abandoned to cut costs, avoid institutional embarrassment and maintain this coalition of vested interests. In the absence of a strong opposition party to challenge this hegemony, the task of defending democracy, he says, falls to a reformed media.

The recurrent theme that runs throughout Moyers’ account of the American media is a yearning back to a romanticised “Golden Age”, when a free and independent press kept its subscribers fully informed with important news that enabled them to act. He points to the newspapers at the time of the American War of Independence and in particular to Tom Paine’s pamphlet *Common Sense* that helped mobilise opposition to the British. Moyers says that as a journalist Paine practised a principle in need of restoration: “an unwavering concentration to reach ordinary people with the message that they mattered and could stand up for themselves.” But was this really a “Golden Age” of democracy or was it, as Sinclair believed, just another instance of the press propagating a class interest under the guise of democracy? Put a different way, has a press free from political or commercial influence ever existed?

### Romanticised past

For many, a belief in the abstract democratic ideal is closely linked to the myths surrounding the origin of the Constitution and the founding of America as a separate country. But far from being a revolutionary event that encouraged a genuine development of democratic values, the War of Independence was a strictly conservative affair. The colonial rebellion was not the work of enraged peasants but of landed gentlemen, who argued their case on the principles of the British constitution by demanding free assembly, trial by jury, and no taxation without representation. Despite pretensions of being “enlightened” – sweeping aside monarchy, aristocracy and the established church – the new republic was never designed to be anything other than an oligarchic state. The political institutions and Constitution mirrored instincts of conservatism and constructed an array of checks and balances motivated by paranoia, suspicion of central government power, and religion that laid the foundation for *laissez faire* economics.

The expulsion of the British eliminated the constraints of the feudal social order substituting in its place the abstract principles that “all men are created equal” and that power is derived from “the will of the people”. The desire to protect and then extend private property rights sanctified by religious superstition led to a type of liberty intended to allow the pursuit of individual aims and wealth unconstrained by government interference. To those who took up the reins of power, government was to be judged not by its ability to promote prosperity but by its capacity to leave people alone to pursue private ends. The principle that personal opportunity should be maximised also struck a chord with Puritanism that saw the acquisition of money as the just result of hard work and “the Lord’s

blessing”.

This moderate civic liberty was deemed more important than any tendency towards democracy, and the architects of the Declaration of Independence – the land and property owners – were quick to construct a system of government based on the division of power that would guard against the “excesses of democracy”. They adopted a definition of “the people” which excluded women, non-landowners and slaves.

While it is undoubtedly true that writers like Tom Paine were influential in pushing the colonial revolt further than originally intended, it is also clear that the real beneficiaries of the break with Britain were the landowners and wealthy traders who were able to expand their own wealth without interference. Although Paine’s call to arms, based on abstractions and ideals, appealed to the ordinary person, the benefits accrued were material and went to the wealthy.

The “democracy” practised today in America is usually held up as the ultimate symbol of “liberty”. But from its outset this system was not envisaged as a condition in which individuals would be kept informed and use the knowledge acquired in the decision making process. On the contrary, this type of “democracy” was constructed as the institutional means to *exclude* the people from this arena by limiting involvement to the periodic election of someone, normally submissive to a political party, who would make decisions for them.

In capitalist society the media has always had a role to play in the promotion in this kind of vision. The production of a successful newspaper, for example, has always meant that journalistic integrity and editorial objectiveness have been subordinate to the institutional requirement of production for profit. From the moment that newspaper became a commodity and subject to advertising patronage and market forces, the genuine dissemination of information was always going to be the first casualty.

### Prevailing ideas

So the media, in America as elsewhere, has a vested interest in driving out all but the most benign opinions and instilling a set of values and a code of behaviour that integrate people into class society. But this does not mean that the media are necessarily part of some conspiracy. While the media’s role is to circulate information presented in the context of society’s prevailing ideas, which have a strong influence over the way people think, this does not mean that the media originate these ideas. In general, the ideas presented by the media are rooted in the social milieu and are traceable, in the main, to the material conditions and the economic relations of society. The class that controls society’s economic structure shapes the institutions that arise in order to manage the economic conditions in its own interests and perpetuate its ascendancy over society. As well as its control over society’s coercive powers and the means by which the wage and salary earners live, this class also exercises persuasive powers, based on legal rights, traditions, customs and, as in America, historical myth that works its way into the consciousness of the working class. In a society divided by class, based on economic interests, the prevailing ideas are therefore a reflection of the needs and aspirations of the dominant class, which explains why many members of the working class often think and act in ways that are in contradiction to their real interests. The media therefore speaks not just for itself but for the whole of the capitalist class.

There are two reasons why Moyers’ belief that a reformed media can resurrect an abstract vision of “democracy” conjured up from a romanticised image of America’s past does not stand up to scrutiny. Firstly, the type of democracy he seems to want has never really existed, and secondly he fails to appreciate that capitalism and genuine democracy can never co-exist. Moyers does not criticise the economic system that compels the media to act in the way it does and does not see that in this system the media cannot operate in any other way – as if in a vacuum, uninfluenced by market forces. Media reform, which tinkers with the detail but leaves the underlying causes firmly entrenched, is, it could even be argued, actually dangerous because it reinforces the belief that capitalism can be made to work in the interests of the working class, when the opposite is patently the case.

**STEVE TROTT**



# LABOUR IN HELL

## MINING SULPHUR IN INDONESIA

*“A man labours in hell.” So opens an article on the work of artist Darren Almond (Guardian Weekly, 25 January), referring to his video about workers who extract sulphur from the Kawah Ijen volcano in eastern Java.*

Imagine the scene. We are standing on the inner slope of the volcano’s crater. Below lies a spectacular and extremely acidic turquoise lake. Hot sulphurous gases (300° C+) rise through an opening in the earth’s crust (a solphatara) and hiss through fissures into the crater. Some of the gas passes through pipes that have been driven into the solphatara. In the pipes it starts to cool and condense. Molten sulphur trickles out of the pipes and solidifies on the slope.

Here the miners, working with hammers and metal poles, break the deposits up into chunks and load them into baskets. Balancing a pair of baskets on a bamboo pole over his shoulder, each man makes his way over the crater rim and down 3 km to the collection point on the road below. The sulphur is then weighed and awaits delivery to the processing plant 19 km away. Near the collection point is a row of shacks, which are used by miners who live too far away to return home every night.

A load is typically 50 – 70 kg., though according to some sources it may be 80 or even 100 kg. The purchasing cooperative pays 350 rupiahs (almost 2p.) a kilo, so for delivering two standard loads a day – some deliver three – a man earns the princely sum of 42,000 rupiahs (£2.31).

### **Worse than tear gas**

Miners have a life expectancy of “not much over 30 years.” Carrying heavy loads up and down steep slopes progressively cripples them. They are constantly exposed to sulphur – both the solid sulphur on the ground and in their baskets and the acidic sulphurous fumes that intermittently waft their way. Their only protection is a rag stuffed in the mouth and the temporary shelter offered by a few big rocks along the path.

Sulphur is a corrosive irritant. It smells of shit – though a chemist would say that shit smells of sulphur. It gets all over the skin and into the eyes, mouth, teeth, nose and lungs, damaging everything it touches. It makes you dizzy, so maintaining your balance is a constant struggle.

So is breathing. A tourist remarks in a blog that his exposure inside the crater was worse than getting tear-gassed.

Miners’ reports of day-to-day changes in the severity of these effects are used in assessing the risk of an impending eruption.

### **Hell and volcanoes**

Why does the metaphor of hell come so readily to mind when describing this environment? I strongly suspect it is because the very idea of hell has its origin in people’s experience with volcanoes. The bible refers to hell as a place of “fire and brimstone” and it was with a rain of fire and brimstone that God destroyed Sodom and Gomorrah. Brimstone is just an old name for sulphur.

### **A tourist attraction**

The conditions of many jobs are rarely if ever witnessed by outsiders. Many people from various countries, however, have seen the miners of Kawah Ijen at their labour. The volcano is a tourist attraction and tour advertisements mention the miners as part of the exotic scenery of the place. When they get the chance, miners take time off to act as tourist guides: they are hired for 20-30,000 rupiahs (£1.10–£1.65) for half a day.

A fair bit can be learnt from the accounts that tourists place on the internet, though perhaps more about the tourists than the miners. An Australian student has posted an unusually sensitive essay.

He recounts his conversation with a young man reluctantly going to the volcano for the first time. He has no choice, he explains. His family is poor and landless. His father, apparently already dead, had also mined sulphur, leaving home well before dawn to walk the almost 20 km. from their village – although sometimes he would rent a place in one of the shacks and stay at the volcano for two weeks at a time. As a child he used to see his father in daylight only on days when he was too sick or tired to work. Now the young man is taking his father’s place.

### **The origin of landlessness**

The student does not think to ask when or how the family had lost its land. Landlessness in Indonesia has its origin in the nineteenth century, under Dutch rule, when the land of farmers who could not pay the land tax was stolen from them and handed to colonists for

**“These jobs are comparable to the worst of the tasks imposed on prisoners in Nazi and Stalinist labour camps.”**

plantations of export crops. The tax, of course, was imposed precisely for this purpose. (The British played the same trick in their African colonies.)

When Indonesia gained independence in 1945 the land was not returned but claimed by the state, which took over the role of the plantation owners. That is why the bus to the volcano passes by coffee and mango plantations. Now the government is promoting the cultivation of an oilseed plant called *jatropha* for biofuel exports, despite its toxic nuts and leaves. The landless will labour in hell in order to keep filling the voracious maw of the motor car as the oil runs out.

#### Why not mechanize?

Why, in our high-tech age, does a horrible job like sulphur mining have to be done by such primitive means, by the hard labour of "human donkeys"? Surely it could be mechanized? I see no technical barrier. A socialist society, to the extent that it needed to mine sulphur at all, would certainly mechanize the process.

One possibility that springs to mind is the use of specialized robots. A major advantage of robots is that they can be designed to function in environments hostile to human beings, such as the surface of another planet. And being inside a volcanic crater is rather like being on another planet. In both cases the atmosphere is unsuitable for human respiration. In fact, there are thought to be "solphatara-like environments" on Mars.

Probably sulphur could be extracted from volcanoes perfectly well by much less sophisticated mechanical means. It would suffice to extend the pipes over (or, if necessary, through) the crater wall and empty them into sealed tanks mounted on trucks. Possibly some pumping would be required. The engineers installing the system would be properly equipped with protective clothing and oxygen cylinders.

Such an investment is evidently considered unprofitable. That reflects the low value – close to zero – that the profit system places on the health, welfare and lives of the poor.

#### Technological regression

Despite its enormous and growing potential, the scope for applying technology within capitalism is limited. A key constraint is the availability of cheap labour, which reduces the savings from mechanization below the level of its costs. When operations are transferred to regions where labour costs are lower, the result is likely to be regression to more primitive technologies.

One striking example is shipbreaking – the dismantling of decommissioned vessels to recover the steel. In the 1970s this was a highly mechanized industrial operation carried out at European docks. Ships are now broken at "graveyards" on beaches in countries such as India, Pakistan, Bangladesh and Turkey, where workers labour with rudimentary tools, wearing little or no protective gear despite exposure to toxic fumes, gas explosions and fires, asbestos dust and falling pieces of metal.

#### The illusion of freedom

In the May *Socialist Standard* I wrote about another group of desperately poor people (men, women and children) engaged in hellish labour – scavenging for saleable items in a radioactive dump in Kyrgyzstan. Clearly it is not an exceptional situation.

For me the most remarkable thing is this. Although these jobs are comparable in horror to the worst of the tasks that were imposed on prisoners in Nazi and Stalinist labour camps, people do them of their own "free" will, without the least hint of physical or legal compulsion. They can leave at any time. No one will stop them. But they don't.

Their freedom, of course, is illusory because the consequence of leaving would be starvation for themselves and their families. And yet the illusion – the economists' fiction of the "free market actor" – suffices to dull perception of their plight. If the miners at work in the crater were prisoners labouring under physical compulsion, the tourists observing them would surely be a little less complacent. Perhaps some human rights organization would even get angry on their behalf.

And so the sulphur miners keep going. Because capitalism denies them all other access to the resources they need to live. And they want to live. Even knowing that they will be dead by their early thirties. Even if their lives seem – to those of us whose choices are less stark – hardly worth living. The survival instinct is strong!

STEFAN

## Who would work for nothing?

"That would never work! A typical response, I imagine, to the description of a society where people work because they want to, on a voluntary basis". So began the lead article in last month's *Socialist Standard*.

The article was about the transformation which work would undergo in a society where it was no longer a source of income for workers and a source of profit for employers, but a means of producing useful things and providing needed services to improve the quality of our lives. But even under capitalism, these critics might be surprised to learn, many people already perform voluntary work.

According to nfpSynergy, a research group for charities, almost 19 percent of people do unpaid voluntary work in Britain (*Times*, 21 January). This – nearly 1 out of every 5 people – is fairly consistent across all age groups. People volunteer for all sorts of jobs: driving people to and from hospital appointments, helping out in hospital shops, looking after people just out of hospital, teaching school kids to read or do maths, teaching English to immigrants, mentoring new parents, serving in charity shops.

If the critics of socialism were right in their view that it is human nature to be lazy and that nobody would work unless compelled to by economic necessity, this would not happen. Most volunteers under capitalism will be doing so because they want to do something useful and help other people. But even if their motivation was to overcome boredom or to meet and be with other people, that would still be a practical refutation of the view that people are naturally lazy. The reasons why people work, even for an employer, are much more complex than the simplistic assumption that that it's just for the money.

In fact, the government has adopted a policy of actively encouraging "volunteering" as it is called, as a means of saving money on providing certain services. In 2001 Gordon Brown, then the Chancellor of the Exchequer, launched an initiative to encourage more over-55s to volunteer. As it happens, according to nfpSynergy, this proved to be a bit of a flop. But 16 percent of the 55-64 age group – nearly 1 in 6 – volunteering in 2007 is still fairly impressive. It is certainly enough to refute the view that, if the whip of economic deprivation was removed, nobody would do any work.

But capitalism distorts everything, even the readiness of people to work for no monetary reward. A whole paid profession has grown up – for which an organisation like nfpSynergy provides reports – of people employed to motivate and organise volunteers. And a large proportion of volunteers are engaged in fundraising for charities, a pretty useless activity in itself only necessary under capitalism even if done on an unpaid basis.

The widespread existence of volunteering shows that people are prepared to work for other reasons than individual economic necessity. Of course, as in any form of human society, in socialist society too arrangements will have to be made to provide what its members need to live. *That* will still be a necessity, but that does not mean that these arrangements cannot be based on people volunteering to work, for all sorts of reasons (pleasure, social recognition, wish to do something useful, social contact, even a sense of duty). Socialism could work without economic coercion.



## Cooking the Books 2

# Nationalism and culture

*Nationalism is a perversion of a shared identity in the interest of some local elite.*

**H**ome – where the heart is; the place with overtones of permanence, belonging, security, comfort, childhood memories, bonds between people, familiarity with how things are done, habits and customs taken for granted. People go home, go back to family, village, mountains woods, familiar streets, smells, sounds, to the things that framed them and in doing so strengthen the impressions of who they are and what they stand for. Different worldwide communities share a culture of ‘going home’ for high days and holidays, religious festivals or annual visits. Airports, seaports, train and bus stations are crowded at certain times with passengers loaded with their symbols of how good it will be to be together again. Home is where differences and similarities are known; not automatically accepted, respected or approved but understood without explanation; the background culture, the very fabric of the culture being so second nature that words aren’t necessary to express fundamental emotions.

For millions living in exile with only memories of home, painful memories of seeing family members taken away, tortured, killed, for children born in refugee camps and now old enough to be parents themselves in the same camps, never having seen anything of their homeland, home conjures up images of lost and stolen lives, physical pain and deep emotional scars. Traditions and places only heard of now and little expectation of ever being able to reclaim them. In these situations home for the child is not the home of the parent. However hard the parent tries, however passionate their ties to their original life, the child’s impressions can only be second hand, severely lacking in emotional sustenance, expectations manufactured out of hope. For migrants, both forced and voluntary, ‘home’ may be different for parents and children. Having emigrated or relocated internally the parents’ notions of home are ‘there’ but for the children born in a new place it is ‘here’. Which team shall they support? Where shall their allegiance lie?

In a broader context home may be perceived as a wider geographical area, a country, a homeland standing for something more than a family’s local community. The ‘one-world’ home, in common to all of the human species, has 200 or so artificially created entities called ‘nations’, almost all armed and ready to arrest or attack anyone who crosses a boundary without permission, the same boundary showing little or no obstacle to trade or capital or wealth. What is it a nation offers its individual inhabitants and what is their offering to it? What do they require from their country and it from them? The country is a geographical, physical place; large, small, populous or sparse, barren or lush, mountainous, coastal, frozen, earthquake-prone, temperate, fertile or harsh, requiring nurture, husbandry, protection. Physically it can offer minerals and crops depending on its situation and in proportion to the care given it. The shared identity of the inhabitants of the nation will be as has developed over generations – history, customs, religion, community relations, occupations, way of thinking – something impossible to enforce as empire builders and nation creators have been reluctant to accept. A shared identity with universal, mutual respect and acceptance cannot be enforced. It is surely the shared identity, that elusive quality, love of one’s birthplace, hopes, dreams, aspirations, that people feel when they talk of ‘their country’, the tangible and intangible connections.

Mark Twain said that the country is the real thing to be watched over, cared for, that the institutions, the government are extraneous. Confusion of the country with its institutions brings the problems of nationalism and patriotism, “my country, right or wrong”. One of the (ill)-effects of nationalist thinking is a loss of sense of proportion as in the justification of the invasions responsible for the killing of tens of thousands in Afghanistan and Iraq because around 3,000 people died in U.S. on 9/11/2001. Fighting for a country, dying for what? – the pursuit of happiness?, brings grief and despair to both sides. One nation’s moral purpose, promoting democracy, saving lives,

eliminating threats, is recognised by another nation merely as expansionism, access to vital resources, a way of diverting attention from domestic issues. One side’s vision of globalisation for humanity’s sake is felt as rape, plunder and aggressive war by the other. Nationalism, whilst a powerful tool of oppression, was created in part as a defence against imperialism and colonialism, against dominance from outside and in fear of being denied the rights of self-determination. It manifests itself like a sophisticated tribalism, with pride, tradition, attitudes of superiority, patriotism, national security, enemies real and imagined, flag-draped buildings, glorification of all things military and biased history tying populations into misconceptions of themselves and others.

Xenophobia becomes a useful ally in promoting nationalism. In the early 1700s Jonathan Swift recommended it in “The Examiner” thus – “the first principle of patriotism is to resent foreigners.” This method, of setting one section of population against another, has been used ultra-successfully all around the world – so successfully that great swathes of people can now rouse themselves, with no apparent external cue, against the newest threat, the most recent immigrant group, asylum seekers, anyone who looks or sounds like they may be from a group that’s not their own. In one part of the world Arab look-alikes are held to be suspicious – in another an American accent is not welcome. Groups engineered to see themselves in opposition to others, in manufactured fear. Or fear of fear. And those who dare question the status quo become unpatriotic internal defectors. Enemies are required by the state elites. Enemies within and without, social, cultural, economic enemies to keep the population vigilant against all possible threats, to keep them fully occupied, suspicious of each other, divided, protecting the national interest against any wayward individual or group – including themselves.

Under constant construction are barriers of one sort or another, the US/Mexico wall mostly through desert where hundreds die every year seeking a better life but where the wealthy aren’t hunted by vigilantes; the Israeli/Palestinian wall and multiple check-points favouring one group and harassing and humiliating the other; the entry to countries at airports, ports and road crossings. Stand in line, don’t step over this line. For some apply weeks in advance for a visa – or just for an interview to seek permission to apply for a visa – the rich may pass, for the poor it’s a lottery.

Within our communities are guarded apartment blocks, electronically monitored residential enclaves, embassies on distant, secure sites, schools with guards and alarms, tourist sites with armed guard protection, 5 star hotels with walled-in grounds denying visitors the view to the local residents in their shanty towns on the other side of the wall, living in the seeping filth from the hotel sewage system.

Chop up society into more and more pieces, more separate entities, create more divisions, more fears and suspicions and when the globe is totally criss-crossed with walls, fences, barricades and border posts shall we allow ourselves to become so paranoid, afraid and suspicious of each other that we finally close the door to our minds? What hope for humanity when imaginations are so closed to the others’ humanity that they can’t even see, aren’t even aware of, the physical barriers all around them? Ill-considered rhetoric needs to be confronted, contested at any and every opportunity. Self-replicating, regurgitated mantras built on lies, fears and hatred need overturning without hesitation.

The frontierless world begins with frontierless minds, the challenge is to dismantle the barriers which deafen, blindfold, shackle and dehumanise us. A mind without barriers can step over any line, has endless possibilities, unlimited potential, can acknowledge and appreciate the diversity and congruent value of humankind. The frontierless mind can value the vision in which all have their own, inalienable home.

**JANET SURMAN**

**From page 10**

knowledge would be there in the heads of the scientists and they'd be made again." In other words, even if the Campaign achieved its aim it would soon have to start all over again . . . and again! If, as it suggests, however, society would not survive another war, it would be wiser to take sound political action rather than wait to see the awful results of an admittedly futile policy.

Some "Campaigners," while agreeing that capitalism is the cause of war in the modern world, maintain that although a new social organisation may be necessary, a nuclear war would prevent the establishment of this, perhaps for all time, and therefore the anti-nuclear movement should be given priority over Socialism. This argument is logically unsound; it assumes that which has yet to be demonstrated. It presupposes that the campaign will be able to prevent a nuclear war occurring. For the Campaign to "succeed" it must have a majority of people who are opposed unconditionally to nuclear weapons, in the major countries of the world. These majorities must be prepared to oppose their own governments, to put aside all nationalistic or racial feeling, and be immune to all attempts of their rulers to influence them during periods of international crisis and tension. Is it possible that such international solidarity could be achieved by a movement which is composed of so many fundamentally diverse elements and which lacks any clear conception of an alternative to our inhuman social system? Only a revolutionary Socialist consciousness could ensure such a united unshakeable attitude and in that event the question of opposition to nuclear weapons alone would be redundant.

Some members of CND are conscious of its lack of a positive social policy and they have devoted much effort to examining the causes of war and other current social problems. It does not seem, however, that the depth and value of the genuine Marxist analysis of society have yet been understood. The leaders of the Campaign still have many illusions about the effectiveness of the United Nations Organisation as an instrument for peace, although they are not unmindful of the economic and political pressures which can be brought to bear on it by the two great power blocs. Sincere attempts to initiate a serious discussion within their movement seldom go beyond a humane liberalism; even the contributions of its associates in the New Left movement are devoid of any ideas radically different from their political predecessors of past decades.

**The Vote**

It is worth recalling that, during the last General Election, the CND was reluctant to demand of its members that they should abstain from supporting candidates who were not unconditionally opposed to all aspects of nuclear weapon policy.

The S.P.G.B. is opposed to war, and is opposed unconditionally to all weapon tests of any kind by any government. We do not seek support at election times on specific issues other than that of Socialism in the sense that we mean, i.e. a world-wide system without frontiers, where the means of production and distribution are held in common and production is carried on solely in order to meet human needs.

In our election literature we write to ensure, as far as possible, that only people who agree with our fundamental position will vote for our candidates. No advantage can ever accrue to a genuine socialist party from vote catching.

Members of the S.P.G.B. vote only for S.P.G.B. candidates or, where there are none, they abstain or spoil their voting papers. Our view is that there is no way out of the contemporary dilemma other than by the building of a new kind of society.

Conditions favoured the rapid growth of the CND. Who could foresee the results of active, determined, knowledgeable support of genuine socialist ideals, by those who have become disenchanted with the political parties and groups that sought to lead them?

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### Anarchists against democracy

***Anarchy Alive! Anti-Authoritarian Politics from Practice to Theory.* By Uri Gordon. Pluto Press**

There are many currents of anarchism; some, often called anarcho-communist, hold political ideas not so different from our own. The course of the twentieth century, however, saw these currents fade, and by far the most common 'anarchist' today is the individualist or libertarian.

Because they start from the premise that individuals exist independently of society and that the freedom of the individual ego is the most important thing in the world, these anarchists have always had a problem with democracy. They have never been able to see why anybody should be bound by a majority decision; the individual must be free to ignore or even defy such a decision if he or she wants to, otherwise they would be being oppressed. That would be "the tyranny of the majority". Some anarchists have been able to overcome this prejudice and try to practise democratic forms of organisation: but not Gordon, who launches a head-on attack on the whole concept of democratic control and accountability.

"Democratic discourse assumes without exception that the political process results, at some point, in collectively binding decisions. That these decisions can be the result of free and open debate by all those affected does not change the fact that the outcome is seen to have a mandatory nature. Saying that something is collectively binding makes no sense if each person is to make up their own mind over whether they are bound by it. Binding means enforceable, and enforceability is a background assumption of democracy. But the outcomes of anarchist process are inherently impossible to enforce. That is why the process is not 'democratic' at all, since in democracy the point of equal participation in determining decisions is that this is what legitimates these decisions' subsequent enforcement – or simply sweetens the pill. Anarchism, then, represents not the most radical form of democracy, but an altogether different paradigm of collective action".

Socialism, on the other hand, does represent the most radical form of democracy. The socialist justification for accepting majority decision-making is that people are not isolated individuals but only exist in and through society, and that when there is a genuine community (either society as a whole or some collectivity within society) the best method of deciding what it should do, on matters of common interest to it as a community, is by a vote of its members after a full and free discussion. Of course the field of community activity has its limits and some decisions should be left to the individual (what to wear and eat, for instance), but we are talking about matters which concern the community as a community with a common interest.

Capitalism resolves the problem by leaving common goods (basically, the means of production) in minority hands, so there is

no popular debate about their use; socialism holds these goods in common, under democratic control; the anarchist trend is to minimise these common goods by wanting them small scale and being anti-technology, which as we can now see is more to do with a failure to resolve the democratic issue than a particular dislike of technology per se. Why do these anarchists like laptops but hate computer factories? The answer is a dislike of democracy.

Gordon's book is an attempt to give some theoretical coherence to the tactics and ideas of the anti-authority wing of the amorphous anti-capitalist and anti-globalisation movement. He openly admits they do not function democratically and is proud of it. They come together loosely – organise wouldn't be the right word – in networks which do hold meetings with each other from time to time to discuss some activity. But those attending are not mandated delegates from their group, and no group is bound by any decision that might be reached; they are free to take it or leave it. Some do, some don't. At demonstrations some will give out leaflets to the general public arguing a case, others will throw stones at the police. Hence the "pluralism" which Gordon celebrates but which is really a cop-out

Gordon goes further and argues that no individual anarchist or group of anarchists should be held accountable to anyone for what they do; they are quite free to take any action they like and that is how it should be. In answer to Jo Freeman's important 1970 pamphlet *The Tyranny of Structurelessness* in which she argued that the absence of formal, democratic structures leads to domination by informal elites, Gordon says "Freeman's proposals run against the grain of anarchist priorities". He sees nothing wrong with some informal group of anarchists taking the initiative, it being up to others to decide whether or not to go along with it. The latter seem suspiciously like followers to us but in Gordon's eyes they are merely showing "solidarity" with the unaccountable group. He doesn't seem to realise that the same might be said of those who vote for some capitalist politician or party.

Gordon also discusses other matters such as the attitude of anarchists towards violence, technology and nationalism, which are just as confused – or "pluralist" – as over decision-making. But his book is well-written and can be read on a know-your-opponent basis.

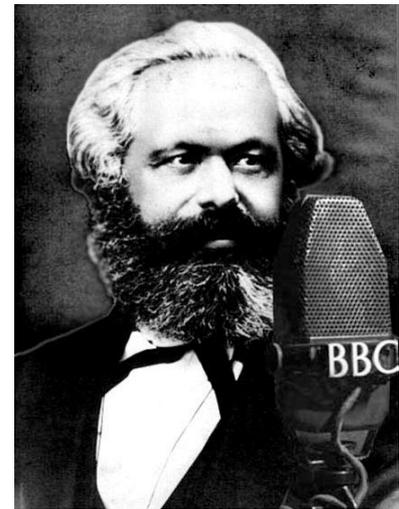
**ALB**

### Marx and the BBC

***A Socialist Critique of the BBC, Albert Einstein, Amartya Sen and Muhammed Yunus.* By Binay Sarkar, Avenel Press, 2007. 80 Rupees**

Don't be put off by the title; when you read it – as you should – it all makes sense. In 1999 Karl Marx was voted the "Greatest Thinker of the Millennium" in a BBC online poll. Then in 2005 he was voted the "Greatest Philosopher" in a BBC poll. And yet the BBC has always had a problem in

dealing with such a great thinker and philosopher, perhaps because he didn't win a Nobel Prize. In the philosopher contest they invited Francis Wheen on to a BBC radio programme to explain Marx's theories but he said they were a form of economic determinism, in that economic relations



determined all other features of society, including ideas.

It's a popular misinterpretation, one which Albert Einstein didn't repeat when he declared to the world that he was a socialist in an article entitled *Why Socialism?* in 1949 (available online at [www.monthlyreview.org/598Einst.htm](http://www.monthlyreview.org/598Einst.htm)). Einstein's analysis of capitalism is still broadly acceptable today even if his conception of socialism is not, being essentially a form of state capitalism. Amartya Sen, a professional economist, also has a state capitalist view of socialism but his understanding of present-day capitalism looks muddled when compared with the analysis of the Nobel Prize-winning physicist Einstein.

Sen won the 1998 "Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel" (not to be confused with the Nobel Prize, which is awarded by the Nobel Foundation) for his contribution to "welfare economics." Sen correctly saw that famines were caused by poverty and not an inability to feed starving people. However, he put forward a set of "market entitlements" which were meant to combat poverty; but as this left the class monopoly of the means of life untouched it should not be surprising that this could not reduce poverty or famines.

Binay Sarkar exposes these and other reformist illusions, along with Muhammed Yunus's plans for "Banking for Peace." Yunus was awarded the 2006 "Nobel Peace Prize" (given by the Norwegian parliament, not the Nobel Foundation) for his "commitment to the Grameen cause." This envisaged fighting poverty by lending money, mainly to women, to facilitate self-employment projects and promote women empowerment. But as Adam Buick points out in his Introduction to this book, banking "is an integral part of the capitalist system of production for profit which is the cause of modern wars." Despite the excessive use of quotations, this book deserves to be in every socialist's collection.

**LEW**

## Guys and Toys

**The Real Toy Story.** By Eric Clark.  
Black Swan. £8.99.

It is probably not very surprising to learn that the toy industry is very competitive, is driven by marketing considerations and is threatened by children's growing interest in computers. However, Eric Clark does add some interesting further considerations.

The US toy and doll industry is a \$22 billion business and is by far the world's largest. Two big manufacturing companies (Mattel and Hasbro) and three big retailers dominate the industry, independent manufacturers and toyshops having mostly gone bankrupt or been taken over. The big retailers include Toys R Us and Wal-Mart, the supermarket chain that sells masses of toys as a way of getting kids and their parents inside the shops. Manufacturers are desperate for Toys R Us to survive, since without it Wal-Mart would be so powerful it would drive down even further the prices it paid to the toy companies.

Toys and dolls are also used to entice families into fast-food restaurants; McDon-



**Bare-faced competition**

ald's is now the world's biggest distributor of toys. Girls are apparently less keen on fast food than boys, hence the emphasis on toys aimed at girls being given out with meals for kids.

Toys are relatively resistant to ups and downs in the economy, as parents are reluctant to cut back on buying for their children. A rising divorce rate helps sales too, as both parents will be buying separately. Yet the toy industry has one great fear: KGOY, kids getting older younger and so losing interest in toys. This has been the case, for instance, with Barbie, the doll that now falls out of favour by the age of six or seven. A rival, Bratz, is aimed at pre-teens and features ever-skimpier clothes. As Clark says, this 'is all part of the sexualizing of younger target groups for marketing reasons'.

Games are mostly made in the US and Europe, since their manufacture is highly automated. But toy production overwhelmingly takes place in China. This is partly

because labour power there is cheap, of course: in the case of one electric toy that retailed in the US at \$45, just 81 cents were paid in direct labour costs. But it also means that the suppliers, not the US-based toy companies, have to undertake the investment in factories and equipment and bear the risk of idle capacity at quiet periods. All this has backfired recently, however, with reports of toys made in China being dangerous and having to be removed from retail shelves.

Clark also observes that toys nowadays tend to 'do everything' and leave less and less to the child's imagination and creativity. Under capitalism the innocence of childhood takes second place to the demands of marketing and profit-making.

**PB**

## Peasant revolt

**Symond Newell and Kett's Rebellion.**  
By Peter E Newell. Past Tense (c/o  
56a Info Shop, 56 Crampton Street,  
London, SE17). 2007.

Mostly family history is a rather tedious collection of meaningless names and dates, occasionally however genealogical research can provide one with a true insight, a personal link to historical events, thus demonstrating the reality of what would otherwise be just a story. Thus it is with Peter Newell's excellently researched pamphlet. The essentially economic causes, the rather alarming course of events in and around what was then England's second city, Norwich, and outcome (none too good) of this peasants' rebellion are clearly illustrated. All in all this is an interesting and informative account of a little known incident in English history.

**KAZ**

**2007 SOCIALIST STANDARD INDEX**

An index of articles to 2007 can be obtained by sending two first-class stamps to Socialist Standard, 52 Clapham High Street, London SW4 7UN

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## Meetings

### East Anglia

Saturday 15 March, 12 noon to 4pm. All welcome.

12 noon: informal chat/branch business.  
2pm to 4pm: Discussion of Conference Agenda and future branch activity.

The Conservatory, backroom, Rosary Tavern, Rosary Rd, Norwich.

### Manchester

Monday 31 March, 8.30 pm

'Discussion on Developments in China'  
Unicorn, Church Street, City Centre

## Annual Conference

Socialist Party Head Office, 52 Clapham High St, London SW4 (nearest tube: Clapham North).

Friday 21 March 10:30–17:30.

Saturday 22 March 11:00–16:30.

On Sunday 23 March there will be a guided walking tour of Marx in Soho and Fitzrovia (meet Goodge Street Underground Station 2pm)

## Central London Dayschool

Saturday 5 April, 1pm to 5pm

POLES APART, CLIMATE CHANGE, CAPITALISM OR SOCIALISM?

Speakers: Glen Morriss (Artic Voice), Brian Gardner (Socialist Party)

Small Hall, Conway Hall, Red Lion Square, WC1 (nearest tube: Holborn).

## Manchester Branch School

Saturday 19 April, 1pm

The Sick Society

Friends Meeting House, Mount Street, City Centre

(More details in next month's issue)

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Stressed?  
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see page 3 for details

## The Uses of Monarchy



The present Royal Family comes as close as any capitalist politician could desire to the modern monarchical ideal. No interference in politics, but a worthy interest in science; admirably suited to gather prestige abroad; most of all, a continual and absorbing attraction to the working class. There have been hints recently that the publicity has been overdone, that there have been too many chambermaids' reminiscences and news items like the *Sunday Pictorial's* announcement that the Queen's bust-line had improved to maintain the essential dignity of royalty. Nevertheless, the Crown today as never before embodies the national ideals—the ideals, that is, of the national ruling class.

But does monarchy serve any interest for ordinary people, beyond giving a holiday and a pageant now and then? It may be said that if it does them no good, it does them no harm either. If it were true that to fill people's heads with nonsense did no harm, that might be so; and most of it *is* nonsense. There is no reason for thinking that the Queen and her husband are

not pleasant, decent people. If things were otherwise, however, the truth is that they would still be presented as paragons. Some monarchs have been cruel, irresponsible and contemptibly low, but their subjects have still been asked for reverence. Within a week of Edward VIII's abdication his shortcomings were common knowledge, and Sir Charles Petrie (in the book already quoted) hinted at a strain of abnormality in Edward from the Hanover ancestry; *would* those things have been said if Edward had remained the King?

It is not the monarch that is at fault in all this, but the social system which needs a shining symbol; where there is no monarch, something else has to be held up to dazzle the dispossessed. The man with the flag and the girl admiring the pictures in her magazine have the light full in their eyes just now—but they need only look away for a moment to see who holds it up, and why.

(From front page article by Robert Coster, *Socialist Standard*, March 1958)

## SOCIALISM OR YOUR MONEY BACK

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## Declaration of Principles

This declaration is the basis of our organisation and, because it is also an important historical document dating from the formation of the party in 1904, its original language has been retained.

### Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

### Declaration of Principles

The Socialist Party of Great Britain holds

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.)

by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom,

the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.



# Flint's Hard Line

"She prefers to ignore the real complications hampering so many people when they must face the need to survive through employment"

Anyone with a surname like hers will need to become insensitive to pedestrian jokes about it so we shall not risk adding to Caroline Flint's irritation with feeble cracks about her being hard and unyielding or liable to strike sparks to light your fag. In any case it is clear that her confidence is more than enough to brush off such attempts at humour; for example on a recent episode of *The Politics Show* she showed herself to be a match for the suffocating conceit of Andrew Neill, persisting in making her point – albeit a typically weary New Labour one – in spite of the presenter's contemptuous interruptions. Obviously, this Blair Babe will not easily be shaken off her ascent of the Greasy Pole. So it was significant that, as the newly-promoted Minister of State for Housing and Planning she should choose to make her first serious bid for self-publicity with a proposal that unemployed council house tenants who fail to display the appropriate energy in looking for work should risk eviction. This was serious stuff, a challenge to the crustier of Labour's dogmatists.

## Housing

In any effective sense, council housing originated just after the 1914/18 War, when councils were able to build on a large scale by access to government subsidies. Massive slum clearance was encouraged by the 1930 Housing Act and the housing shortage after the Second World War saw the peak of council building, including huge inner-city estates some of which have acquired such grim reputations. Flint acknowledged that her speech was likely to stimulate a "strong debate". That should be a warning to us all for in the mouths of New Labour leaders "debate" does not mean a free discussion culminating in a popular, constructive conclusion. Rather it serves notice that, to keep favour with as many voters as possible, there will be an enforced policy change emphatic enough to amount to a denial of what once stood as the party's inviolable, defining principles. Council housing was originally designed to provide homes built to standards way above those of profit-hungry private contractors to be available at rents, set by the democratically elected council, affordable by the ordinary, working people in their area. This article of faith for Labour supporters encouraged numerous architects' fantasies of sensitively designed estates where the lucky inhabitants could take their ease in safely pedestrianised areas beneath lush green trees. For the tenants an estate address was not supposed to act as a status symbol; but more a badge of communal security.

## Unemployment

As she is the Minister for Housing, it has to be assumed that Flint is aware of councils' statutory duty to provide for homeless people (although the exact definition of "homeless" can vary from one council to another and from time to time). In fact this legal obligation has caused families and individuals with what are known as "multiple problems" – mental and physical illness, addictive personalities, a history of institutional care – being placed by councils in their own, more easily available, accommodation, thus creating the dreaded "sink estates". It is common for unemployment to be a contributory symptom of those other problems, which may be behind Flint's sneer at the "no one works around here" culture which she said takes a grip on some communities. The most casual of visits to some estates can impress with the aimless apathy there, too often taken out in assaults on the fabric of the area. In one such high-rise hell in West London people hang dazedly around as the entrails of telephone junction boxes lie strewn across the pavement. A tenant who had just emerged from a long prison sentence was welcomed home by a TV set aimed at him from an upper level balcony (it missed – he later beat up the person responsible).

Such places have a stigma of their own, often originating in the very sense of a supportive community which the estate pattern of living was supposed to encourage. A recent letter in the *Guardian* recalled that when the writer first moved to York she was advised that to try for a job with her address on the Tang Hall estate was to ensure that her application would be ignored; much more hopeful to say she lived in Heworth, which had a happier reputation.

## Contracts

Flint suggests that this can be dealt with by making new council tenants sign a "commitment contract" to seek and participate in skills training programmes with a view to employment. She did not say whether the opposite process would apply – whether anyone who had demonstrated their commitment by training and getting a job would then be entitled to council housing. She prefers to ignore the real complications hampering so many people when they must face the need to survive through employment. Her argument was effectively exposed by Adam Sampson, chief executive of Shelter:

"The government wants to return Britain's unemployed to the workhouse by throwing them onto the streets. What is being proposed would destroy families and communities and add to the thousands who are already homeless."

In many cases a worker who is unemployed, untrained and aimless, finds their situation complicated by their making unwise life choices. Flint herself should be aware of this and should

take it into account when she is ranting about the unemployed and the homeless. When she was 23, a trainee manager at the Greater London Council who had been through college where, like so many other prospective Labour ministers, she smoked cannabis, she met a man while on holiday in Tunisia. Perhaps it was his commitment to training and employment, and that of his family, which impressed her; his father was Tunisia's Attorney General and he himself was a high earning stock market dealer. At any rate, she said he swept her off her feet; two children were born to them but the man's family disapproved and eventually the couple married hastily in London where the reality of family life in poverty confronted them and essentially destroyed their relationship. Alleging that he had two convictions for violence, one of them against the police, Flint obtained a Restraining Order against him and soon afterwards he was arrested and deported on the grounds that he had no permanent home in this country. A year later they were divorced, leaving Flint to brush off the experience as an event which "unfortunately didn't work out".

## Blears

In any case the episode did not hamper her career, which took her through jobs in local government and the GMB trade union until she was elected for Don Valley in the Labour landslide of 1997. In the Commons she voted as the whips required on matters such as Trident renewal, ID cards, the war in Iraq, justifying Andrew Roth's assessment of her in the *Guardian* as a "loyal Blairite with a soft line in stooge questions" – which shows just how hard an operator she really is. She held a series of minor jobs until in the reshuffle of January this year she was appointed to Housing and Planning, a job which entails her attending the Cabinet. She may prefer to forget her victory in a 2007 poll to find "The Sexiest Female Politician" as well as her experience as Campaign manager for Hazel Blears's attempts to become the Deputy Leader, in which Blears came sixth. Unless she takes consolation from the fact that this may have opened the way for her own attempt at a top job some time in the future.

IVAN





# Voice from the Back

## The Obscenity Of Capitalism

The columnist Richard Morrison, in an article mocking the ridiculous prices paid for modern art, refers to Don Thompson's book *The \$12 Million Stuffed Shark* and brings to notice the obscene wealth enjoyed by a handful of billionaires. Remember we are dealing with the social system of capitalism where many exist on a \$1 a day. "He looks at the buyers for 'trophy' art; billionaires such as the American asset manager Steve Cohen, who bought the shark with what, for him, was loose change (it would have taken him five days, Thompson estimates, to have earned the \$12 million price tag)." (*Times*, 16 January) Overlooking the term "earned", we are talking about someone whose income is over 2 million times that of another. Doesn't capitalism make you sick?

## Not So Primitive

Daniel Everett once was a missionary in Brazil dealing with so-called primitive tribes, but his experience of the Piraha people made him give up that calling to become a linguist. When asked how he had changed his views he replied: "They lived so well without religion and they were so happy. Also they did not believe what I was saying because I did not have any evidence for it, and that made me think. They would try so hard to understand what I was saying, but it was utterly irrelevant to them. I began to think: what am I doing here, giving them these 2000-year old concepts when everything of value I can think of to communicate to them they already have?..." (*New Scientist*, 19 January)

## Toothless Watchdog

The sole purpose of capitalist society

is to make profits, so we can imagine the following report will come as no surprise to anyone who knows anything about how it operates. "The government will be publicly castigated this week over its failure to help poor people – by the watchdog that ministers set up to monitor fuel poverty. Ofgem, the energy regulator, will also be criticised for not stopping energy companies from making excessive profits at the expense of consumers. Peter Lehmann, chairman of the Fuel Poverty Advisory Group,



will criticise the government over its record on fuel poverty, which he labelled 'incomprehensible, unjustifiable and shocking'. Consumers now pay more than 50 per cent more on utility bills compared with five years ago, yet energy companies' costs have risen by only a fraction of this. In the past month, four of the biggest suppliers have announced substantial rises in the price of gas and electricity." (*Observer*, 3 February)

## Loaded But Stupid

We are constantly being told by supporters of capitalism that the extremely rich got that way because

of their superior intellect. That seems invalid thinking when we see how much the extremely rich will pay for a stupid pointless motor car licence plate. "But nowhere is the craze for a unique plate more intense than in the United Arab Emirates, the oil-rich Persian Gulf nation that holds the world record for the six most expensive plates. Here, it's all about how low you can go -- with people battling it out at auctions to win the chance to show off license plates with the lowest digit. The numbers "5" and

"7" have already been snapped up, sold for 25 million dirhams (\$6.75 million) and 11 million dirhams (\$2.97 million) respectively." (*CNN Com*, 5 February) By the way kids are dying from lack of food and clean water, but so what, look at my license plate. No wonder we are socialists. Why aren't you?

## Transcendental Materialism

The death of Maharishi Mahesh Yogi led to many newspapers rehashing the stories about the Beatles contact with his Transcendental Meditation, but it has transpired that his TM could have more properly stood for Transcendental Materialism. It seemed the great man had sited his HQ in a Dutch village for tax reasons. "As ever, the business-savvy guru was ahead of the game: the big draw is a financial regime that has made the Netherlands the EU's top tax shelter. Among those who have set up holding companies there are Ikea, Nike, Coca-Cola and Gucci." (*Guardian*, 7 February) Like many religious leaders before him this guru told his followers not to be concerned with the material things of life, but in practice was very shrewd about the way capitalism operated.

## Free Lunch



by Rigg

# socialist standard



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“There’s  
class  
warfare  
all right...

but it’s the  
rich that’s  
making  
war, and  
we’re  
winning”

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### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 3 May** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.

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## Introducing The Socialist Party

The Socialist Party is like no other political party in Britain. It is made up of people who have joined together because we want to get rid of the profit system and establish real socialism. Our aim is to persuade others to become socialist and act for themselves, organising democratically and without leaders, to bring about the kind of society that we are advocating in this journal. We are solely concerned with building a movement of socialists for socialism. We are not a reformist party with a programme of policies to patch up capitalism.

We use every possible opportunity to make new socialists. We publish pamphlets and books, as well as CDs, DVDs and various other informative material. We also give talks and take part in debates; attend rallies, meetings and demos; run educational conferences; host internet discussion forums, make films presenting our ideas, and contest elections when practical. Socialist literature is available in Arabic, Bengali, Dutch, Esperanto, French, German, Italian, Polish, Spanish, Swedish and Turkish as well as English.

The more of you who join the Socialist Party the more we will be able to get our ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

The Socialist Party is an organisation of equals. There is no leader and there are no followers. So, if you are going to join we want you to be sure that you agree fully with what we stand for and that we are satisfied that you understand the case for socialism.

## Editorial

### Don't vote for what you don't want

WE DON'T have to accept the self-fulfilling prophecy that "capitalism is the only game in town".

Imagine that all the people in the world made a set of informed, collective and democratic decisions about what kind of system would best meet their needs and solve global problems. Would they choose a money and property system that forced nearly half their total number to try to survive on a dollar a day? Or would they prefer to organise production and distribution of goods and services on the basis of what they need, without the profit system?

Would they, if and when given the chance to vote, do so overwhelmingly for candidates who—whatever labels they attached to themselves or their parties—stood for the continuation of some form of capitalism? Or would they elect delegates, from among their own number, to initiate the process of setting up and running a fundamentally new form of world society, a system based on the common ownership and democratic control of the means of wealth production and distribution?

Would they embrace nationalism, involving armed forces paid to kill and injure other groups ("the enemy") with whom they have no quarrel? Or would they regard themselves and behave as citizens of the world, regardless of any geographical, cultural or philosophical attachments they may feel?

Would they divide themselves into classes, rich and poor, leaders and led, privileged and unprivileged, dominant and submissive, superordinate and subordinate, master and servant, powerful and powerless? Or would they, despite individual differences in abilities, personalities, interests, tastes, likes and dislikes, think and behave as members of the one human race, not perfect, sometimes fallible or irra-

tional, but never deliberately cruel or anti-social?

Whatever words they use to explain or sloganise their ideologies, all parties except the Socialist Party stand for the continuation of some form of capitalism. From their point of view, a vote for their own candidate is best; a vote for one of their competitors is second best. Not voting could be a worrying sign of alienation from the system. Worst of all, a vote for the Socialist Party candidate – or, where none stands, writing "Socialism" across the ballot paper – would indicate the beginning of a resolution to replace capitalism with socialism.

Don't forget:

•Before the first Labour government came into power, and when some members and supporters used to profess socialism as their eventual goal, there was some justification for the argument that: "The Labour hell is one degree cooler than the Tory hell." So "Choose the lesser of two evils."

•Today, after successive administrations of the same system, the difference in temperature is too small to get excited about. The same applies to others lining up to be our government—the Lib Dems, etc. We don't want them and we don't need them.

•Support for socialism isn't a matter of campaigning to make the poor rich in today's terms of material consumption. That wouldn't be environmentally sustainable. The socialist aim isn't even equality in the sense of sameness, like amounts of work contributed or goods and services consumed. Socialism is essentially about social equality, encouraging and enabling every human being to realise their full potential as giver and taker, not buyer and seller, in the context of society itself moving towards reaching its full potential.

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# Home Is Where The Heart Attack Is...

It is the year 2028. You have just put the kids to bed, and adjusted your ageing parents nightly feed tubes. It is 11.00 pm and you are still wearing the same dressing gown you got up in. You are tired out with looking after the whole family in one flat, and now it's time to go to work.

You commute 12 metres to your office, where your first holographic design meeting is already underway. You hit the 'Attend' button and a fresh-faced, sharp-suited, young male version of yourself appears at the meeting. You give your report to the robot manager and take your instructions.

This is not your 'job', because there are no 'jobs'. This is just one of a dozen 'projects' you currently serve, each short-term contract found for you by the vast Scout employment network you subscribe to. As projects end, so others must be found, each the subject of heavy competitive bidding. Over years, your rates have been cut and cut. You are working at least 12 hours a day just to get by. You barely see another living soul, outside your family, from one month to the next. You are the most diversely and highly skilled worker system has ever produced, and one of the most overworked.

You are paid by results, so no boss ever needs to watch over you or check your attendance or punctuality. The meetings you attend are not even in real-time. This gives you the flexibility to be exhausted beyond anything a physical workplace would be allowed to tolerate. Soon you will not even need an office, because the office will be inside your head, as all humans will have microchip brain implants, wetware through which your brain can view the world directly and, more importantly, employers and the state can view your brain. The only thing worse than the isolation of your 21<sup>st</sup> century slavery is a 'power down', a sustained cyber-attack which takes out not only your ability to communicate with anyone at all, but your ability to earn and hence your ability to live. The threat of starvation is quite real.

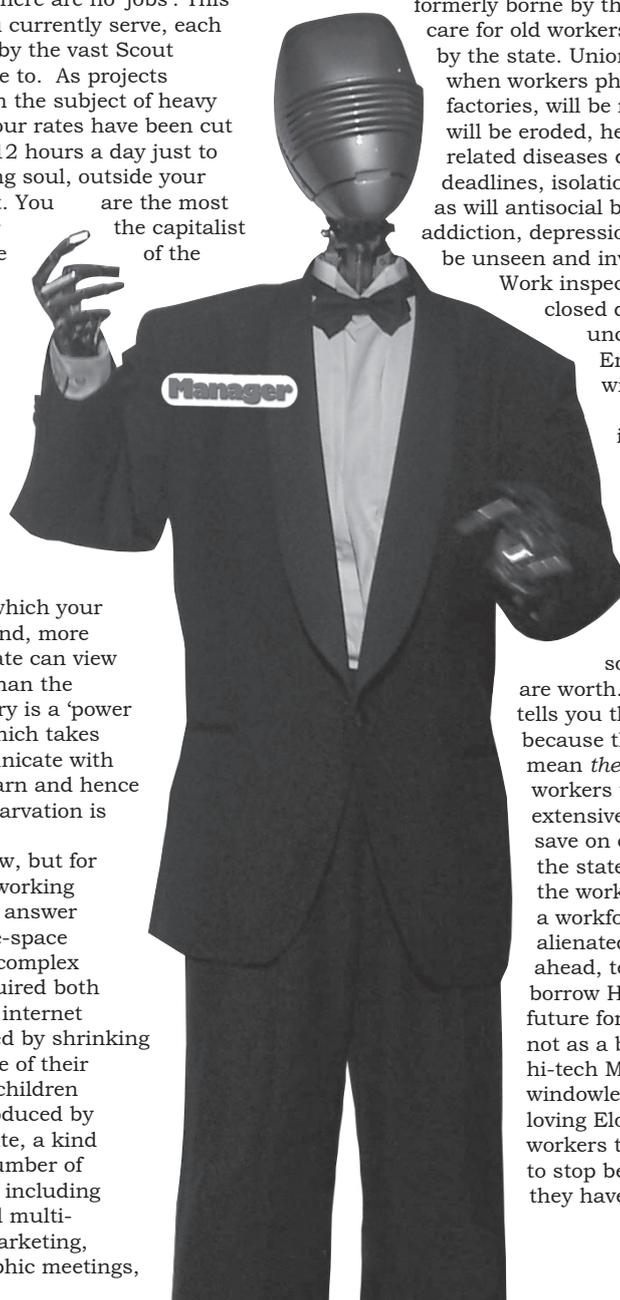
All of this is being predicted now, but for ten years time, not twenty. Home-working is being hailed as the middle-class answer to traffic pollution, expensive office-space and heating, and the increasingly complex and fractured work timetables required both by businesses operating in a 24/7 internet environment, and by workers forced by shrinking health provision to take on the care of their elderly and infirm as well as their children (*Guardian*, March 14). A report produced by the Chartered Management Institute, a kind of employers' think-tank, lists a number of imminent and desirable scenarios, including mass home-working, project-based multi-employment and aggressive self-marketing, extreme flexi-time, virtual holographic meetings,

robot managers, home care of an ageing population, a blurring of 'work' and 'home', and, on a less gleeful note, the possibility of endemic cyber-warfare.

What's interesting about this is the spin placed on it by the Institute, which emphasises the upskilling of workers together with their greater flexibility as if these are self-evidently in the interests of the workers themselves. The argument is that workers, being able to pick and choose from a huge, non-geographically based work menu, will be in a position to refuse 'meaningless jobs' and 'will choose ethical careers and not the rat race.' There is also a lot of reported guff about companies learning 'to regard wisdom as a valuable resource. Some would try to nurture... rituals and storytelling, and listening to the accounts of long-term employees.' Managers (not the robot ones, presumably) will be expected to show 'a greater degree of emotional intelligence... so they can understand how people work and their likely reaction to change'.

In a pig's eye. What will really happen, if we let it, is this: the global job-market will be matched by a global labour pool, all undercutting each other and desperately vying for ever shorter contracts on ever worse terms, while simultaneously taking on itself the cost of office space, power and heating, formerly borne by the employers, as well as health care for old workers or children, formerly borne by the state. Unionisation, a product of a time when workers physically met together to operate factories, will be made ever more difficult, rights will be eroded, heart attacks and other stress-related diseases due to poverty, long hours, deadlines, isolation and loneliness will rocket, as will antisocial behaviour, binge drinking, drug addiction, depression and suicide. All of this will be unseen and invisible to Health & Safety at Work inspectors, hidden away behind closed doors, the statistics uncollected, uncollated, and unreported. Employers will literally get away with murder.

Conditions for today's workers in capitalism are not great, even in advanced capitalist countries and even where they are in work. But we can remember the time when we were told energy would be 'too cheap to meter' and automation would give us all a problem with how to fill our extensive leisure hours, so we know what such promises are worth. Never trust a capitalist who tells you the future is looking bright, because they don't mean *your* future, they mean *theirs*. Things are not so bad for workers that they couldn't get worse, and extensive home-working, though it might save on car bills, will save employers and the state a fortune by passing costs on to the worker, and in the process creating a workforce ever more fragmented, alienated and easy to control. Looking ahead, ten or twenty years, if one can borrow H G Wells' *Time Machine*, the future for workers could be bright, but not as a breed of pasty and enervated hi-tech Morlocks, beavering away in windowless cells to keep the pleasure-loving Eloi in luxury and indolence. For workers to really have a future, they have to stop being 'workers'. And that means they have to start being socialists.



**CND's weaknesses**

Dear Editors

As a former ban-the-bomber I would like to make a few points regarding CND (*Socialist Standard* March)

1. Its original appeal was rather insular, asking the government to set a moral example and give a lead to the rest of the non-nuclear world—"Let Britain show the way".

2. It recognised that it would seem completely unrealistic to demand unilateral action from either of the two great nuclear powers. Much more reasonable to seek to prevent nuclear possession spreading—those who do not have them should not make them.

3. The Labour Party leader Gaitskell and others (and the media) consistently and quite knowingly mis-stated the CND policy as: "Asking 'the West' to disarm." Which it *never* did—urging 'multilateral' agreement and reductions by means of various treaties.

4. CND sometimes made ludicrous claims that it influenced Test Ban agreements etc. *All* Test Bans or Weapons Limitation treaties were concluded when (a) Testing was no longer deemed essential or (b) when the warheads to be scrapped had been rendered out of date or no longer necessary as technology enabled the production of smaller, but more accurate and effective, weapons and delivery.

5. Significantly, CND support in the UK began to diminish when it broadened its campaign to oppose *all* nuclear weapons.

6. Some CND supporters supported the existence of NATO.

7. Some (Stalinists and some Trotskyists etc) members of CND *did* want 'one-sided' disarmament and were staunch supporters of the "workers" bomb.

8. Some 'Communists' did have the integrity to oppose capitalist and workers' bombs.

9. Pacifists (like myself) were a minority in the movement—most accepting that non-nuclear conventional war may sometimes be necessary.

10. "Entryists" did achieve some limited success (certainly temporarily controlling at least one Branch), but they were generally flushed out by the more genuinely radical elements among the membership.

Nevertheless, it would be churlish to ignore the remarkable contribution CND made in raising public awareness of the nuclear issue. Sometimes it is forgotten how deeply limited was the public knowledge of the kind of facts that CND routinely uncovered. Speaking personally, the kind of stuff that I have tried to articulate exposing (in the cause of socialism) the breathtaking hypocrisy of double dealing defence policies of the past and present was spawned by CND. The real disappointment is that comparatively few CND members moved beyond the optimistic (but narrow) objectives embraced by the original policies.

Obviously, the oft repeated claim

that "there will not be time" for a deeper objective than nuclear disarmament (I made it myself) has, thankfully, proved to be erroneous.

RICHARD HEADICAR, Hethersett, Norfolk

**Back to basics**

Dear Editors

Thank you for the comments. I'll like to respond only to what I think are the main issues raised by Adam Buick's remarks on my book (*Socialist Standard*, March). This does not necessarily mean that I am in agreement with him over other things that I do not take up here.

(1) The Speenhamland system is about as similar to Basic Income (BI) as an egg is to a chestnut. We are more than two hundred years on from that agrarian economy. Moreover, Speenhamland was a conditional system and BI is, by definition, unconditional. Criticisms of a conditional system can hardly be applied to a system that is unconditional *per excellence*.

(2) The objection at the core of the whole article, that BI "would be a wage subsidy to employers" is rather odd. If the law prohibits employers from paying less than a Minimum Wage, as happens in many countries, the argument sinks all by itself without any extra help. Some trade unions are more than aware of this and, for example, the ESK (Basque Union Group) have been BI supporters for some time now.

(3) The author's views that a BI would be a "wage subsidy to employers" without taking into account the economic forces of the time and without bothering to look into what effects a BI might have on the working class are not only more-than-dubiously based in historical terms but he also seems to be arguing as if the only decision-maker is the management. But aren't management wishes conditioned in any way by resistance from the workers? According to this line of argument, one might almost deduce that the workers shouldn't engage in too many distracting struggles to improve their conditions because the minute a bad economic situation comes along the management will take away what they've won previously. This is an odd way of understanding things.

(4) Have you pondered how a BI might affect the sector of the working class that is subject to the more precarious form of contract (about 40 percent of the workers in my country, Catalonia)? I've seen in the talks I've given over the years that, when the public consists in particular of very young workers, BI is understood as a measure that would help them to avoid accepting the very bad and insecure working conditions they're obliged to accept at present. A BI would give them the chance to say "no" to job situations that they have to agree to now. Have you wondered how a BI might affect a lot of women who depend economically on their husbands? Have you really thought about the possibilities for workers' protests that a BI could offer as a resistance fund?

In general, the right immediately grasps the whole potential of BI and is therefore totally against it (as the debate in the Spanish Parliament revealed on 2 October 2007). The left, at least part of the left, has more problems in understanding of the whole potential a BI could have for a good part of the working class. It's a shame, but that's how things are.

DANIEL RAVENTÓS (by email)

**Reply:**

We can't see how, given the way that capitalism works, a state payment, whether conditional or unconditional, to all workers is not going to end up being a wage subsidy to employers. It is bound to upset the labour market by setting in motion downward pressures on wages and salaries. Of course workers, through their unions, should resist such pressures (as they always should), but the employers' trump card is going to be "Look, your members are not going to be worse off, since their total income from us and the state is going to be more or less the same". In other words, a Basic Income scheme would not make workers better off in terms of money income; it would just be a more or less neutral "reorganisation of poverty". Surely you don't think that if BI was fixed at even as low as £5000 a year workers would be better off by that amount? Or that employers could be prevented by law from taking this payment into account when fixing or negotiating the wages they pay?

Yes, we are aware of the benefits that are claimed for BI and they sound alright. But excuse us if we are rather sceptical as we've heard claims of this sort made for many reforms of capitalism (including for family allowances, which the advocates of BI now want to replace by their scheme). The fact is that, while workers can obtain some improvements under capitalism, capitalism itself cannot be permanently reformed so as to work in the interest of wage and salary workers. At the present time, with the fiscal crisis of the capitalist state, any reform that will cost more money is not likely to pass anyway. Much better, then, that workers should go for the bakery rather than a few more, perhaps unobtainable, crumbs – socialism rather than a reform to capitalism  
–Editors.

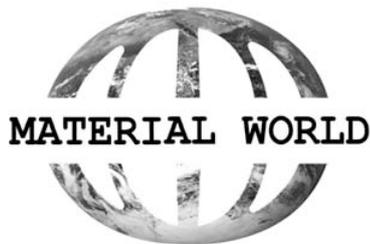
**Police strikes**

Dear Editors

Many thanks for forwarding on the article from the *Socialist Standard* (January) about the last, failed, police strike. I'm sure many of the officers who heeded the old Police Union's strike call would have agreed with the sentiment – although I'm not sure history has necessary proved it true.

One thing that the article does not reflect is the police's reluctance, as true now as it was then, to have to resort to this final exercise of industrial action.

COMMUNICATIONS DEPARTMENT, Police Federation of England and Wales.



# Selecting a US President: the invisible primaries

The expression “invisible primary” comes from Arthur T. Hadley, *The Invisible Primary* (Prentice-Hall, 1976). A more recent study refers to the “money primary” (Michael J. Goff, *The Money Primary*, Rowman & Littlefield, 2004). The two terms refer to the same process: the efforts of would-be candidates to gather support, raise funds and cultivate the media in the year before a presidential election, before the “visible” primaries begin.

Charles Lewis, director of the Center for Public Integrity, defines the phenomenon as “a private referendum in which the wealthiest Americans substantially preselect and predetermine who our next president will be... The hottest candidate in the check-writing sweepstakes is deemed ‘worthy’ by the major media via hundreds of news stories... All others are dubbed losers before the first [public] votes are cast.”

This slightly overstates the case. The number of candidates deemed worthy may, as this time round, be two or three. But the great majority of would-be candidates are indeed thrown out.

## Money and media coverage

So to get through the invisible primary you need two things: money and media coverage (lots of both). Let’s look at this a bit more closely.

Money and media coverage are closely connected – partly because money can buy media coverage in the form of political advertising, partly because (as Lewis notes) the media treat fundraising success as an important criterion of “credibility.” And also because both money and media coverage are allocated mainly by members of the same class, the capitalist class. They make most of the large financial contributions and some of them own and control the media.

This is not to say that money and media coverage are perfectly correlated. A candidate needs money for many other purposes besides media coverage, such as to hire staff, pay travel expenses, and bribe uncommitted convention delegates. Nor does media coverage depend solely on fundraising success. For instance, the bosses of Fox, CBS, and NBC also take into account candidates’ political positions when deciding who will be allowed to take part in televised “debates” (actually, grillings by TV journalists) and what questions, if any, each participant will be asked.

In terms of the analogy of a referendum of the capitalist class, it is a referendum in which the media owners have the casting vote.

## No challenge to corporate interests

What makes the political positions of a candidate acceptable or unacceptable to the media owners?

They would certainly judge any opposition to the capitalist system unacceptable. But the limits are in fact much narrower than that. In order to pass the test a candidate must not convey an “anti-corporate message” or challenge any significant corporate interest. That means in effect that he or she cannot advocate any serious reform.

I reached this conclusion by observing what happened to the most “left-wing” of the Democratic Party candidates – Dennis Kucinich, the Congressional Representative for Cleveland. Kucinich is not against capitalism, though unlike the general run of American politicians he appears to be independent of specific business interests. (As mayor of Cleveland he resisted pressure to privatize the city’s public utility system.) Like Franklin D. Roosevelt in the 1930s, with whose tradition he associates himself, he aspires to “save capitalism from itself” by instituting long-overdue reforms. He was the only candidate to stand for a “single-payer” system of healthcare finance that would eliminate the parasitic health insurance companies. Similarly, he was the only candidate to challenge the military-industrial complex by calling for big cuts in “defence” spending. These reforms are readily justified in capitalist terms, as essential to restore the competitiveness of U.S. civilian industry.

The media did their best to ignore Kucinich, except to ridicule him as a “kook” because, like Carter and Reagan, he says he once saw a UFO. The networks excluded him from TV debates, even when that required changing their own rules. (He sued NBC, but the courts upheld its right to exclude him.) As a result most Americans were unaware of his candidacy, although polls indicate that the policies he advocates enjoy wide support. In January he withdrew from the race, but has managed to hold onto his seat in congress.

## Change as a mantra

In order to get through the invisible and the visible primaries, a candidate, and especially a Democratic Party candidate, has to engage in vague and deceptive rhetoric. Obama and Hilary Clinton talk endlessly about change because that is what the voters to whom they appeal are looking for. They are fed up with sending their children to war, with layoffs and home foreclosures, with escalating health costs. Obama repeats the word “change” so often that it has been called his mantra. But just check

out what specific changes Clinton and Obama have in mind and you can count on being underwhelmed. They would not have got through the invisible primary had they been determined on serious change.

For example, Obama and Clinton convey the impression that they are finally going to make proper healthcare available to everyone. But this turns out to mean only that everyone will have access to health insurance. You will still have to pay for it. Well, in that sense the U.S. already has “universal healthcare”! OK, they will make the health insurance companies introduce a wider variety of more affordable schemes. That may reduce the number of uninsured somewhat. But cheaper schemes are schemes with poorer coverage and/or higher co-pays and deductibles. (A co-pay is the part of a charge for services that is paid by the patient, not the insurance company. A deductible is the amount that the patient has to pay before the insurance company starts to make any contribution at all.) And some people won’t be able to afford even the cheapest schemes on offer.

The media and the candidates themselves relieve the strain and frustration of trying to assess and compare policy positions by distracting us with trite pseudo-issues such as the relative merits of “youth” and “experience” and whether the U.S. is “ready” for a nonwhite or female president.

## Media reform?

Socialists consider most of what passes for “democracy” in the U.S. and other “democratic” countries to be phoney and corrupt – “the best democracy that money can buy.” But we do not deny the existence of some democratic elements in the political system of these countries. One such element is the suffrage itself, which we hope will eventually play a role in establishing the fuller democracy of socialism. The strength of these democratic elements changes over time, and the direction of change cannot be a matter of indifference to socialists.

A crucial factor is the extent to which the capitalist class is able effectively to silence critics of capitalism by monopolizing control over communications media. Until the mid-20<sup>th</sup> century outdoor public speaking was an important medium of free political discussion, through which socialists could reach quite a large audience. This democratic medium was displaced by television, to which socialists had virtually no access. Now the internet is starting to undermine the monopoly of the corporate mass media, although its impact so far has been modest.

# Simon the Sociobiologist

A STROLL DOWN THE HIGH STREET...



SPARE SOME CHANGE MATE? I'VE HAD A TOUGH LIFE. A HARD UPBRINGING!



YOU SHOULDN'T ADHERE TO THOSE DISCREDITED FREUDIAN NOTIONS OF CHILDHOOD TRAUMA SHAPING OUR PERSONALITIES. 'ENVIRONMENT' IS PASSÉ.



GENETIC DETERMINATION IS THE RECEIVED WISDOM NOWADAYS. SO YOU ARE PROBABLY AN INHERITOR OF BAD GENES.



HMM. WHAT'S THIS? MUST BE THE LOCAL ELECTIONS AGAIN.



I EVIDENTLY NEED TO DEDUCE WHICH PARTY BEST SERVES MY INTERESTS, PANDERS TO MY PREJUDICES, WHILST AT LEAST ATTEMPTING TO ASSUAGE MY GUILT.



IT IS APPARENT THAT YOUR TWO PARTIES HAVE LONG BEEN ENGAGED IN A KIND OF DUTCH AUCTION, WHO CAN BE THE MOST RIGHT WING. THERE IS AT LEAST AN ELEMENT OF MACHISMO IS EVIDENT.



WHILST YOUR PARTY BLATANTLY APPEALS TO OUR BASE TRIBALISTIC URGES. FAMILY, CLAN, TRIBE, NATION STATE - THIS IS HOW WE DEFINE OURSELVES. WE NEED TO BELONG.



THIS IGNOBLE APPEAL TO DEEP ROOTED INSTINCT REACHES ITS NADIR WITH YOUR PARTY. HOWEVER, IT MUST BE STATED THAT YOUR BRAND OF RACISM IS SIMPLY UNSCIENTIFIC. HUMANITY IS A SMALL SPECIES. THERE IS MORE GENETIC DIVERSITY IN A SMALL GROUP OF EAST AFRICAN CHIMPANZEES THAN IN THE WHOLE OF HUMANKIND.



DOUBTLESS YOUR REASONS FOR ESPOUSING SUCH VIEWS LIE IN YOUR OWN PERSONAL RATHER LOW RATING IN THE DOMINANCE HIERARCHY, AND CONSEQUENT FEELINGS OF INADEQUACY.



AND AS FOR YOU, FENCE-SITTING HAS ALWAYS BEEN A VIABLE STRATEGY. LET OTHERS TAKE THE RISKS!



SO MUCH FOR ALL OF THAT. NOW, I NEED TO BUY A NEW SHIRT. LET'S GO SHOPPING!



HMM. MY CONSCIENCE WILL HAVE TO WRESTLE BETWEEN BUYING THE CHEAP SWEATSHOP MADE ITEM, OR THE MORE EXPENSIVE FAIRTRADE ONE. SO... SAVE MONEY, OR GET TO FEEL NOBLE?



BUT THERE GOES THE FEMALE I'VE BEEN TRYING TO IMPRESS OF LATE. ETHICAL DILEMMA SOLVED! AN OPEN DISPLAY OF ALTRUISM SHOULD DO THE TRICK NICELY.



HI THERE SIMON! YOU SHOP FAIR TRADE? YOU'RE SO NICE.



BUT NICE MEN ARE BORING! I LIKE A DANGEROUS, RISK TAKING BAD GUY. WITH A FLASH CAR. SEE YA!



# Pieces together

## Land of the Free?

"For the first time in U.S. history, more than one of every 100 adults is in jail or prison, according to a new report documenting America's rank as the world's No. 1 incarcerator. It urges states to curtail corrections spending by placing fewer low-risk offenders behind bars. Using state-by-state data, the report says 2,319,258 Americans were in jail or prison at the start of 2008 — one out of every 99.1 adults. Whether per capita or in raw numbers, it's more than any other nation. The report, released Thursday by the Pew Center on the States, said the 50 states spent more than \$49 billion on corrections last year, up from less than \$11 billion 20 years earlier. The rate of increase for prison costs was six times greater than for higher education spending, the report said." (*Yahoo News*, 29 February)

## This is Freedom?

"As if the Government doesn't know enough about us already, it is now using lie-detector equipment (or 'voice-risk analysis', as it is euphemistically known) to signal whether people claiming benefit are telling the truth. If you receive a phone call from a town hall official asking about your circumstances, it seems that your answers - or rather, the tone of voice in which you give them - could well be scrutinised by a computer for telltale signs of 'stress'. ... In the Government's book, apparently, stress in the voice is a pretty good indication of flagrant dishonesty. You will be investigated further. Big Brother is most certainly watching you." (*Times*, 27 February)

## War is Stupid

"The last French veteran of World War I, an Italian immigrant who lied about his age to join the Foreign Legion and fight in the trenches, died Wednesday aged 110, President Nicolas Sarkozy said. Lazare Ponticelli, the last of more than eight million men who fought under French colours in the 1914-18 war that tore Europe apart, died at the home he shared with his daughter in Kremlin-Bicêtre, a Paris suburb. Reflecting on his wartime experiences, he once said: "You shoot at men who are fathers: war is completely stupid." (*Yahoo News*, 12 March)

## The American Dream

"More American homeowners are mired in negative equity than at any time since the Great Depression of the Thirties ... Close to 9 million Americans, or 10.3 per cent of homeowners in the US, now owe more on their mortgages than their house is worth, according to the latest figures from Moody's, the ratings agency, as inventories of unsold homes continue to pile up in an already over-supplied market." (*Observer*, 24 February) "House prices in America are now falling at their fastest rate since records began in 1964, while repossessions and new houses for sale are at levels not seen since the Depression in 1929." (*Observer*, 2 March)

## Democracy in Action?

"President Bush has vetoed a law preventing the CIA using interrogation techniques condemned by many as torture, because it 'would take away one of the most valuable tools in the War on Terror' ... The veto throws the spotlight back on to America's use of so-called coercive interrogation methods like waterboarding, the simulated drowning technique invented by Spanish inquisitors and adopted by regimes such as the Khmer Rouge." (*Times*, 10 March)

## Contact Details

### UK BRANCHES & CONTACTS

#### LONDON

**Central London branch.** 2nd Weds. 6.30pm. The Shakespeare's Head, 64-68 Kingsway, Holborn. (Nearest tube: Holborn.) Tel: Tristan 0207 6223811

**Enfield and Haringey branch.** 2nd & 4th Monday. 8pm. Angel Community Centre, Raynham Rd, N18. Corres: julianvein@blueyonder.co.uk

**South London branch.** 1st Tues. 7.00pm. Head Office. 52 Clapham High St, SW4 7UN. Tel: 020 7622 3811

**West London branch.** 1st & 3rd Tues. 8pm. Chiswick Town Hall, Heathfield Terrace (Corner Sutton Court Rd), W4. Corres: 51 Gayford Road, London W12 9BY

**Pimlico.** C. Trinder, 24 Greenwood Ct, 155 Cambridge Street, SW1 4VQ. Tel: 020 7834 8186

#### MIDLANDS

**West Midlands branch.** Meets every two months on a Sunday afternoon (see meetings page for details). Tel: Tony Gluck 01242 235615

#### NORTHEAST

**Northeast branch.** Contact: Brian Barry, 86 Edgmond Ct, Ryhope, Sunderland SR2 0DY. Tel: 0191 521 0690. E-mail 3491@bbarry.f2s.com

#### NORTHWEST

**Lancaster branch.** P. Shannon, 10 Green Street, Lancaster LA1 1DZ. Tel: 01524 382380

**Manchester branch.** Paul Bennett, 6 Burleigh Mews, Hardy Lane, M21 7LB. Tel: 0161 860 7189

**Bolton.** Tel: H. McLaughlin.01204 844589

**Cumbria.** Brendan Cummings, 19 Queen St, Millom, Cumbria LA18 4BG

**Carlisle.** Robert Whitfield. E-mail: rewcb13@yahoo.co.uk tel: 07906 373975

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**Southeast Manchester.** Enquiries: Blanche Preston, 68 Fountains Road, M32 9PH

#### YORKSHIRE

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**Skipton.** R Cooper, 1 Caxton Garth, Threshfield, Skipton BD23 5EZ. Tel: 01756 752621

#### SOUTH/SOUTHEAST/SOUTHWEST

**South West branch.** Meets every two months on a Saturday afternoon (see meetings page for details). Ray Carr, Flat 1, 99 Princess Road, Branksome, Poole BH12 1BQ. Tel: 01202 257556.

**Bristol.** Shane Roberts, 86 High Street, Bristol BS5 6DN. Tel: 0117 9511199

**Canterbury.** Rob Cox, 4 Stanhope Road, Deal, Kent, CT14 6AB

**Luton.** Nick White, 59 Heywood Drive, LU2 7LP

**Redruth.** Harry Sowden, 5 Clarence Villas, Redruth, Cornwall, TR15 1PB. Tel: 01209 219293

#### EAST ANGLIA

**East Anglia branch** meets every two months on a Saturday afternoon (see meetings page for details). David Porter, Eastholme, Bush Drive, Eccles-on-Sea, NR12 0SF. Tel: 01692 582533. Richard Headicar, 42 Woodcote, Firs Rd, Hethersett, NR9 3JD. Tel: 01603 814343.

Richard Layton, 23 Nottingham Rd, Clacton, CO15 5PG. Tel: 01255 814047.

**Cambridge.** Andrew Westley, 10 Marksby Close, Duxford, Cambridge CB2 4RS. Tel: 07890343044

#### NORTHERN IRELAND

**Newtownabbey.** Nigel McCullough. Tel: 028 90852062

#### SCOTLAND

**Edinburgh branch.** 1st Thur. 8-9pm. The Quaker Hall, Victoria Terrace (above Victoria Street), Edinburgh.

J. Moir. Tel: 0131 440 0995 JIMMY@jmoir29.freereserve.co.uk Branch website: <http://geocities.com/edinburghbranch/>

**Glasgow branch.** 3rd Wednesday of each month at 8pm in Community Central Halls, 304 Maryhill Road, Glasgow. Richard Donnelly, 112 Napierhall Street, Glasgow G20 6HT. Tel: 0141 5794109. E-mail: richard.donnelly1@ntlworld.com

**Ayrshire.** D. Trainer, 21 Manse Street, Salcoats, KA21 5AA. Tel: 01294 469994. E-mail: derricktrainer@freeuk.com

**Dundee.** Ian Ratcliffe, 16 Birkhall Ave, Wormit, Newport-on-Tay, DD6 8PX. Tel: 01328 541643

**West Lothian.** 2nd and 4th Weds in month, 7.30-9.30. Lanthorn Community Centre, Kennilworth Rise, Dedridge, Livingston. Corres: Matt Culbert, 53 Falcon Brae, Ladywell, Livingston, West Lothian, EH5 6UW. Tel: 01506 462359 E-mail: matt@wsmweb.fsnet.co.uk

#### WALES

**Swansea branch.** 2nd Mon, 7.30pm, Unitarian Church, High Street. Corres: Geoffrey Williams, 19 Baptist Well Street, Waun Wen, Swansea SA1 6FB.

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**Cardiff and District.** John James, 67 Romilly Park Road, Barry CF62 6RR. Tel: 01446 405636

### INTERNATIONAL CONTACTS

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#### ASIA

**India.** World Socialist Group, Vill Gorbardhanpur, PO Amral, Dist. Bankura, 722122

**Japan.** Michael. Email: worldsocialismjapan@hotmail.com.

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**Germany.** Norbert. E-mail: weltsozialismus@gmx.net

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### COMPANION PARTIES

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**Socialist Party of Canada/Parti Socialiste du Canada.** Box 4280,

Victoria B.C. V8X 3X8 Canada. E-mail: SPC@iname.com

**World Socialist Party (New Zealand)** P.O. Box 1929, Auckland, NI, New Zealand.

**World Socialist Party of the United States** P.O. Box 440247, Boston, MA 02144 USA. E-mail: wspboston@covad.net



## If I Were A Rich Man . . .

*'There's class warfare all right, but it's my class, the rich class, that's making war, and we're winning'. New York Times, 26<sup>th</sup> Nov 2006*

So said, with more than a hint of shame, the person revealed by *Forbes* magazine last month to be the world's richest man – Warren Buffett. With a fortune estimated to be in the region of 62 billion dollars, Buffett is now a couple of billion ahead of the Mexican telecoms tycoon Carlos Slim, and four billion or so ahead of his friend and bridge partner, Bill Gates. Britain's richest man, Labour Party donor Lakshmi Mittal, is fourth, one of 49 billionaires living in the UK.

Buffett, dubbed the 'Sage of Omaha' because of his homespun wit and wisdom, is something of an enigma, a compulsive accumulator of wealth that he is in some respects embarrassed about. He may be the richest man in the world, but lives in the same house he bought for \$31,000 when he was 28, exists on a diet of hamburgers, candy bars and Cherry Coke, and refuses to have more than one car (an old one, at that). In a world obsessed by conspicuous consumption, he is hardly

a man given to ostentatious displays of wealth.

From a very early age Buffett was fascinated by numbers, mathematical calculations and money, and was obsessed with becoming rich, to such an extent that according to Mary Buffett, as a child in 1938, 'in the sweltering summer heat of Nebraska, he walked miles to the race-track where he spent hours on his hands and knees scouring the sawdust-covered floors for discarded racing stubs, hoping to find a winning ticket' (*The New Buffettology*). The son of a Nebraska stockbroker, he made his first stock market investment when he was eleven (three shares in a firm called Cities Service) and by the time he was old enough to go to college he had made \$6,000.

### Harvard reject

After his degree, Buffett applied to study at the prestigious Harvard Business School and was rejected. But this was a blessing in disguise for him, because he

ended up going to Columbia University instead where he studied under Benjamin Graham, considered by many at the time (and plenty since) to have been the greatest investment analyst of the twentieth century. Graham wrote two seminal works: *Security Analysis* (co-authored with David Dodd) in 1934, and *The Intelligent Investor*, the original edition of which was published in 1949. The teachings of Graham, and these two books in particular, had a profound impact on Buffett, to such an extent that he eventually persuaded Graham to take him on at his own Wall Street investment firm (at one stage he even offered to work for free).

When Graham retired in the 1950s, a homesick Warren Buffett returned to Nebraska to set up his own investment partnership. This was the real beginnings of his fortune, where he began to turn an initial investment of \$105,000 collected from friends and family (only \$100 of which was his own) into the \$62,000,000,000 it is now. Buffett's fund

management fees were performance-related and by 1969, when he decided to close down the partnership, assets under management had grown to around \$104 million, in which Buffett's personal stake was over \$20 million. By this time Buffett was convinced that a bear market was around the corner, where sustained downward pressure would be put on share prices after the end of the 1950s and 60s economic boom.

But it was also in this period that Buffett laid the foundations for his greatest leap in wealth, taking over the company with which he has been synonymous ever since: Berkshire Hathaway. This ailing textile company was steadily bought up by Buffett and his partners typically for around seven to eight dollars a share and in 1965 they seized control of it. When Buffett dissolved his investment partnership he offered his partners a choice of either cash or a stake in Berkshire Hathaway. Those who took the shares instead of cash have seen them rise in price in the period since to the extent they currently trade in excess of \$140,000 each on the New York Stock Exchange.

### Woodstock for capitalists

So, how did Buffett really become so rich and help other Berkshire Hathaway shareholders to be the same? By being, in Buffett's own words, in the right place, at the right time, but also by being the perfect capitalist. As Buffett would be the first to admit, he has never invented or made anything; indeed, he is very far from being the great all-American entrepreneur of popular mythology – he's happy to let Bill Gates take that sobriquet. Instead, he is the most famous example of a phenomenon Friedrich Engels wrote about in the nineteenth century, where Engels identified that the key technical role that entrepreneurs played in the growth of capitalism was on the wane:

'All the social functions of the capitalist are now performed by salaried employees. The capitalist now has no other social function than that of pocketing dividends, tearing off coupons, and gambling on the stock exchange, where different capitalists despoil one another of their capital.' (*Socialism: Utopian and Scientific*).

In this sense, the capitalist class, as owners of capital who no longer have to work and whose key technical function in the rise of capitalism has been largely taken away, become functionaries of capital – and interestingly, Buffett has defined himself as being an 'allocator of capital' above all else. In this respect, Buffett is a very modern capitalist – an investor in companies and markets rather than an inventor of things. Every year, Berkshire Hathaway shareholders arrive in Nebraska for their annual shareholders' meeting to pay homage to Buffett and his side-kick Charlie Munger in an event they call 'Woodstock for capitalists'; there is little entrepreneurial spirit to be seen, for there is no need.

### Meet 'Mr Market'

Buffett used Berkshire Hathaway as an investment vehicle, using it to take

over insurance companies and other firms that generated steady cash flow. In owning firms outright, he was able to mitigate his exposure to the stock market when he felt it necessary. Over time, though, Buffett used Berkshire's excess cash to selectively buy back into stocks.

In doing so, he abided by the investing principles handed down to him by his mentor, Ben Graham, often referred to as 'value investing'. In essence, this meant investing in companies based on their real value and assets (and their ability to grow them) rather than what was likely to happen to their short or medium-term share price. Graham and Buffett both took the view that value and price were not identical, even if they gravitated in the same direction over the long-term (leading Graham to famously comment that 'in the short run the stock market is a voting machine but in the long run it's a weighing machine').

In particular, Graham and Buffett took issue with the academic theory known as 'Efficient Markets Hypothesis'. This theory states that stock market prices (allegedly like all other prices) are efficient, in that all known information is reflected in them so that it is impossible for significant market inefficiencies to occur, and impossible for any investor to 'beat the market' in the long run through anything other than pure luck.

Ben Graham had attacked this view with his parable of 'Mr Market', an agreeable potential business partner who is always ready on any given day to do a deal over a business or share of a business so long as he can name the price. One Graham and Buffett acolyte has explained the concept this way:

'Mr Market is bipolar. Our partner goes through gigantic mood swings from the highest euphoria to the lowest depression. Most of the time Mr Market is taking his meds, and on most days he's pretty lucid about the prices he sells and buys at. That means most of the time the price of a business is pretty close to its value. But sometimes he can get so insanely optimistic that he prices everything insanely high. On other days Mr Market can get so depressed that, unlike Annie, he's convinced the sun will *not* come up tomorrow . . .

It's kind of a shame to take advantage of someone who's emotionally unbalanced, but then again, he doesn't seem to mind. He's been bipolar for so long he just thinks it's normal. He doesn't honestly think that he's mispricing anything, even if one day the price is \$100 a share and just a few months later it's \$10. And if you ask the professors who study Mr Market, they'll tell you the guy is fine.' (Phil Town, *Rule 1*.)

In essence, this is how Buffett has made most of his money – by realising that the market economy isn't intrinsically an efficient allocator of resources and is driven by wild swings of sentiment that often belie underlying reality. In the great bear market of 1973-4, when stocks in the US more than halved in price measured by the S & P 500 index, and fell by nearly three-quarters in the UK, Buffett said he

felt 'like an over-sexed guy in a whorehouse'. He invested massive amounts and saw share prices recover within a year or so, despite no significant change in the performance of the underlying economy or the companies within it.

Buffett is no lover of the free-market and has made much of his money through exploiting the fact that capitalism isn't nearly the competitive ideal that many of its fiercest advocates assume. Illustrative of Buffett's approach is the type of company he has used Berkshire Hathaway to buy into: those he identifies as having an economic 'moat', a durable competitive advantage or quasi-monopoly position that their competitors (if they have any) cannot easily breach. Buffett hates, and steers clear of, companies that operate in price-competitive markets, as they are the most vulnerable to the vicissitudes of the capitalist economy and those whose growth is least assured and steady over time. Instead, he typically invests in companies that have very different characteristics – for example, firms:

- 1 that achieve dominance through having strong brands that involve repeat buying (Buffett has been a major shareholder in both Coca-Cola and Gillette),
- 2 that can exercise control over a service through which they allow access by charging others for the privilege (such as some utility network companies),
- 3 that secure massive forward orders based on major long-term contracts, typically with the state sector, for outsourcing, regeneration, etc.,
- 4 that have a product that becomes so all-pervasive that switching to a competitor isn't worth the trouble (Microsoft),
- 5 that have a company secret such as a patent that acts as a barrier to entry for other firms (e.g. Intel, GlaxoSmith-Kline),
- 6 that have such economies of scale they can undercut their competitors and achieve market dominance (e.g. Wal-Mart in the US and a recent Buffett buy in the UK, Tesco).

When these type of firms are mispriced in the stock market because of negative sentiment – giving what Graham called a 'margin of safety' to the buyer – then Buffett starts accumulating shares. Companies with an economic moat typically grow their profits well in excess of 10 per cent per annum on average; indeed, Buffett usually looks for firms that can grow their 'book value' and profits at 15 per cent, potentially giving him a huge compounded return over the years, especially if he has already bought them well below their real value. And he has declared his favourite holding period for such companies to be 'forever' (Buffett rarely involves himself in short-term speculation and when he does it tends to be through taking advantage of arbitrage opportunities, again based on market mispricing).

### Unions

In many respects, Buffett probably has a better understanding of how capi-

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# Who Cares?

*The US presidential election circus passes, people continue to suffer even in the US.*

It's the US presidential election year. Populations of the world take notice. The media circus is in full flow and the season is a long one. The mainstream media love a good fight and will pounce on any juicy morsel, wringing it to death in the cause of democracy – Clinton's moment with tears in her eyes or the decision or non-decision to show some cleavage; Obama's plagiarizing or agreed borrowing of phrases from a third party's speech – grist to the mill of information for the masses, essential in the common voter's decision making process. Who do we think will make the toughest Commander in Chief and be able to make the 'hard' decisions? It appears the aim is to keep the public's eyes as far away from reality and the real issues as possible. Deflect their attention whilst hypnotising them into believing their vote will actually make a difference in any significant area of their lives.

Even the more serious 'liberal' or 'progressive' US media are spending an inordinate amount of time and space debating and dissecting which sections of the population will vote for (1) a black, or (2) a woman. The fact that they are from the same party and broadly back the same agenda – and may ultimately stand on the same ticket – is less important than speculating about in which direction the various sections of the electorate are likely to be swayed either by popular appeal and endorsement of celebrities or by muck-raking and negative campaign advertisements.

Seemingly disconnected from the multi-million dollar, multi-media frenzy of the race for the presidency can be found other articles given over to topics not covered in the mainstream media but which ought to be in the forefront for the presidential candidates, the whole electorate and the rest of the world. Writers of several articles recently have investigated the care of physically injured or mentally scarred US troops returning from Iraq, and have revealed some chilling truths. Last year conditions at the Walter Reed Medical Centre, a military hospital, became so bad that it entered the realm of international coverage for a short time. Equipment was in short supply, specialists were leaving, the unit was seriously underfunded leading to lack of appropriate care for seriously wounded patients and a Pentagon Mental Health Task Force deemed its staffing level "woefully inadequate". Bush made promises that it would be sorted and the hue and cry died away. Fairly early on in the conflict in Iraq some doctors, psychiatrists, psychologists and counsellors recognised that significant numbers of military personnel were suffering from post traumatic stress

disorder (PTSD), especially if they had had to undergo a second or third term of duty. Many were simply given a course of drug therapy, a pep-talk and sent back to their unit or, whilst in the US between tours, some of them, with impeccable records and commendations for heroic action, developed problems with drugs, alcohol, gambling, writing bad cheques and ended up in military jail, some losing rank and others being discharged dishonourably.

In the early days counsellors and psychiatrists were pressed not to accept PTSD, certainly not to register it on record, rather to rebrand the affliction as 'Personality Disorder' and to suggest that those so afflicted were obviously unstable *before* they entered the military and were consequently kicked out of the service. Eventually after pressure from certain quarters thousands, rather than the original few dozen, were accepted as bona fide sufferers of PTSD and were put on a list to await treatment. But still denial of PTSD persists, especially in the Marine Corps which has "a deeply macho culture". It is 93% male, 66% of whom are 25 or younger and 13% are teenagers. One civilian psychiatrist who treats Iraq and Afghanistan veterans tells of young veterans being ridiculed by their chain of command if they asked for help.

The Pentagon's Mental Health Task Force reported last June that 31% of marines serving in Iraq and Afghanistan are suffering from traumatic stress and that marine suicide rates have been above average since the invasion of Afghanistan. (32 active duty suicides in the Marine Corps in 2004, no mention of the number among veterans). There are severe shortcomings in providing care for those who do qualify. A year after the Marine Corps' review of less-than-honourable discharges recommended screening all marines and sailors who commit 'particularly uncharacteristic misconduct' following deployment the programme has not yet started because they lack the manpower.

Before the severely wounded or traumatised arrive back in the US they are transported to the Landstuhl Regional Medical Centre in Germany. The Air Force colonel who was chief of medical operations in the Europe headquarters for 2 years, 2004-6 said "politics infused every aspect of care" and that the funding was the worst she had seen in 20 years in the military. They weren't allowed to increase staffing because it would give the wrong message, that it would look like they were expecting more casualties. They weren't allowed to send the visibly wounded home on commercial planes because it might upset US citizens to see them and the military planes were so cold

that charity appeals were made in order to provide hats, scarves and mittens for the wounded. Mittens, because they fit wounded hands better than gloves.

Here's the rub – this huge military set-up with an annual budget of billions, desperately recruiting from all quarters, promising college educations for free and later renegeing, promising full US citizenship to non-citizens and then renegeing and promising full support to veterans and renegeing wherever possible. The reason PTSD is a contentious diagnosis is because it means that sufferers are entitled to full support, free drugs and veterans' benefits for life (i.e. expensive). If it can be reduced to 'personality disorder' they can be thrown out and denied entitlement. If they can be recommended for an 'other-than-honourable' discharge (for drug use whilst recovering or other misdemeanours) notwithstanding an exemplary service record, veterans' benefits would be denied, including healthcare, for life.

The bottom line, soldiers, sailors, airmen and marines, don't kid yourselves about patriotism or fighting terrorists or protecting your country. When was war any different? It's just the workers protecting the interests of their masters. It's the same for you as it is for the rest of us. You're simply there to be used, abused and paid as little as they can get away with. These are the issues that should be engaging the media circus, placing them squarely in front of the electorate and the presidential candidates. But they aren't and they won't be because the mass media supports the status quo. Will the workers ever learn?

**JANET SURMAN**



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# MANUFACTURING BRITISHNESS

*Getting school leavers to swear allegiance to the Queen, what's it all about?*

Gordon Brown now appears to believe that, like Candyman, if you say “Britishness, Britishness, Britishness” in a mirror, it will come to get you. At least, that’s how it seems with the outpourings of his government. Of course, in his report, Lord Goodman was merely suggesting that all school leavers get to have a citizenship ceremony, in which they might swear true and lasting allegiance to Queen and country – it isn’t policy (yet). Even if that small part of the report was spun to make the headlines, all that team Brown are doing is floating an idea, to see if it has legs.

Brown would say that he is just trying to promote and shape a sense of collective identity; to improve social cohesion and welfare; to provide a platform for the different identity communities in Britain to overcome their antagonisms. Brown simply wants us to celebrate those British values of tolerance and fairness (which, of course, no other polity on Earth espouses).

As Goodman explains:

“...analysis also shows that [patriotic] feelings have fallen over time; they are less prevalent among younger people; and there is disaffection in parts of our communities.

So the challenge is to renew our shared sense of belonging and take steps to engage those who do not share it. Especially in the light of social changes, we need a narrative of what we stand for together; and we may need to set out that narrative in more explicit terms than we have had to use before and using frameworks that are created for this purpose.”

It is not, you understand, a “crisis”, but, like the spouse in a failing marriage, feeling the romance start to ebb away, Goodman recommends we cry out our love of country ever more arduously. We should, he opines, have a national day, given over to being British.

Since “British” is what we who happen to live on the outlying archipelago just off the northern coast of Europe are supposed to be anyway, that seems to make as much sense as a day celebrating carbon.

Unless, such national identities are not as natural as we are led to believe, and they only work by continually shoring up the fragments of their highly artificial walls. If they are a part of manufacturing consensus that would mean that all those traditions and values were invented;

and only as “natural” as the needs of the inventors.

Quite how those needs are served was nicely illustrated in March this year. Brown let it be known that he wanted to raise the profile of the British military by encouraging troops to wear their uniforms on the streets. We were to be encouraged to feel pride in the presence of their resplendent attire, and be continually reminded of the marvellous service these boys and girls do for us, putting their lives on the line for their country, being the rough men who let us sleep quietly in our beds. The political purpose of such a subtle reminder would be to assist the morale of troops fighting in the various foreign adventures (Iraq and Afghanistan in particular) that the Labour government has seen fit to commit itself to.

It also was a way to spike the guns of the Conservative Party and the natural Tories in the military establishment who have suddenly discovered something called “the military covenant” – some process by which the state assumes a duty of care to look after soldiers. This is of recent invention, and forms the basis of all bleating about soldiers not being properly cared for or protected. It is a claim for special treatment and a useful establishment manifesto. Doubtless, were the Tories in charge, we’d never hear of it again.

Beyond that, is the hope that getting the folks back home to empathise with the military will iron out any political fallout that from launching an unpopular war in pursuit of loot and profits. Getting people to think of themselves as being against the war but for the troops is an excellent means of quelling practical opposition to the wars – turning the troops into the political and symbolic hostages of their masters.

All this was given a fillip by the highly orchestrated (as revealed by *Private Eye*) outing of Prince Henry Charles Albert David Windsor’s tour in Afghanistan. He became, in a blaze of publicity, an ordinary hero, so committed to his comrades in arms

and his duty, that he put his Royal life on the line to go and fight.

Pictures of the smiling princeling playing sport in the desert sent out a message of the equality of service, how all the boys are equal under the badge – and added that air of glamour to proceedings that comes with a Royal personage and their saturation coverage in the media. That it simultaneously improved the image of the Royal Family was, surely, just a coincidence.

He even, it was reported, killed over thirty Taliban “militants”. Or, that is, rather, he co-ordinated the attack so that air strikes could be brought down on those dreadful fanatics. He bravely got someone else to do his killing.

Alas (it seemed) this wave of propaganda was punctured. On 6 March it was reported that personnel at RAF Wittering, near Peterborough, had been instructed not to wear their uniforms in public, despite the wishes of the great leader, because there had been incidents of verbal harassment of troops by a “cross section of the community.” This follows similar complaints of harassment of troops “forced” to share regular NHS hospitals with members of the public.

Once upon a time, such incidents would not likely be reported, and the wall of propaganda would hide the divisions in society. This time, though, the press latched onto this story, and began bemoaning the abuse of “our boys” who “put their lives on the line.” Soldiers began to be clapped in the street. Newspapers broadcast their support for the troops. Politicians said that we should all get behind these brave lads. Suddenly, a story about how the unpopularity of the war was turning



into abuse of the troops, turned into yet another exercise to achieve the politicians aim of binding us together in love and respect for the lethal arm of the state.

Herein is the rub. These people are doing a dirty job. Skills, talent, energy and resources are being directed from creative productive work, and instead being dedicated to death and destruction.

Even, were we, for one moment, to accept the unfortunate necessity of having to keep a standing force for murder, we could still question why they should be lauded so. Tax collecting and being a bailiff is an unfortunate necessity of our current society, but no-one asks us to celebrate bailiffs.

What of, though, putting their lives on the line? Well, from accident reports we know that thousands of builders are putting their lives on the line every day. Train track engineers are risking life and limb. At least, those workers could point to some accomplishment, an addition to the wealth and wellbeing of society from the risks they are putting themselves to.

It was once a commonplace of radical politics, never mind socialist politics, that a standing peacetime army is a sign of tyranny. The option to resort to lethal force remains in place, and implicitly backs up any decision of the state and its agents. When Tony Blair said it was in the interests of Britain to go to war, he was saying, perhaps without the actual thought crossing his mind, that some

stakes are so high that they are worth more than a human life. That they are worth killing for. The logic of the mafia don.

As socialists we consider that this international system of perpetual warfare stems entirely from the division of the world into units of property, and that it can be replaced by the common ownership of the world by the human race, co-operatively and democratically running their own lives. The "unfortunate necessity" for the dirty work of slaying can be eliminated, and no-one need suffer to wear a military uniform again.

We understand that, much like those supposed Taliban militants, who are usually boys fighting for a pittance and a rifle at the behest of well-heeled leaders, the military is made up of workers in uniform, proletarians on parade, hired killers plying their trade. Their work is dirty and despicable, but they, as human beings are no more worth spitting on nor abusing than any other person. What they deserve,

and need, is for their political masters who are using them to be removed, so that all that skill and energy can be redirected into useful work, and not used against us.

This could build the practical unity of living, working and sharing together, so that we need neither patriotic parades nor oaths of allegiance to bind us together, and we can put the spectre of the dismal time where murderers were heroes far behind us.

**PIK SMEET**



## Cooking the Books 1

### What's China's game?

An interesting take-over battle is now taking place in the world mining industry. Towards the end of last year, BHP Billiton, the world's largest mining company, made a bid to take over Rio Tinto, the world's second largest mining company. According to the *Times* (5 February) a BHP-Rio merger "would create the world's largest

iron ore, aluminium and coal supplier . . . A merged BHP-Rio would control about 36 per cent of the world's iron ore, which is used to make steel, and consolidate 75 per cent of that market in the hands of only two companies". (The other would be Vale, the Brazilian mining corporation).

Steel-producing countries dependent on imports of iron ore – China, the EU, Japan – are not too happy about this prospect of an "OPEC for iron ore". But so far only China has acted. At the beginning of February Chinalco, the Chinese state-owned aluminium company, splashed out £7 billion in cash to acquire a 12 percent holding in Rio Tinto, probably to at least have a say in the disposal of Rio Tinto's assets.

There is a theory which sees multinational corporations such as BHP and Rio Tinto as agents of the Western "imperialist" states, but here the victims will be other capitalist corporations in the developed capitalist world who are consumers of iron ore and aluminium. In any event, there can be no doubt that China's various state-owned companies such as Chinalco, Sinochem Petroleum and China Shenua Energy are agents of the Chinese capitalist, not to say "imperialist", state.

Capital accumulation is going on apace in China and China has a desperate need for the materials to sustain this (while it lasts):

"China is forecast to consume more than half of all the world's key resources within the next decade and the country is seeking to control mines and oilfields to ensure its supplies. China is already the world's largest consumer of every big resource except oil and accounts for 47 per cent of all iron ore, 32 per cent of aluminium and 25 per cent of copper." (*Times*, 5 February).

China is also the world's leading consumer of nickel and zinc. To ensure a steady supply of all these essential materials, China has set up a whole range of state-owned capitalist corporations which operate on the stock exchanges of the world, doing deals with and acquiring shares in Western capitalist corporations.

Western financial journalists such as Patrick Hosking of the *Times* are intrigued as to "why is China playing the Western capitalist game" (*Times*, 5 February). Hosking doubts that Chinese state corporations such as Chinalco are interested in maximising profits or in maximising dividends to their single shareholder, the Chinese state, and concludes:

"In one sense it is encouraging that Beijing is buying – literally – into joint-stock capitalism. But it would be naïve to assume its business leaders are motivated by the same forces as their Western counterparts".

He is probably right. While non-state capitalist corporations are motivated by maximising profits and dividends to their shareholders, states can take a longer and broader view of the overall national capitalist interest. They need to take into consideration such factors as the security of supply of essential materials to industries within their borders. Many a war has been fought to achieve this. But wars are expensive and risky. Much better to try other means first, commercial as well as diplomatic.

This is what China appears to be doing via its state-owned corporations operating alongside Western corporations. At the same time China is building up its armed forces just in case this fails and other means of acquiring a secure supply of essential materials have to be employed (see for example <http://www.comw.org/cmp/fulltext/cafnaval.html>).

# What is the public's opinion?



*In the vicious world of capitalist competition, opinion polling finds a vital and profitable niche not for the laudable purpose of discerning or complying with the public interest but with the manipulation of public opinion in the interest of profit.*

As in all previous stages of human social development, today wealth is produced and can only be produced by the application of human labour power to the resources of nature. Capitalism complicates the process of wealth production by the separation of these two productive essentials; a relatively small minority of human beings claim a right to the ownership of nature's resources, which are effectively the means of life of the whole of humanity, while the great majority are obliged to sell their physical and mental abilities to these owners. The wealth that results from this combination of resources and labour power becomes the property of the owners who give those who have expended their labour power tokens which are called wages with which they can purchase the part of the vast aggregation of wealth they have created.

That is the basic nature of capitalism. However, in effect it is much more convoluted and wasteful than this might suggest. In today's world all the goods and services needed by people are produced mainly in the form of commodities against the background of their real or imagined use value. But the shareholders who own the enterprises that produce these goods and services and the usually richly-rewarded directors who organise the enterprises are not philanthropists concerned with the public good.

Their interest is not primarily the use value of the commodities they produce; it is the exchange value of those commodities; the price for which they are bought and which contains, in normal circumstances, that surplus beyond the cost of production (including the cost of sale) which enriches the shareholders and allows for continued economic viability.

So the kernel of this complex and extremely

wasteful exercise is profit which is yielded only when purchasers are persuaded to buy specific goods or services from among the competing suppliers. It is important for capitalist enterprises to ascertain public attitudes either to adopt their products or prices to prevailing modes or to influence change in those attitudes by product design, price or advertising.

## Politics and public opinion

In the last British General Election, the Labour and Tory parties spent some £18 million each and the Liberal Democrats spent £4.3 million. These large sums were additional to what might be called their 'constant capital' in the form of existing organisation, publicly-funded offices, salaries and equipment; vast sums that must surely conflict with the notion of 'free' elections.

These amounts are being dwarfed by the massive sums currently being invested in the US primaries, where the two candidates for the role of capitalism's political office manager are being selected. In contradistinction to the nonsense about 'spreading democracy' in areas deemed of consequence to US interests, the American variety of that system reveals a monumentally expensive and cynical exercise between two politically indistinguishable groups concerned with sculpting politics in the general interests of capital. As in Britain and the rest of the developed world, other aspiring politicians, denied real public exposure by a pensioned media, will be permitted to enter the hustings to make up the numbers and reinforce the fiction that the public are offered a fair and informed choice.

Obviously Public Opinion in both politics and commerce is of considerable importance; but it is politically innocuous in that it never questions the fundamental way in which the needs and requirements

**"Two-thirds of Americans believe government is being run by big interests looking out for themselves"**

of the human family are organised. Politicians, the business fraternity, clerics and journalists may criticise some aspect or aspects of the system: show a preference for making some adjustment in planning or administration or suggest a different political or economic strategy but always within the framework of the existing social system.

Such people may display courage, energy and enthusiasm in campaigning for a cause but always they do so on the assumption that there is no alternative to the present order of things; that the old political and economic fundamentals of capitalism are as inevitable as the seasons; that they have always existed and that there is no other way of running society.

### Dominant ideas

Karl Marx made the obvious point that the ideas that dominate in society are those of its ruling class. It doesn't follow that in our present society the majority of people like capitalism. On the contrary, the mere want or dire poverty of capitalism, the frightening destruction of the biosphere, the increasing disparity of wealth between rich and poor, the permanent threat of war, violence and crime, these things are too pronounced, too close to the lives of the people to escape being the daily staples of news and public concern.

The point was well made by a contributor to the World Socialist Movement's website ([tech.groups.yahoo.com/group/WSM\\_Forum](http://tech.groups.yahoo.com/group/WSM_Forum)) who quoted a University of Michigan opinion poll showing that some two-thirds of Americans believe government is being "run by big interests looking out for themselves" (message 35220).

We do not need an opinion poll to confirm this finding; ask those you work with or the people in the pub or in the club. It is no secret that a small minority of people are millionaires and billionaires or that such people do not actively participate in producing goods and services. Unfortunately, despite claiming that they live in a democratic society, most people's reaction to their own condemnation of the system is likely to be something like. "Yes, it's true but, unfortunately, there's not much we can do about it!"

### In the past

Capitalism's great historic mission has been to make the production of wealth social; socialists want to make the distribution of wealth social. To achieve its purpose the bourgeoisie overthrew feudal society and its aristocracy by means of violent revolution. To do that, to get the political control of that combination of labour power and the resources of nature, they had to contest and overcome the prevailing public opinion.

A stalwart of the, then, prevailing public opinion was the church. It proclaimed that the power of kings to rule was ordained by God. In turn this ordinance of Divine Right was reciprocated by loyalty from king to church. Power under the monarch was organised by patents of vast estates to men who were favoured by the monarch for service to the crown and who paid tribute and pledged loyalty to the crown. This aristocracy of lords and titled personages in turn granted servitude to the poor and dispossessed serfs who, in return for working their landlords' estates and being available for military service, were afforded the privilege of a portion of land on which to provide habitation and subsistence for themselves and their families.

As the medieval merchants, the burghers of the towns, grew more affluent and nascent technological developments created the basis of greater productive units for the employment of labour the middle class, the bourgeoisie, challenged the aristocracy for political power in order that it could legislate political conditions conducive to its interests. The public opinion that underpinned feudalism had to be changed including the theological dictums of the church which upheld the power base of the king and the aristocracy and condemned such practices as usury, as banking was an important function in the new fledgling capitalism.

So Europe saw the birth of Protestantism and 'religious' wars that concealed the profane interests of the opposing owning classes. The victory of capitalism over its archaic rival was assured; it represented a progressive social development, in fact an idea whose time had come and it was ultimately irresistible.

### Public opinion today

Today capitalism reigns supreme throughout the world not because the majority support it but simply because the majority accept it and they accept it because they know of no alternative to it.

Socialists offer a clear, practical and rational alternative but as yet the socialist movement is small and unfortunately the broad Left, whatever its intentions, has not only created massive confusion among our class but in claiming state capitalism as its goal, these ersatz socialists have created a mass consciousness of the cure being worse than the disease.

This notion of the immutability of capitalism is the bulwark that defends that system and the ruling class and their political hirelings are not slow to use lies and scare tactics in defence of their system. The millionaires and billionaires do not invest their millions and billions in the electronic and print media to inform the working class about the cause of their problems; these are valuable instruments in fashioning contemporary public opinion. The media will find space for acres of nonsense: a man who bites a dog, a Prince whose mother, the Head of the Anglican Church, advised him to go killing in Afghanistan, the lunacies of celebrities. . . Effectively, what we call 'news' is part of the conditioning process of capitalism.

The fare served up by political journalists is simply the current vicissitudes of capitalism; the vices and virtues, as they or their masters see them, of the inevitabilities of the system. Rarely are they equipped with a knowledge of the socialist alternative and even if they were and wished to advise the public it is unlikely that their material would pass muster with the concealed editors – the shareholders.

Socialism is not a palliative for the ills of capitalism; those ills are endemic to the system and they have defied the best plans and the best intentions of the wise and the well-intentioned right across the political spectrum. Uniquely socialists do not suggest that they have the answer to either the system or any of the system's problems; in fact we argue that they are not problems, they are inevitable aspects of capitalism; that instead of voting to change the politicians who run the system we should be voting for representatives mandated to abolish capitalism and establish socialism.

Still, whether they like what is happening or not, the media must deal with what are deemed newsworthy situations. They must report the presence of 200,000 people demonstrating in Trafalgar Square

about the war in Iraq. The case for socialism, too, will become 'news' when 200,000 people are demonstrating not against a particular war but against the system that causes wars and the multiplicity of social evils of which the Left make separate causes.

### The socialist objective

The public opinion that socialists want to promote is one that encourages the public to consider the case for socialism and ultimately to use the limping democracy afforded by capitalism to abolish that system and establish socialism.

Socialism will mean that all the instruments of production and distribution will be taken into the common ownership of society as a whole and will be used solely to produce the goods and services needed by the human family. The axiom: "From each according to their ability; to each according to their need" will become the general principle underpinning the production and distribution of wealth. The wages and money system, so wantonly wasteful of most human activity today, will become redundant;

people will no longer be stratified by class divisions; the nexus between property and crime will be broken and the vested interests that promote armaments and wars and a frightening threat to the entire biosphere will cease to exist.

The nature of the socialist case determines the means by which it will be achieved. Socialism from its inception will need the voluntary co-operation of its citizens. The mass of people will no longer be anonymous wage slaves. Those who opt for socialism must know the life-changing benefits to be derived from the new system; equally, they must be clearly aware of their individual obligations to that system.

That is what socialism is about; it is not a quick-fix; it involves clarifying the meaning of socialism and shattering the belief that there is no alternative to capitalism and that cannot be done by claims that we can patch-up the system with piece-meal reforms.

That is something we would ask our fellow-workers on the Left to consider.

**RICHARD MONTAGUE**



# Kosovo: Open for Business

*Kosovo became an independent state in February and was immediately recognised by the US and most European countries. We look at one of the reasons why.*

**K**osovo emerged as an independent State after decades of uneasy existence as part of Serbia. There was an inevitable new anthem and new flag. But there are real political concerns best not forgotten in the ballyhoo and hopes for a brighter future.

One man interviewed by the BBC's Mark Madell described how during the war he fled his village with many relatives under attack by Serbian troops. He had to leave his aunt behind and she was burnt to death. He said: "Kosovo is rich in minerals and rich in farming land, is rich in all other aspects. Here, we provided wealth for so many years for the whole of Yugoslavia, there is no reason why we cannot provide now for just Kosovo. That's why I'm saying Kosovo has a bright future." (Mark Madell's Euroblog: 'Mining Kosovo's Future' 29 January)

Alongside the declared humanitarian reasons for the UN intervention in the Balkans in the 1990s there were other, economic and political, considerations also in play. It is these interests that will shape future developments in the states of the former Yugoslavia and dominate the lives of workers there.

The *New York Times* (8 July 1999) carried an article by Chris Hedges about the Stari Trg mining complex in Trepca, Kosovo. Possibly inadvertently, it gave an insight into some of the considerations that surrounded the decision to intervene. According to Hedges, "The sprawling state-owned Trepca mining complex, the most valuable piece of real estate in the Balkans, is worth at least \$5 billion."

It was the reported view of the mine's director, Novak Bjelic, that "The war in Kosovo is about the mines, nothing else. This is Serbia's Kuwait – the heart of Kosovo. In addition to all this, Kosovo has 17 billion tons of coal reserves." The Yugoslav web site [www.yugoslavia.com](http://www.yugoslavia.com) (now defunct) described Trepca as having the "richest lead and zinc mines in Europe." The capacity of the lead and zinc refineries ranked third in the world and the area as a whole represented some 80% of Yugoslavia's mineral deposits. The problem was they were old and inefficient and seriously polluting.

According to Michael Palairret of the University of Edinburgh, a leading authority on the economic and social history of the Balkans,

"The Trepca system 'as a rule' lost money under Yugoslav socialism ... Because of Trepca's incapacity to generate funding of its own for investment, all investment funding had to be financed externally, by fund providers who did not anticipate that they would see any return on (or of) their capital." In his opinion the \$5bn figure quoted by Hedges above was exaggerated. However while Trepca consistently performed poorly, this was not because it could not have been managed more effectively: "Unlike most heavy industry... Trepca had good mining assets and low cost access to energy, so on the face of things there were no structural reasons for its inability to trade profitably." (European Stability Initiative [http://www.esiweb.org/pdf/esi\\_bridges\\_id\\_2\\_a.pdf](http://www.esiweb.org/pdf/esi_bridges_id_2_a.pdf))

Further insight may be gained into the economic underpinnings of the UN intervention from a report by the International Crisis Group. The report is interesting in that it provides further evidence that the breakup of the former Yugoslavia was in large part motivated by conflicting economic interests. The various regions of the Federal Republic had fallen out over how their assets and liabilities were to be divided and allocated. The differences were long standing and could not

be resolved peacefully. In other words it was a fight among competing capitalists interests. One of these interests lay in Kosovo – the supposed "heartland of Serb identity."

"Trepca is a sprawling conglomerate of some 40 mines and factories, located mostly in Kosovo ... Its great mineral wealth is the basis of the economy of Kosovo, but the complex is badly run-down as a result of under-investment and over-exploitation by governments in Belgrade." (*Trepca: Making Sense of the Labyrinth* (ICG Europe Report N°82, 26 November 1999) <http://www.crisisgroup.org/home/index.cfm?id=1585&l=1>)

In 1974 Tito's new constitution accorded the province near-republic status, with its own parliament and courts, Kosovo elites enjoyed a period of greatly increased control over their own resources. They used their enhanced authority to build factories in Kosovo that capitalised on their mineral production, created thousands of jobs, and brought some income into the province.

After Tito's death, pressure grew for more rights and greater political and economic autonomy, but with little success. Belgrade reasserted control of the mines. Kosovo Albanian workers were accused of having stolen vast quantities of gold and silver and many engineers and technicians were fired.

"From 1981-89, Belgrade monopolised the export of Trepca's minerals to Russia and elsewhere, reaping the profits in hard currency and oil, while compensating the Kosovars only with electricity and other non-fungible forms of payment..."

Trepca's Kosovar management attempted to sell its products on the European market and to modernise the facilities' modes of production, only to be foiled time and again by the Serbian government, which was in the process of "integrating" Serbia's economy – that is, of tethering all economic sectors even more closely to Belgrade.

By the late 1980s, with the final integration into the Serbian system of the power generating system, Kosovars had lost virtually all control over their economy, as they would over their politics and civic freedoms." (*Trepca: Making Sense of the Labyrinth* (ICG))

In 1996 Trepca had exported \$100 million of products, making it the largest exporting company in the Federal Republic of Yugoslavia and an invaluable foreign exchange earner at a time when the country was experiencing grave economic difficulties.

Throughout the 1990s the ownership of Trepca conglomerate was never entirely clear. In November 1997 Trepca was under consideration for privatisation by the federal government in Belgrade. This process stalled when the 'red businessman' Zoran Todorovic, was murdered by a gunman in Belgrade. Todorovic had been a close confidant of Slobodan Milosevic and was one of the richest men in Yugoslavia. He was one of a group of state capitalists who had been able to use their political connections to purchase state assets at bargain prices. (He was also director of Beopetrol, another state firm in the process of being privatized.) This was in effect a conversion of state owned assets into *de facto* privately owned ones by the ruling capitalist class.

Officials of the UN Interim Mission in Kosovo (UNMIK), who took over governing Kosovo in 1999 after the withdrawal of Serbian troops, concluded that the complex was overall public property and therefore came under their authority in accordance with its mandate. The then head of UNMIK, Bernard Kouchner (now French Foreign Minister), confirmed that an international

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**"The war in Kosovo is about the mines, nothing else. This is Serbia's Kuwait – the heart of Kosovo."**

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**Billionaire George Soros**

consortium had been appointed to run the plant. A \$16m (£10.7m) investment package was also announced, funded by Britain, France, Spain, Germany, and the EU. The money was to be spent on a full-scale refurbishment of the plant prior to it being sold off. "We have no intention of closing any part of the Trepcja mining complex. On the contrary, we're going to make it safe and profitable," he said. (*The Guardian*, 15 August 2000, <http://www.guardian.co.uk/world/2000/aug/15/balkans>)

But it was not only the mines that capitalist interests had their eyes on. In July 2000 it was announced that a fund run by the billionaire George Soros was to invest \$150 million (most backed by U.S. guarantees) in companies in the Balkans. Soros Fund Management would invest \$50 million of its own equity in new businesses, expansions or privatization in the region and would have full autonomy to choose the investments in a whole

swathe of South East Europe. Soros had invested millions of dollars in philanthropic endeavors in the region, but said this fund would practice "tough love," and be driven purely by profit.

The U.S. Overseas Private Investment Corporation had agreed to provide a loan guarantee for another \$100 million of investments. OPIC describes itself as a self-sustaining federal agency that sells investment services to American businesses expanding into emerging markets around the world. It provides a level playing field for U.S. businesses in emerging economies.

"Since 1971, OPIC has supported nearly \$130 billion worth of investments that will generate over \$61 billion in U.S. exports." ([http://skopje.usembassy.gov/southeast\\_europe\\_equity\\_fund.html](http://skopje.usembassy.gov/southeast_europe_equity_fund.html))

The Soros investment was conceived at a "donor" conference in Sarajevo in 1999. It was one of a series of efforts to take advantage of emerging investment opportunities in the Balkans. "A year ago, after NATO won the war in Kosovo, more than 40 leaders came together in Sarajevo determined to win the peace with economic investments", according to National Security Advisor Samuel M. Berger.

George Munoz President and CEO of OPIC said he was pleased that they were making the region safe for international capital. It was a demonstration that "Southeast Europe is an important region on which we should focus our efforts, to enable it to rebuild and enter the global marketplace as a full partner. The Southeast Europe Equity Fund is an ideal vehicle to connect American institutional capital with European entrepreneurs eager to help Americans tap their growing markets."

The Soros Private Funds Management, he said, was sending "a strong, positive signal that Southeast Europe is open for business."

**GWYNN THOMAS**



## Cooking the Books 2

### That's capitalism

In the February *Socialist Standard*, in an article on the price of bread (<http://www.world-socialism.org/spgb/feb08/index.html>), we commented on the fact that under

capitalism a basic foodstuff such as wheat was "a world commodity traded on world markets and so subject to international speculators betting on its future price going up or down".

At the end of the month the news broke that a "rogue trader" called Dooley working for a firm called MF Global had lost his employers \$141.5 million. Rather foolishly, it might be thought, he bet that the price of wheat would go down. But it went up:

"He had bet on the price of wheat declining by entering into about 4,000 futures contracts, which would require him to deliver about 20 million bushels of wheat at an agreed time and price. The greater the decline in the price between agreeing the contract and delivering the wheat, the cheaper the cost of satisfying the delivery and the larger the profit Mr Dooley stood to make. But instead, the price of wheat kept

on rising . . ." (*Times*, 29 February)

It should not be thought that MF Global is in the business of delivering wheat. It doesn't run a fleet of ships or trucks. It is a financial institution specialising in speculating on how the price of wheat – and anything else – moves. When the delivery date of, in this case, wheat comes near they pass the contract on to a shipping or delivery firm.

As Marx once pointed out, the capitalist is not interested in any particular product. All they are interested in is profit and they don't care whether they make it from producing and selling bibles or producing and selling whisky. Firms like MF Global, with no connection with actual production, illustrate this point well.

Wheat is not sold to individual consumers. It is sold to capitalist firms with money invested in milling it into flour, who, in turn, sell this on the other capitalist firms with money invested in baking it into bread. These intermediary firms are not happy with the rise in the price of wheat which has doubled over the past year. The head of one of them, Sir Michael Darrington, lashed out at wheat speculators on the occasion of his retirement as managing director of Greggs, the high street bakers:

"There are stocks of wheat and grain in the world, and crops are growing at the moment but funds are being set up as speculators see an opportunity to make

some short-term money and someone has to pay for it. It's really sad for people in the developing world where food can account for 70 per cent of the family budget. Wheat is predominantly grown in America, Australia, Europe – the wealthier areas – and people in under-developed countries are hurting the most".

The *Times* (12 March), reporting this, said he added:

"I suppose that's just capitalism but it's jolly disappointing. If society looked down on these funds then perhaps it would make a difference".

It is indeed a powerful indictment of capitalism that firms like MF Global speculate on the price of wheat while at the same time millions throughout the world are suffering from a lack of food. Proof, as if any more were required, that capitalism is a system geared to profit-making not the satisfaction of human needs.

But would it make any difference if MF Global and other speculative funds were "looked down on"? It is probably true that most people in the world do already look down on them, including a decent-minded capitalist like Sir Michael. But they can't do anything about it. After all, investing money to make more money is what capitalism is all about. MF Global and the other funds are just applying the profit motive.

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## Obituararies

### Gladys Marie Catt 1918-2008

Marie joined the SPGB in the spring of 1941. The outbreak of war had profoundly disturbed her, along with her family and friends. Her two brothers and her future husband had become conscientious objectors and she became engaged in their struggles to win conscientious objector status. Marie was persuaded about the necessity of socialism partly by the Party's stand against working-class participation in the war, but also by the forcefulness and clarity of the Party's speakers at the outdoor meetings held at Lincoln's Inn Fields and she joined the Palmers Green Branch where she met Sid Catt, her future husband.

In 1957, she, Sid and daughter Jean emigrated to Canada and settled in Toronto. After settling in, they became a contact and propaganda centre for the Socialist Party of Canada. They set about recruiting members, holding discussion forums in their home and speaking at Allen Gardens. By 1964 they had organized the first Party Local east of Winnipeg.

Marie continued her activities for many years. She always spoke forthrightly and passionately in favour of socialism in whatever circumstances she found herself. Her grasp of the meaning of the Object and Declaration of Principles was thorough. She once wrote of the significance of these Principles to members of the Party:

"These have remained the sheet anchor for their understanding, proved the strength of their case and their integrity, making it impossible to confuse them with any reformist organization. This Object and Declaration of Principles are as valid today as they were at the time of the inception in 1904 of this unique political party."

**B.S. (Canada)**

### Jean Higdon 1934-2007

Jean's secular send-off was attended by fifty of her family, friends and party members.

Of those who were invited to speak on Jean's life were her son, Jon, who spoke of Jean's dedication as a mother; Mike Lee, Chairman of the Auckland Regional Local Bodies' Council, who briefly outlined Jean's socialist thinking (production of use, not for sale); and Jean's neighbour whose fractious child was always comforted by Jean's pleasant manner, and a party member whose galloping rhetoric brought smiles to what might have been a sombre occasion. Said he, "None of those parasitic bastards in Buckingham Palace, the White House or the Kremlin would be tall enough to polish the shoes of Jean Higdon!"

Jean was for many years secretary of the Auckland Branch of the WSPNZ, taking lengthy notes of the discussions we had, and typed out the minutes almost verbatim.

Jean was responsible for the layout of the party journal, *The Socialist Review*, from 1971 till 1982 when it folded because we couldn't find any writers. Jean was also a sometime parliamentary candidate for Auckland Central on the socialist ticket, and with her late husband made a vital contribution to spreading the socialist case in New Zealand.

They are both remembered for their humanity and generosity of spirit.

Our condolences go to Jean's family.

**Executive Committee, WSPNZ, 8 February 2008**

**2007 SOCIALIST STANDARD INDEX**

An index of articles to 2007 can be obtained by sending two first-class stamps to Socialist Standard, 52 Clapham High Street, London SW4 7UN

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continued from page 10

talism works than most other supporters of it. While, for instance, he understands the need of workers to organise themselves in trade unions so as to defend their interests, he is apparently wary about investing in highly unionised companies:

The inherent financial weakness of the price-competitive business has given organized labor enormous power to demand a higher cut of a company's profits . . . in situations like these, unions become demanding semi-owners with whom shareholders must constantly share their wealth or risk a strike that could lead to the financial destruction of their business. Warren doesn't like to own businesses that have organized labour.' (Mary Buffett, *The New Buffettology*).

This quote illustrates that Buffet knows perfectly well what is going on in the struggle between capital and labour (and which side he necessarily sits on).

### Irony

One of the many ironies of Buffett's life is that he has accumulated capital for the sake of it, very much as the system demands, yet has never really known what to do with his vast personal wealth; he spends very little of it and doesn't believe in inherited wealth either. So in 2006 he declared he was going to give away at least \$30 billion of his fortune to the Bill Gates Foundation, so that it could be spent improving healthcare across the world.

In many ways this was a noble gesture, and a more generous act than anything from most of the world's other rich men, yet it is the very system in which he is a proud 'allocator of capital' that leads to world poverty and lack of decent healthcare in the first place. Buffett has recently attacked the Republican administration in the US on the grounds that it is obscene that he pays less of a proportion of his income in tax than someone on the minimum wage. Yet, above anyone else, Buffett should know that in capitalism, capital accumulates to those who have it and invest it. And it expands because those who are relatively poor (the working class) create value greater than they ever receive back in wages and salaries, with this 'surplus value' created by those who have to work for a living sustaining those who don't, generating rent, interest and profit for the system as a whole than can be reinvested in the capitalist treadmill. In the market economy, the rich are rich because the poor are poor. Indeed, companies grow because the rich are rich and exploit the poor, and it can't work any other way.

Mr Buffett may be a highly intelligent man and a great philanthropist, but the bipolar extremes characteristic of Mr Market are no way to run a sane society, but are characteristic instead of a system where only a minority can be winners and they depend for their position on the vast majority being losers. And no amount of well-intentioned philanthropy is ever likely to change it.

DAP

## Theatre Review

### Blame culture

#### Popcorn Grand Theatre, Lancaster

*Popcorn* is a play based on a 1996 novel by Ben Elton and is perhaps a satirical tribute to Oliver Stone's 1994 film, *Natural Born Killers* which portrays violence, family upbringing and abuse as factors in creating killers. That film's self-conscious portrayal of media-propelled voyeurism was maybe intended to get audiences to question whether in viewing the film they are becoming implicit in promoting and excusing violence. *Natural Born Killers* was initially banned in England, apparently because it glamorised serial killing. In America, critic John Grisham went so far as to suggest that film makers should be made legally accountable for inspiring real life murders after a couple went on a killing spree in Texas. At the time I remember thinking that what was more likely to cause offence to those who controlled the media was its powerful attack on the media through, for example, its satirical use of a TV-style comedy perspective to represent sexual abuse within the family as being jovially dysfunctional.

*Popcorn* centres on a film director, Bruce Delamitri, who makes movies which are said to glamorise violence. It mainly takes place at his after-award ceremony party which is hi-jacked by a couple, "The Mall Murderers", on a copy-cat killing spree which is seen to mimic that of characters in his films. The play is perhaps a less morally loaded critique of the media than *Natural Born Killers* and more a critique of wider society's blame culture.

Within *Popcorn*, film director Bruce Delamitri faces widespread criticism for inspiring murder through portraying it as cool. However his films are still in high demand and he wins a prestigious award. In this sense the audiences of his films can be seen to condone their violence by consuming not rejecting the films. To counter his critics, he presents the well-used argument that human beings are not passive recipients. They do not simply process his films as instructions and then go out killing in robotic like fashion. Violence has always been in society, he argues. Like Delamitri, however, "The Mall Murderers" also do not take any responsibility for the killings, blaming them both on Delamitri's films and on past abuse and a dysfunctional family background. In fact no one takes responsibility for anything, "the story is full of witticism and when some one dies you feel nothing". (Wikipedia)

In order to feel, the creators of *Popcorn* are perhaps asking us to take back responsibility. Take back responsibility as consumers and as actors and to take responsibility for society as a whole. Saying that that's how things have always been or will always be is not an excuse.

Whether or not violence on TV, the theatre or in computer games can play a part in promoting violence in wider society, as socialists we believe that a large

amount of violence that does exist is a characteristic of class society. In class society institutionalised violence lies at its foundations in the power of the military and the police. In class society an economic system cherishes money and power to the detriment of human beings. Commodity is valued over community and well-being, so that we grow up to be insecure while surrounding signals tell us that consuming products will make us better – by the age of thirteen, 75 percent of what children are told about themselves is negative.

I work with young people, a significant percentage of who have been labelled as "growing up in deprivation." Many of these young people have been the victims of violence and many have learnt to stop feeling by disassociating themselves from their experiences. Furthermore, some have learnt to disassociate themselves from their own behaviour enabling them to hold the view that their current behaviour and actions are not their fault. This way of looking at the world is supported by a prevailing culture of blame. While the violence they faced certainly wasn't their fault and one can never underestimate how difficult it may be to survive, it is crucial for the future well-being of these young people for them to learn to recognise that how they choose to behave now, within the limits of capitalism, is their choice. They do not, for example, need to continue a family history of violence. Tragically some choose prison over the violence of poverty and the purposeless they experience outside. What is critical, however, for these young people and for those whose lives have not been so damaged, what is critical for all of us to move in a positive direction is the need to begin to take responsibility for actions and the society we are part of. Simply blaming the socio-cultural environment we grew up in for the world we live in can be an excuse for inaction and a barrier to change.

Of course *Popcorn* doesn't go far enough. Taking personal responsibility will not necessarily free us from alienation, poverty and violence, but it is a start. Of course we know that boycotting a product, going on a demo, recycling our rubbish or giving to a charity won't change things either, apart from perhaps creating a sense of individual smugness. How many people 'did their bit' in the Poll Tax riots or Reclaim The Streets marches and now sit on their imaginary laurels passing the buck? It is easy to critique capitalism. It may be easy for us to blame our own behaviour on it and it is not always easy to feel motivated to organise for change, especially after a hard day of wage slavery. However, the only way to bring about radical social change is for us to take responsibility for our lives and take responsibility for organising for a socialist world. We have no desire to reform a system which depends on violence and control over others but to build one based on common ownership and mutual cooperation.

LORNA

### Just in one country?

**2050 Vision. How can the UK play its part in avoiding dangerous climate change?** By Matthew Lockwood and Jenny Bird with Raquel Alvarez. Institute for Public Policy Research. 2007. £10.95.

This 100-page study by the left-leaning IPPR argues that Britain “should be aiming to make reductions in carbon emissions of at least 80 per cent from 1990 levels by 2050, if we are to avoid a 2°C global warming above pre-industrial levels”.

The authors show that this is technologically feasible in that wind power and carbon capture (from fossil fuels) and storage could be developed if enough resources were devoted to this. Technically feasible, no doubt, but how likely is this to happen? The authors themselves mention, though only in passing, the main flaw in their analysis: UK emissions represent only 2 percent of the global total, so even if these measures were adopted in Britain this would only have a very marginal, if any, effect on global warming. But if other countries didn't follow this would have a disastrous effect on British capitalist industry.

The authors admit that the forecasting models they used failed to include “interactions with the wider global economy” and add limply:

“Some of these interactions involve risks for energy-intensive, and therefore carbon-intensive, industries exposed to international competition, and these may need extra support in decarbonising if production and jobs are not to relocate.”

Well, yes, and if that happened global warming would not be affected at all. The emissions would continue but in a different part of the world. And since all industries depend to some degree on energy they would all be affected by the increased energy costs the authors proposals would involve, even if it is true that energy-intensive industries would be the worst hit.

In short, applying unilaterally what is technically feasible but more costly would undermine the competitiveness of British industry on world markets, and that no government would dare do. So, in practice, there is no chance that any British government would go it alone on this issue. But the authors still maintain the illusion that one might, by talking of Britain giving a lead which others will follow. Some of those they consulted thought this might happen. Others were more realistic:

“Respondents from the United States were generally less convinced that leading by example would be enough to encourage movements from the US – despite the ‘special relationship’ between the US and the UK – or from other countries. Differing national circumstances were cited as one reason for this. The UK’s (and the EU’s) increasing dependence on fossil fuel imports puts them in a very different position to many of the world’s

major CO<sub>2</sub> emitters, which have access to large reserves of coal and/or other fossil fuels. It was therefore felt unreasonable to expect these countries to reduce their fossil fuel consumption just because the UK had taken a lead”.

Precisely, and that’s the whole point. The EU countries, including Britain, are prepared to reduce their reliance on having to import fossil fuels to generate energy. That makes economic sense for them. The US and China, which do have access to large internal reserves of oil and/or coal, are not so keen. And, given that under capitalism “nation shall compete with nation”, why should they be? Why would they shoot themselves in the foot by undermining their competitiveness any more than any British government is likely to by unilaterally adopting the measures? proposed by the IPPR’s naïve researchers.

There is, quite simply, no solution to the problem of global warming within capitalism.

ALB

### World Bankers

**The World Bank – A Critical Primer.** By Eric Toussaint. Pluto Press.

Throughout this comparative study of official World Bank statements and internal memos, Eric Toussaint lays bare the absolute conflict between the public and private ideologies, time after time revealing the imperative of achieving US political aims above all other considerations. It is a very interesting book making the facts and figures of economics accessible to the layperson through ample explicit tables and clear explanations with minimum use of jargon.

Contrary to common belief, the mission of the World Bank under the umbrella of the UN was not and is not to reduce poverty but (1) to rebuild Europe post second world war and (2) to promote the economic growth of the South through development. As a part of the World Bank Group the World Bank is (supposedly) bound by the UN Charter and according to the International Court of Justice it is the duty of the World Bank to respect human rights and customary law in general. However, nowhere is this obligation seen to be incorporated in the implementation of their policies; in fact examples abound as to how readily and easily these obligations have been circumvented or simply disregarded. In strict violation of a UN right of people to self-determination the World Bank granted loans in the 1950s to Belgium, France and Britain to finance projects in their colonies, mostly for mining for the benefit of the colonial powers and then, following independence, the debt was transferred to the newly emerging nations. This “odious debt” is a violation of international law which Toussaint describes as having been imposed on “the Bank, with the connivance of its main

colonial shareholders and the blessing of the US”.

The Bank’s mandate was to be purely economic, not to be involved in politics but even the first loan it granted in 1947, to France, was held up by the US government until Communist Party members were ousted from the coalition government. One chapter is specifically devoted to examples showing that the policy of granting loans is first and foremost determined by the US government often on the basis of purely political objectives. From the 1990s the US influenced against granting loans in areas that would compete with US products. Where oil was concerned drilling was encouraged, refining, not. In essence, more primitive accumulation, showing no regard for environmental concerns or human rights and contrary to the UN Charter. The over-riding message is the blatant, systematic disregard for the founding principles of the Charter.

As to the answers to criticisms of the Bank’s succession of errors or bad management Toussaint reveals them to be “a deliberate part of a coherent, carefully thought out, theoretical plan, taught with great application in most universities.” The strategy, in a nutshell, is that providing infrastructure should fall on the state sector and anything that might prove profitable should be given to the private sector (preferably favouring multinational corporations), i.e. privatisation of profits combined with the socialisation of the cost of anything not profitable. Within the indebted country failing private companies would have their debt transferred to the state (as the military junta in Argentina transferred \$12 billion of private debt to the state). Thus the capitalists in developing countries escape their debt, having it paid instead by the Treasury at the expense of the workers (Toussaint’s analysis). In Argentina in the 80s (just one typical example) even subsidiaries of transnational corporations indebted to their parent companies had their debts transferred to the Argentina Treasury; Renault, Mercedes-Benz, City Bank, Chase Manhattan, Société Générale etc. etc., all transferred their debt and as the government had no access to their accounts, one might raise an eyebrow!

Describing the demise of Mexico in the 80s Toussaint is of the opinion that “Mexico has lost control of its destiny which, historically, has been the US’s objective since the nineteenth century.” By the end of the 90s all six major developing regions showed negative net transfer meaning simply that their debt to the World Bank was continuing to grow because they couldn’t keep up with the payments. Reports and internal memos reveal the Bank saw the crisis on the horizon but their “double discourse” informed the public and indebted countries that there was nothing to worry about. When the subject of Debt Reduction was eventually raised (in 1989) by the US government the Bank complied. This consisted of indebted nations buying US Treasury bonds in exchange for a

reduction of their debt; in effect now the indebted countries were financing the policy of indebtedness of the US itself. As for the Bank's own accounts, since its founding in 1946, they have consistently produced positive net results. Since 1985 each year has exceeded \$1 billion in profits whilst all developing countries' net transfers since 1987 have been negative, resulting in increasing debt.

Eric Toussaint is President of the Committee for the Abolition of Third World Debt (CADTM) whose mission is "to contribute to the emergence of a world based on the sovereignty of its peoples, on international solidarity, equality and social justice" with which we can broadly agree. Throughout the book he promotes "a break with the capitalist system" and tells us that "a system of redistribution of wealth is needed." Point 30 of 31 indictments of the World Bank says "a new international, democratic institution must urgently be found to promote a redistribution of wealth and to support people's efforts towards development that is socially just and respectful of nature." Then he goes on to talk of 21<sup>st</sup> century socialism without addressing what this means except to break away from the Washington Consensus, the World Bank and the IMF in favour of new financial and monetary institutions and to point to possible alternatives such as Venezuela, Bolivia and Ecuador.

An alternative system, hostile to capitalism but without a commitment to abolishing money? Is it possible that Eric Toussaint hasn't yet heard of the Socialist Party?  
JS

## Food for Thought

**Making a Killing. Bob Torres. AK Press £11.**

Some Socialists are vegetarians, but others are not. We have never seen a reason to take a stand on this issue as a party, however strongly some individual members may feel. In this book, though, Bob Torres makes a political case for veganism, in keeping with his support for social anarchism.

Torres begins by accepting a Marxian economic analysis of capitalism, as commodity production involving exploitation. But he then goes on to claim that animals perform unwaged labour and are super-exploited living commodities. In Marxian economics, however, they are a part of the means of production, i.e. of what Marx called "constant capital", which does not create new value but merely transfers its value to the product. Just as slavery involved some humans being the property of others and hence treated just as means to the end of the owners, so animals are under the power of humans. They are bought and sold, kept and killed in appalling conditions, experimented on, and used to provide milk, meat and eggs. This is speciesism, he says, integrated into society as much as racism once was (though note

## Meetings

### Manchester Branch School

Saturday 19 April, 1pm to 5pm

THE SICK SOCIETY

Capitalism on The Couch

Speaker: Peter Rigg

Can Socialism Cure our Ills?

Speaker: Ed Blewitt

Friends Meeting House, Mount Street, City Centre (next to Central Library and Manchester Town Hall)

### Summer School

Friday 18 July to Sunday 20 July  
RELIGION

Our weekend of talks and discussion will explore socialist views on religion and its impact on society. How does faith relate to other aspects of capitalism, such as relations between countries or between communities? How does a religious outlook differ from a socialist or humanist one?

The venue for Summer School is Fircroft College, which offers excellent facilities within easy reach of Birmingham city centre.

Full attendance (including accommodation and meals Friday evening to Sunday afternoon) costs £120 per person, or £60 to those on low incomes. Send a £10 deposit (cheques made payable to the Socialist Party of Great Britain) to Summer School, flat 2, 24 Tedstone Road, Quinton, Birmingham, B32 2PD. Enquiries to Mike at spgbschool@yahoo.co.uk.

### Socialist Ramble

A RAMBLE along the Green Chain Walk in South-East London, approx 6 miles. Sunday 8 June, meet Falconwood station 11am.

This is open to members, supporters, non-members, etc. - anyone interested in finding out about socialism and the Socialist Party in a relaxed informal setting. We shall stop at a pub for lunch.

If you would like to know more about the route in advance, contact Richard Botterill on 01582-764929. On the day, phone Vincent Otter's mobile 07905-791638.

that there are separate species with identifiable characteristics, but no distinct races).

The 'animal rights' movement comes in for heavy criticism. For one thing, it is dominated by large organisations that employ professional activists earning high salaries. As such, it can be co-opted by the meat and animal products

continued next page

### Central London Dayschool

Saturday 5 April, 1pm to 5pm

POLES APART, CLIMATE CHANGE, CAPITALISM OR SOCIALISM?

Speakers: Glenn Morris (Artic Voice),

Brian Gardner (Socialist Party)

Small Hall, Conway Hall, Red Lion Square, WC1 (nearest tube: Holborn).

### Chiswick

Tuesday 15 April. 8pm

THE NATURE OF HUMAN NATURE

Speaker: Adam Buick

Committee Room, Chiswick Town Hall, Heathfield Terrace (corner of Sutton Park Rd), W.4. Nearest tube: Chiswick Park.

### Swansea

Mondays

Is Socialism a Faith? 14 April

Ravages of Eco-Tourism 12 May

Immigration: Can it Carry On? 9 June

Talks followed by questions and discussions.

Venue for talks: Unitarian Church, High Street, Swansea, 7.30pm

### Central London

Friday 25 April. 7.30pm

"If you prick me...": a survey on racism

Speaker: Bill Martin

The Lucas Arms, (first floor) 245A Grays Inn Road, London WC1 (nearest tube: King's Cross St.Pancras)

### Manchester

Monday 28 April, 8.30 pm

'Discussion on Housing'

Unicorn, Church Street, City Centre

### Edinburgh and Glasgow Day School

Saturday 10 May, 1 to 5pm

Community Central Halls, 304 Maryhill Road, Glasgow

CAPITALISM IN THE 21st Century

Why Capitalism Can't Go Green, speaker Paul Bennet (Manchester)

Another Century Of War?, speaker

Gwynn Thomas (South West London)

The Tyranny of Copyright, speaker Tristan Miller (Central London)

Each speaker will speak for 30 minutes.

The rest of the session will be devoted to questions and discussion.

Free tea, coffee and light refreshments

will be available throughout the afternoon.

Admission free, all welcome.

## PARTY NEWS

The Socialist Party will be contesting one seat in the elections to the Greater London Assembly on Thursday 1 May, the same day as the election for the mayor of London. The seat is Lambeth & Southwark and our candidate will be Danny Lambert. This is the constituency in which our Head Office is situated. Members and sympathisers who wish to help distribute our election leaflets, please contact the Election Dept at 52 Clapham High St, London SW4 7UN or phone 0207 622 3811 or email [spgb@worldsocialism.org](mailto:spgb@worldsocialism.org).

## Reviews continued

industry. People for the Ethical Treatment of Animals has even given awards to someone who invented a more 'efficient' kind of slaughterhouse.

In contrast, Torres argues, the advocacy of animal rights needs to become part of a wider movement that challenges all hierarchy, domination and exploitation, whether of other humans, animals or nature. We do not need to eat meat or animal products in order to live, therefore we should not do so. Vegetarianism is not sufficient, since the production of both milk and eggs involves cruelty (e.g. cows must constantly be kept pregnant in order to provide milk).

Veganism, which involves making no use of animal products at all, 'must be not only the foundation and baseline of any movement to end the domination of animals, but also the daily practice of anyone who seeks to live their life free of all domination and hierarchy'.

There can be no dispute that many animals are treated abominably under capitalism. One question is to what extent their treatment is due to capitalism's demands for profit and for constantly cheapening the costs of production. For it does not follow that mistreatment is a hallmark of all use of animals for food. It is perfectly possible that a Socialist society would involve less eating of meat and eggs, and any animals kept for food purposes would certainly be treated as humanely as possible. It's all very well to talk about opposing all hierarchy, including that of humans over animals, but if it came to the crunch I suspect almost everyone would regard the life of a fellow human as more important than that of a non-human animal. So there can be no real equality of treatment between humans and animals.

## Another Economic Blizzard?



So the bread lines and the soup kitchens have appeared again—in the United States and Canada.

It looks as if the slump that would never come again is now on its way. At least that is the impression one gets from statements by leading financiers, here and in America, and from articles that have appeared in London papers recently.

The *Times* for March the 4th, under the heading, "World Unemployment Survey," gives figures of unemployment in different countries. In the United States in January the figure was 4,494,000. This does not include unemployment among the 30 million who are not covered by unemployment insurance. Since January there has been a considerable increase in unemployment. The *Times* gives the unemployment figure for Canada in January as 520,000. Here also the figure has increased since January.

The *News Chronicle* for February 28th contains an article on Detroit by Bruce Rothwell. From this article it is evident that the huge empty factories around Detroit, and the empty shops

the present writer saw in Dearborn, when he was there last September, were the expression of something more than the shift of industry out of Detroit and the change-over to automation.

The *News Chronicle* writer has this to say:-

"Signs of the slump are everywhere and this is frightening America.

"For beyond this city millions more jobs depend on the car industry. One business in six is wholly concerned with it.

"Steel, rubber, glass, leather; they all slump when the assembly lines slow; and soon it spreads to us all.

"So Detroit, the centre of it, is harder hit to-day than in the 'thirties."

The writer states that there are 250,000 unemployed in Detroit now, and he tells of the soup kitchen run by the Capuchin monks which can only touch a tiny fragment of the thousands of hungry.

(From front page article by "Gil-mac", *Socialist Standard*, April 1958)

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## Declaration of Principles

*This declaration is the basis of our organisation and, because it is also an important historical document dating from the formation of the party in 1904, its original language has been retained.*

### Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

### Declaration of Principles

The Socialist Party of Great Britain holds

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.)

by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom,

the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.



## Blair's a Catholic – it's official. But who cares?

If Blair had read Labour Party history, would he have been put off a political career for life?

Soon after Tony Blair's costive farewell to Number Ten, anyone who fretted about the chances of him joining the ranks of the impoverished – which his government promised to abolish – would have been reassured by the carefully crafted plans of this reluctantly-disciplined ex-public schoolboy who grew up into the ambitiously manipulative barrister on the look-out for an easy way into Parliament. All will be well for the Blair family budget. There will be the "lecture" tours during which each speech will attract fees running into tens of thousands of pounds. A lavish advance of payment will lubricate the writing of his memoirs (we all wait with tightly bated breath to find out how much he reveals and how much hides, of what went on). With staggering, if predictable, audacity he accepted the job of a Middle East Peace Envoy charged with repairing some of the damage wreaked on that unhappy place by military decisions in which his government was heavily implicated. Any spare time will be absorbed by the "consultancy" jobs which, for a few hours a month, promise to richly reward the advice he will give to commercial and banking interests about how to inflate their profits through prudent contracts. But apart from all that – after all, a poor boy from a multi-million pound home in Connaught Square has to scrape a living somehow – there are the spiritual riches Blair expects to spume out of his formally declared conversion to the Catholic Church.

### Rebuke

The announcement of Blair's change to the Roman Catholic church was "formal" in the sense of his long-standing contact with that church while he was a practising Anglo Catholic. His biographer, Anthony Seldon, described him as "a profoundly religious figure" and says that it was religion and not "... reading Labour Party history" which brought him into politics in the first place. (It will be a matter for Blair to discuss in the confessional whether, if he *had* read Labour Party history, he would have been put off a political career for life). But for some time there has been little doubt about where, in terms of his allegiance to a church, he would end up. Although an Anglo-Catholic he took communion at Westminster Cathedral which, as it is not permitted for non-Roman Catholics, brought down a stern rebuke from the late Archbishop Basil Hume. For Blair, it must have all been reminiscent of time up before the head of Fettes. That his present situation continues to be confused was quickly pointed out by Ann Widdecombe (herself a convert): "he's gone against Church teaching on more than one occasion". On the Michael Parkinson chat show in 2006 Blair offered a rather different version, saying that he had prayed while deciding whether to order British troops into Iraq "I think if you have faith about these things, you realise the judgement is made by other people...and if you believe in god, it's made by god as well". Which conveniently passed off the blame for the slaughter onto someone who, as they don't exist, could not have a say in the matter.

### Sedgefield

But Tony Blair cannot argue that his conversion was an attempt to understand, and unravel, a history of confusion about his political aims. Any reading of his rise through the Labour Party must bring a chilling sense of his single-minded ambition. His first attempt to get into Parliament was in May 1982, in Beaconsfield. A less likely opportunity for an aspiring Labour candidate would be hard to imagine, for Beaconsfield is one of the most arborescent and moneyed towns in the Chiltern Hills. Blair agreed to stand there on the advice of a more seasoned party member, on the grounds that making his

mark there would help him in applying for other seats. Perhaps that, as well as the rock-solid Tory vote, gave him some scope in how he presented himself politically; he had no qualms about describing himself as "a socialist" (either without defining the word or offering a definition which was a nonsense) and to admitting to support for CND. Of course he lost his deposit, reducing the Labour vote by 10 percent in the process. But he did indeed make his mark and, buoyed up with approval from local Labour stalwarts, he moved thankfully in search of a more possible seat.

This came in 1983, in Sedgefield, where the local man Les Huckfield was expected to win the Labour nomination. Conscious that the people had their differences from the bankers and chief executives of Beaconsfield, Blair was careful that his address for the adoption meeting did not mention that he had been to public school nor that as a barrister he had represented big corporations in court. He presented a letter of support from the then Labour leader, ex-left-wing-firebrand Michael Foot and it was arranged to unsettle Huckfield by hostile questions fed to Blair's supporters in the audience. It was all tightly organised and very effective, giving Blair the nomination in a safe Labour seat. It was also – although none of the party members there probably realised it – a foretaste of how he would behave when he got into Parliament and later into Number Ten.

### Iraq

We may ask, for example, how those Sedgefield members would have voted had they heard him say, as he subsequently did: "I believe Margaret Thatcher's emphasis on enterprise was right" or that "Britain needs more successful people who can become rich by success through the money they earn". Would those members have sat on their hands knowing that Blair was to justify the invasion of Iraq, at the cost of tens of thousands of lives, by lies about weapons of mass destruction the existence of which, he said, was "beyond doubt" and the defiant declaration "I am absolutely convinced and confident about the case on weapons of mass destruction-critics will be eating some of their words"? And would they have approved him sucking up to the rich and powerful while 13 million – that's one in five – of the population of the country he was supposed to be leading to the promised land of plenty and safety are officially classed as suffering poverty?

If Blair is to be a proper catholic he will have to attend confession – get down on his knees behind the curtain in one of those small boxes in a church while some robed hypocrite who rivals him in disseminating falsehood sits on the other side of the grille trying not to yawn while listening to him unburdening his mind before telling him how he can make himself feel a bit less guilty, perhaps by reciting some meaningless incantation or other. The question is, can Blair be trusted to come clean about his sins? After all what he has to confess will be the most serious for a catholic – the mortal sins which have speckled his time in politics. This may take him some time while others – politicians, media people, bankers and the like – wait their turn. It is all a part of the great deception which keeps this unbearable society in being.

### IVAN

#### AN APOLOGY

There was a mistake In last month's *Greasy Pole (Flint's Hard Line)*. The TV programme in which Flint stood her ground against Andrew Neill was not *The Politics Show* (which does not exist) but *The Daily Politics*. For this confusion we apologise to everyone. Even, in case he reads the *Socialist Standard*, Neill himself.



# Voice from the Back

## Reformism Fails Again

It is a basic socialist principle that no programme of reforms can solve the problems of capitalism, but here is an example where well-intentioned reformism has made the situation worse. "Hospitals were last night accused of keeping thousands of seriously ill patients in ambulance 'holding patterns' outside accident and emergency units to keep a government pledge that all patients are treated within four hours of admission. ... An *Observer* investigation has also found that some wait for up to five hours in ambulances because A & E units



have refused to admit them until they can guarantee to treat them within the time limit." (*Observer*, 17 February)

## Capitalism And Euphemism

Capitalism has got to have euphemisms to cover up the sordid nature of the system. Thus children maimed by napalm bombs are called "co-lateral damage" and troops blowing up their own troops is called "friendly fire". A recent addition to this sorry catalogue is "extraordinary rendition". "David Miliband has admitted two US 'extraordinary rendition' flights landed on UK territory in 2002. The foreign secretary said in both cases US planes refuelled on the UK dependent territory of Diego Garcia. He said he was 'very sorry' to have to say that previous denials made in 'good faith' were now having to be corrected. The renditions

- the transport of terror suspects around the world for interrogation - only came to light after a US records search, he said." ... "Amnesty International UK director Kate Allen said extraordinary rendition was 'a polite way of talking about kidnapping and secret detention'". (*BBC News*, 21 February)

## Jobs For The Boys

When in opposition, Gordon Brown criticised the last Tory government for the "revolving door from the cabinet room to the board room", but he has remained silent about a similar ploy by his own party members. "Twenty-eight former Labour ministers have cashed in on their connections in government and Whitehall by taking jobs in the private sector in the past two years. It represents the biggest exodus of ministers into the private sector since Labour came to power and is worth at least £10M a year in salaries and fees." (*Sunday Times*, 24 February)

## A Ray Of Hope

Socialists are often told that socialism is impossible because human beings are innately war-like and aggressive, but this report seems to suggest otherwise. "More and more Israelis are avoiding mandatory military service— something long viewed in this country as a proud rite of passage. "In the past, it is true that not serving in the military was considered the exception," said Dr. Rueven Gal, author of *A Portrait of the Israeli Soldier* and former chief psychologist for the Israeli military. "In more recent years it became more tolerable and more acceptable to people." In 1997, according to army statistics, fewer than one in 10 Israeli men avoided their mandatory three-year military service. These days, it's closer to three in 10. Women, too, are opting out at a faster pace: Over the last decade, the number of women avoiding military duty rose from 37 percent to 44 percent." (*Yahoo News*, 2 March)

## Another Ray Of Hope

The awful carnage in the hate-filled Middle East and the religious brutality there fills socialists with gloom but this report would seem to suggest that all is not lost. "After almost five years of war, many young people in Iraq, exhausted by constant firsthand exposure to the violence of religious extremism, say they have grown disillusioned with religious leaders and sceptical of the faith that they preach. In two months of interviews with 40 young people in five Iraqi cities, a pattern of disenchantment emerged, in which young Iraqis, both poor and middle class, blamed clerics for the violence and the restrictions that have narrowed their lives. "I hate Islam and all the clerics because they limit our freedom every day and their instruction became heavy over us," said Sara, a high school student in Basra. "Most of the girls in my high school hate that Islamic people control the authority because they don't deserve to be rulers." Atheer, a 19-year-old from a poor, heavily Shiite neighborhood in southern Baghdad, said: "The religion men are liars. Young people don't believe them. Guys my age are not interested in religion anymore." (*New York Times*, 4 March)



## Free Lunch

by Rigg



# socialist standard



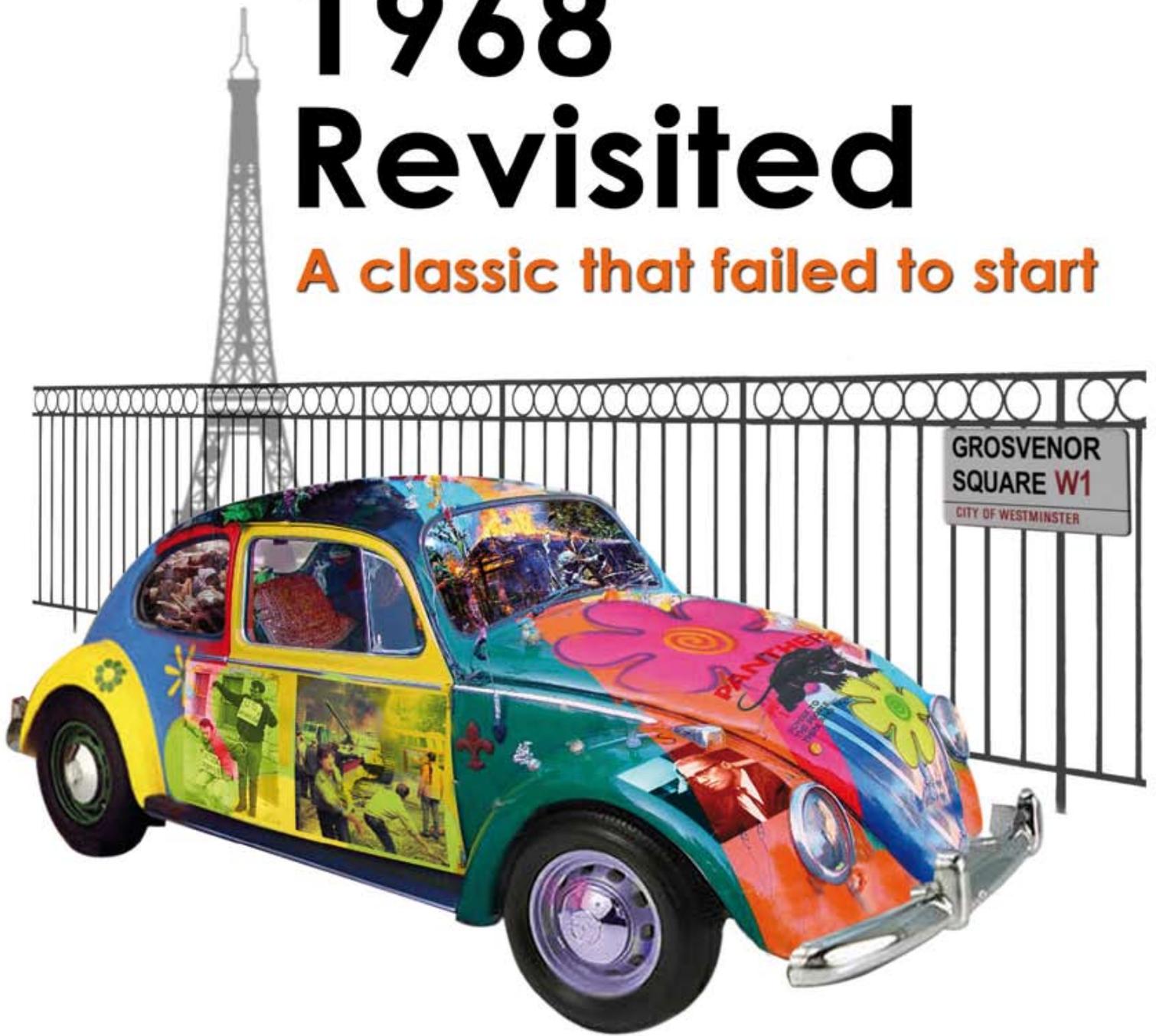
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### A classic that failed to start



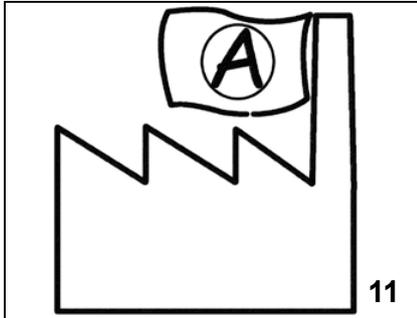
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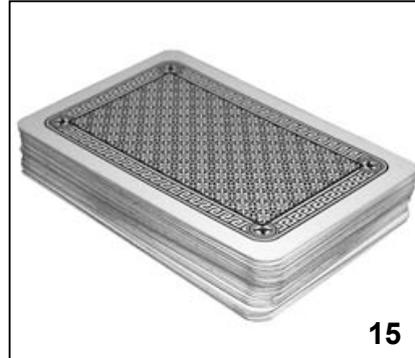
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#### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 3 May** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.

tel: 020 7622 3811  
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## Introducing The Socialist Party

The Socialist Party is like no other political party in Britain. It is made up of people who have joined together because we want to get rid of the profit system and establish real socialism. Our aim is to persuade others to become socialist and act for themselves, organising democratically and without leaders, to bring about the kind of society that we are advocating in this journal. We are solely concerned with building a movement of socialists for socialism. We are not a reformist party with a programme of policies to patch up capitalism.

We use every possible opportunity to make new socialists. We publish pamphlets and books, as well as CDs, DVDs and various other informative material. We also give talks and take part in debates; attend rallies, meetings and demos; run educational conferences; host internet discussion forums, make films presenting our ideas, and contest elections when practical. Socialist literature is available in Arabic, Bengali, Dutch, Esperanto, French, German, Italian, Polish, Spanish, Swedish and Turkish as well as English.

The more of you who join the Socialist Party the more we will be able to get our ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

The Socialist Party is an organisation of equals. There is no leader and there are no followers. So, if you are going to join we want you to be sure that you agree fully with what we stand for and that we are satisfied that you understand the case for socialism.

## Editorial

### Food security

THE UNITED Nations warned recently of a "new face of hunger" – it no longer has enough money to keep global malnutrition at bay. Is this due to drought, pestilence or civil war? No, it would appear that there is now a fifth apocalyptic horseman stalking the planet – a hike in the price of food.

Annual food price increases around the world of up to 40 percent accompanied by dramatic rises in fuel costs have stretched the already flimsy safety net of global capitalism to breaking point. Josselyn Sheeran, head of the UN's World Food Programme (WFP) earned her crust by identifying what might just turn out to be the problem: "There is food on shelves but people are priced out of the market". Not for the first time, capitalism appears to have made history of recent attempts to reform it.

It's no longer just the countryside that is suffering: famine is coming to the cities of the third world. There is vulnerability in urban areas never seen before. Food riots have sparked recently, from Morocco to Mexico, Senegal to Uzbekistan. An increasingly globalised society appears to be presenting the same problems worldwide.

Of course the hungry and malnourished have never actually been away. Famines are just the tip of the iceberg: even between the droughts and civil wars, fellow members of our species die needless deaths (usually before their 5<sup>th</sup> birthday) and in their thousands everyday. The exact figures are not known or recorded: the Tomb of the Unknown Famine Victim grows bigger by the minute.

It is clear now however that, for every death from hunger, there is no genuine

technical cause. For every child's life that hangs in the balance, sufficient food has always been available within a matter of hours' – if not in some cases minutes' – distance. It's not a logistical problem or a matter of distribution. Neither is it an error in the market: the system is operating as it is meant to.

But isn't the market meant to send signals between consumers and producers? That's its claim to fame surely, that it efficiently lubricates supply and demand, matching the two. In reality the signal which the market often responds to is not one regarding supply and demand but the one identifying profitability. The entire edifice of the money system is not geared to satisfying the needs of the majority for even the simplest means of living, such as food. Instead the objective is nothing more or less than profit, and it is an objective shared by the small minority who own and control the means of producing wealth to the exclusion of the rest of us.

If you are an individual capitalist, why sell your entire warehouse of grain for a small profit per unit? And just to watch the market price drop? Far better to make just as much profit by restricting the amount you sell, and keeping the price high, and make just as much profit, while keeping your stock levels up for making a killing during the next famine. The invisible hand of the market can send all the signals it wants, but there is often an invisible hand picking up a telephone to tell fellow capitalists to keep stuff back, restrict sales and keep prices up. This society offers little security – food or otherwise – except the security to make profit.

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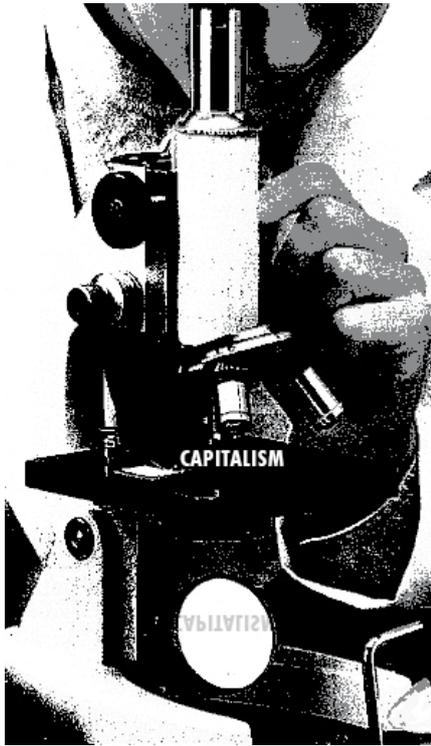
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## Look down there, and tell me what you see...



Politics involves, among other things, the art of retrofitting analyses onto past events which were incomprehensible to most people at the time. On the occasion of the fortieth anniversary of the iconic May '68 student protests in Paris the media will be full of articles, potted histories, personal accounts and think-pieces, all turning over the events of that tempestuous period and asking where it all ended up and whether it really changed anything.

Is there any sense in which the world really

is different now? Certainly there have been changes, the fall of the Berlin Wall being the most significant. But whereas politics has for the most part gone round in circles, science has leapt off the starting blocks and disappeared down the track. 1968, it is worth recalling, was before humans landed on the moon. It was before the first microprocessor, the first home computer or the first email. It predated superstring theory, buckyballs and nanotubes. It was before Hubble, or Mars landers or photographs of Jupiter, Saturn, and the outer planets. It was before biotech, stem cells or Dolly the sheep. It was from an era, incredibly, when we knew – *knew* – that whatever happened to the dinosaurs would never be discovered. It was before we ever suspected that all the humans on the planet are descended from one female in Africa. In 1968 lodging houses could still display signs reading 'No Blacks, No Pets, No Irish', as racism and sexism formed part of the cheap post-war furniture we sat on as we watched Till Death Us Do Part on black and white TVs, just before turning off the boring news reports about strikes, civil rights, and some vague 'police action' in a place called Vietnam.

What nobody could really have imagined in 1968 was that scientists might one day hold centre-stage in a political debate that would encompass the interests of the whole of humanity. The 1960's was the decade of black emancipation, which black people achieved after a fashion, in that flagrant discrimination is now technically illegal. The 1970's was given over to 'women's liberation', as it was called, something which seemed like a good idea at the time but is arguably not much further forward than it was then. Class politics in the UK seemed to have a little spell in the sun during the 1980's thanks to the Miners' Strike and the Poll Tax hoo-ha, though this was short-lived. After that the Wall came down and with it the last Grand Illusion. Then the Greens came, briefly, to the fore in the public consciousness before it was realised that, worthy though they may be, they didn't possess the collective political wit to punch their way out of an ozone bubble. From then on, and with all sectional interests apparently exhausted leaving some nihilistic post-

modernist torpor, some people started listening to the scientists.

All except America, under Bush, to whom scientists were the very worst kind of extremists, the kind you just can't negotiate with. Elsewhere, and with a decade of freakish droughts, heatwaves, cold snaps, tornadoes, floods and crop failures to reinforce a justifiably growing sense of alarm, the world's captains of capitalism were forced reluctantly to dine at well-stocked table after table in order to put aside their nationalist differences and ask how in blazes they were going to continue to stay in power when climate change was going to cause anarchy and they were all going to be murdered in their beds by starving rioting populations.

Is it good that politicians are listening to scientists? Yes, because scientists are the only people who cannot plausibly be accused of a political agenda, and who therefore have no incentive to lie or distort facts. But politicians are not really listening to everything scientists say, only that portion of it that they can conveniently do something about. And scientists, of course, like charities, have not been accustomed to addressing questions they considered outside their scope, such as global inequality. But as the weight of evidence mounts, that is changing. Increasingly, some scientists are putting the words 'carbon' and 'capitalism' together, if the normally reliable *New Scientist* is anything to go by (April 19), and asking searching questions about the market's ability to do anything in the face of its own blind refusal to face facts and change its behaviour. The facts of world hunger and preventable disease no longer seem outside the purview of scientific examination either, and although capitalism itself is not yet in the dock, its representative governments are increasingly subject to cross-examination by a body of academics and researchers who have the facts at their fingertips and a disinclination to be put off by rhetoric and flim-flam.

Of course, governments don't listen to radicals. Even though Nicholas Stern, the World Bank's former chief economist, calls global warming 'the greatest market failure the world has ever seen', it will be dismissed in the corridors of power as mere panic-mongering by a former minion hungry for publicity. But it doesn't matter. Governments aren't going to create change in any case. The people who really need to listen to scientists are the people. They need to realise that it is no longer a question of race politics, as it might have seemed on the day, in 1968, when they shot Martin Luther King. It's not a question of women's politics, as it might have seemed to some on the publication of *The Female Eunuch* in 1970. Today's battle for the Democratic leadership and the presidency of the USA is, after all, between a rich black man and a rich white woman, and no voter with a modest grasp of realities expects either result to change capitalism in any important way. It's no longer about sectional interests within a given socio-economic framework. Today, it is a question of survival, and the framework itself is being challenged. The real obstacle to change is what it has always been, the same obstacle which blocks any real progress on the impending food or water crisis, on the biofuels controversy, on carbon capping, on the rampant waste of resources, and on global warming. It is class ownership, and the fact that the owning class are raping and destroying the world is increasingly being brought to the headlines by scientists with no axe to grind and no political cards up their sleeve. Workers should have learned by now never to trust a politician. Quite right. But let's hope people start taking more notice of the back-room boffins, because they are asking questions which, until now, only socialists – and a certain German economist – have ever asked. The progress of scientific thinking along the socialist path has been cautious, but it is built on solid empirical foundations which have come a long way in the last forty years. The case for abolishing capitalism, the socialist case, is increasingly being backed by conservative science as well. And we certainly didn't see that coming in 1968.

More Basic Income

Dear Editors

Two quick comments on the article in the March *Socialist Standard*.

1. New research on the Speenhamland system is now arguing that the common interpretations are not very accurate. It is not my field of research so I guide you here, but I think there are some papers on this at recent BI conferences.

2. The fact that conservatives fear that Basic Income gives too much power to workers (as they can opt out) and radicals argue that it undercuts workers shows that we cannot easily conclude what the micro effects will be.

BI was killed in USA in early 1970s because it gave blacks more independence, and that worried white southerners. The negative income tax experiments in USA originally seemed to show disincentives to work, but we know that the early results were distorted, and then it was shut down. I do not see how a BI necessarily affects profit rates, certainly not differential profit rates, except that it might change the composition of demand, which will certainly help some industries and hurt others. But I do not see how one can apply the simple Ricardo-Marx wage-profit trade-off model in a modern economy when income categories are not so clear cut. (Much of the income for the upper classes is labor income and not property income).

Good luck with your work.  
C. CLARK (by e-mail)

Dear Editors

In response to Adam Buick's article in the March *Socialist Standard*: I find his predictions unduly pessimistic.

He acknowledges that Basic Income would strengthen workers' power in striking, but fails to acknowledge that while, yes, it would allow some wages to be pushed down, it would conversely result in others being pushed up.

Dangerous, unpleasant, or essentially antisocial or environmentally destructive occupations, which many workers are currently forced to accept, would need to offer higher rewards to keep their labour – or cease business, which for many such businesses, would be a good thing.

While he is correct that most governments are in practice in the pockets of big business, this is not entirely true of all. The post-WW2 Welfare State brought much improvement to workers' conditions – and those of the unemployed; and attention to the source of the power of corporations and banks would give a future, enlightened government the power to

work for the benefit of the environment and community – including the workers and unemployed.

The fundamental source of this power is the right ceded by government to the banks, to create our money supply, by making loans. This power should be ended, and instead government should create and spend into circulation all the money needed by society, and adjust its volume to meet needs without causing undue inflation or the destructive growth of debt which is now threatening the collapse of the whole system. This is something you should seriously look into.

BRIAN LESLIE (by e-mail)

**Reply:** We should have guessed. There is some sort of link here between Basic Income and the currency crank ideas of Major Douglas and Social Credit. We haven't got the space to go into this in detail here. Suffice it to say that banks do not have the power to create money by making loans. They can only lend out what has been deposited with them or what they themselves borrow. If this wasn't the case why are they in trouble now? Why don't they simply create more money by making more loans? Your plan to finance Basic Income by recourse to the printing press will shock many of its other advocates. In fact, we imagine them falling over themselves to repudiate it - *Editors*.

Politics

Dear Editors

In the apology published at the bottom right hand side of Page 23 (April *Socialist Standard*), we are told that "The Politics Show" does not exist. Surely

this is the show that was on for many years on BBC1 on Sundays at noon? Indeed it was the show that no-hopers Nick Clegg and Chris Huhne had their infamous bust-up on - if I've remembered that correctly  
DAVE AINSWORTH (by email)

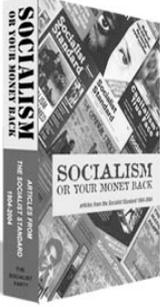
**Reply:** You're right "The Politics show" did, and still does, exist. We were just trying to suggest that, as far as Andrew Neill was concerned, it probably didn't.

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## Iraq: violence without end or purpose?

*'Every ten years or so, the United States needs to pick up some small crappy little country and throw it against the wall, just to show the world we mean business. Michael Ledeen'* (American Enterprise Institute)

Last month 100 U.S. veterans of the wars in Iraq and Afghanistan held hearings in Washington to describe their experience. Named Winter Soldier after a similar meeting of Vietnam veterans in 1971, the event was ignored by the major corporate media outlets. In contrast to Vietnam, media coverage of these wars is sanitized. Viewers see no scenes of carnage, hear no cries of pain. No publicity accompanies the coffins on their return.

On the internet, however, there is uncensored testimony, including videos and personal blogs (e.g.: ivaw.org, indybay.org, therealnews.com, 5yearstoomany.org, aliveinbaghdad.org). These are the sources on which I draw here.

### The recruiter's lament

Let's start with the army recruiter who inveigles the naïve youngster into the inferno. A sinister figure? Or just another victim? After all, he didn't seek transfer to the Recruitment Command. Now he has to make his quota or else endure constant humiliation, weekends in "corrective retraining" and the threat of the sack. So he works himself to exhaustion, answers the kids' questions with lies, and recruits anyone he can, whether or not they meet official standards of health, education or "moral character" (i.e., no criminal record).

Few now join for "patriotic" reasons. Most are bribed with the promise of financial benefits, often payment of college fees. Many foreign residents sign up as a way of becoming U.S. citizens. Over 100 have been awarded citizenship posthumously.

### Destroy the enemy

A few weeks of basic training and the new teenage soldier, who has probably never been abroad or even in another region of the U.S., suddenly finds himself in a strange, uncomfortable and disorienting environment. He does not understand the language, nor can he decipher the Arabic script. He has been taught to fear every haji -- the term used to dehumanize Iraqis -- as a possible enemy. He starts to kill and goes on killing, usually with the connivance of his superiors, often with their open encouragement. He kills in blind fear, or on orders, or even out of boredom. Most likely he feels no shame: his mates take souvenir photos of him standing by his "trophies."

It is not necessarily only Iraqis who he kills. When Marines find their forward movement blocked, one blog-

ger tells us, they "start using their training 'to destroy the enemy' on civilians or other Marines." Violence and degradation pervade relations not just between the military and Iraqi civilians but also within the military. Soldiers are abused and humiliated by officers. Rape is commonplace.

### To what purpose?

It is hard to see what purpose all this violence can possibly serve. The U.S. government would like to suppress all resistance to the occupation and stabilize a client regime that can be trusted to keep Iraq open to plunder by Western (mainly U.S.) corporations. But the more people are killed the more of their relatives and friends will take up arms to avenge them. Various militias temporarily ally themselves with the occupation forces in order to eliminate their rivals, but later they too will fight the Americans (as well as one another). And the persisting "instability" and destruction of resources make Iraq less appealing to corporate investors.

So the chances are that the U.S. will cut losses and give up, although the process will no doubt drag on for years. Otherwise the fighting will continue until the whole population is dead or has fled the country. In that case there will be no one left to run the puppet government or work for the corporations. Of course, the chore of administration could be dumped on the UN and workers brought in from abroad.

### The sanctity of property

Amid the bloody mayhem, measures are still taken to preserve the sanctity of property -- or at least of American property. One soldier tells of being sent with others to guard a military contractor's truck that has broken down on the highway. After hours of warding off hungry Iraqis who want to take the food stored inside, they received the order to destroy the truck together with its contents. On another occasion they were ordered to destroy an ambulance.

When capitalists are forced by circumstances to abandon their property, they evidently prefer to have it destroyed rather than permit its use to satisfy the needs of desperate people. That is the true face of the real enemy -- the class enemy.

### The cost to American society

The cost of this futile war to American society can hardly be compared with the damage inflicted on a dev-

astated and shattered Iraq. It is quite substantial nonetheless. As always, the working class pays by far the highest price for their masters' insane adventures.

Over 4,000 U.S. soldiers have been killed in Iraq so far. This may seem quite modest in view of the 50,000 killed in Vietnam. However, the number killed is a misleading indicator of the amount of suffering. Due to medical advances, the ratio of wounded to killed, which was 3:1 in Vietnam, is 7:1 in Iraq. Many soldiers who in previous wars would have died of severe brain injury, loss of limbs or extensive third-degree burns have been "saved" -- not restored to health, but salvaged to live out the rest of their lives in pain and discomfort.

### Brutalized and traumatized

Even more numerous are the psychological casualties. Apart from those who serve in office jobs and rarely if ever leave the Green Zone (the specially secured part of Baghdad where the U.S. embassy and military headquarters are located), there can be few who return from Iraq free of psychological trauma -- "post-traumatic stress disorder" as the psychiatrists call it. (Over 100,000 are seeking treatment, but there must be many more who do not seek treatment -- and, indeed, it is doubtful whether any effective treatment exists.)

Many veterans feel unbearable guilt for what they have done, although it is those who sent them who are mainly responsible. So it is not uncommon for a young soldier to return home "safe and sound" only to hang himself the next day. Besides suicide, the veterans are prone to alcoholism and depression, homicide and domestic violence.

And there are so many of these brutalized and traumatized veterans! While "only" about 175,000 troops are deployed at any one time (currently 158,000 in Iraq and 18,000 in Afghanistan), at least 1,400,000 soldiers have fought at some time in one or both of these wars. The damage to the social fabric is therefore enormous -- in the same way that the social fabric in Russia, for instance, has been torn by its wars in Afghanistan and Chechnya. And a new war against Iran is still on the cards. Nor can we exclude a U.S. military intervention against pro-Taliban forces in northwestern Pakistan.

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### Good News For Some

"The housing crisis and credit crunch may end the American dream of property ownership for millions of people, but for landlords seeking bargain investment properties the market is looking up. ...Building contractor Chad Blankenbaker seeks foreclosed homes to 'flip' -- buying at well below market value, refitting then selling them at a hefty profit. 'I'm shocked at how low the prices are here,' he said. 'There's so much inventory that no one has to fight to buy anything'. Around the country the housing crisis represents both a business opportunity for landlords and a huge shift in the rental market." (Yahoo News, 17 March)

### Heartless Capitalism

"Genzyme, a Massachusetts-based biotechnology company, has long charged more than \$300,000 a year for typical patients on Cerezyme, a drug used to treat Gaucher disease, a rare, sometimes fatal, inherited disorder that can cause enlarged livers and spleens, anemia and bone deterioration. Cerezyme, which is administered intravenously, eases their symptoms. ...The experience with Cerezyme and other biological drugs defies conventional wisdom on drug marketing, which holds that blockbuster drugs -- generating revenues of a billion dollars a year or more -- are generally those that can be sold to vast numbers of people. But Genzyme has made Cerezyme a blockbuster, with sales of \$1.1 billion last year, by charging very high prices for a few thousand patients. That could bode ill for efforts to curb health care costs if, as expected, the future of medicine lies in targeting treatments to limited numbers of patients most likely to benefit from them. The company is essentially exploiting a monopoly position to charge what the market will bear to treat desperate patients with no other option." (New York Times, 23 March)

### A Free Society?

"The Stasi secret police may have died with communism but its surveillance methods are still alive at Lidl, the German supermarket chain. George Orwell's Big Brother, it seems, stalks the aisles between the cornflakes and the canned dog food. Detectives hired by Lidl - which has more than 7,000 stores worldwide, including 450 in Britain - have been monitoring romance at the cash till, visits to the lavatory and the money problems of shelf-stackers. Several hundred pages of surveillance have been passed on to Stern magazine, causing outrage among unions and data protection officials." (Times, 27 March)

### Food For Thought

"Five years after the United States invaded Iraq, plenty of people believe that the war was waged chiefly to secure U.S. petroleum supplies and to make Iraq safe -- and lucrative -- for the U.S. oil industry. We may not know the real motivations behind the Iraq war for years, but it remains difficult to distill oil from all the possibilities." (Washington Post, 16 March)

## Contact Details

### UK BRANCHES & CONTACTS

#### LONDON

**Central London branch.** 2nd Weds. 6.30pm. The Shakespeare's Head, 64-68 Kingsway, Holborn. (Nearest tube: Holborn.) Tel: Tristan 0207 6223811

**Enfield and Haringey branch.** 2nd & 4th Monday. 8pm. Angel Community Centre, Raynham Rd, N18. Corres: 17 Dorset Road, N22 7SL. email: julianvein@blueyonder.co.uk

**South London branch.** 1st Tues. 7.00pm. Head Office. 52 Clapham High St, SW4 7UN. Tel: 020 7622 3811

**West London branch.** 1st & 3rd Tues. 8pm. Chiswick Town Hall, Heathfield Terrace (Corner Sutton Court Rd), W4. Corres: 51 Gayford Road, London W12 9BY

**Pimlico.** C. Trinder, 24 Greenwood Ct, 155 Cambridge Street, SW1 4VQ. Tel: 020 7834 8186

#### MIDLANDS

**West Midlands branch.** Meets every two months on a Sunday afternoon (see meetings page for details). Tel: Tony Gluck 01242 235615

#### NORTHEAST

**Northeast branch.** Contact: Brian Barry, 86 Edgmond Ct, Ryhope, Sunderland SR2 0DY. Tel: 0191 521 0690. E-mail 3491@bbarry.f2s.com

#### NORTHWEST

**Lancaster branch.** P. Shannon, 10 Green Street, Lancaster LA1 1DZ. Tel: 01524 382380

**Manchester branch.** Paul Bennett, 6 Burleigh Mews, Hardy Lane, M21 7LB. Tel: 0161 860 7189

**Bolton.** Tel: H. McLaughlin.01204 844589

**Cumbria.** Brendan Cummings, 19 Queen St, Millom, Cumbria LA18 4BG  
**Carlisle:** Robert Whitfield.  
E-mail: rewcb13@yahoo.co.uk  
tel: 07906 373975

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**Southeast Manchester.** Enquiries: Blanche Preston, 68 Fountains Road, M32 9PH

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**Skipton.** R Cooper, 1 Caxton Garth, Threshfield, Skipton BD23 5EZ. Tel: 01756 752621

#### SOUTH/SOUTHEAST/SOUTHWEST

**South West branch.** Meets every two months on a Saturday afternoon (see meetings page for details). Ray Carr, Flat 1, 99 Princess Road, Branksome, Poole BH12 1BQ. Tel: 01202 257556.

**Bristol.** Shane Roberts, 86 High Street, Bristol BS5 6DN. Tel: 0117 9511199

**Canterbury.** Rob Cox, 4 Stanhope Road, Deal, Kent, CT14 6AB

**Luton.** Nick White, 59 Heywood Drive, LU2 7LP

**Redruth.** Harry Sowden, 5 Clarence Villas, Redruth, Cornwall, TR15 1PB. Tel: 01209 219293

#### EAST ANGLIA

**East Anglia branch** meets every two months on a Saturday afternoon (see meetings page for details). David Porter, Eastholme, Bush Drive, Eccles-on-Sea, NR12 0SF. Tel: 01692 582533. Richard Headicar, 42 Woodcote, Firs Rd, Hethersett, NR9 3JD. Tel: 01603 814343.

Richard Layton, 23 Nottingham Rd, Clacton, CO15 5PG. Tel: 01255 814047.

**Cambridge.** Andrew Westley, 10 Marksby Close, Duxford, Cambridge CB2 4RS. Tel: 07890343044

#### NORTHERN IRELAND

**Newtownabbey:** Nigel McCullough. Tel: 028 90852062

#### SCOTLAND

**Edinburgh branch.** 1st Thur. 8-9pm. The Quaker Hall, Victoria Terrace (above Victoria Street), Edinburgh.

J. Moir. Tel: 0131 440 0995 JIMMY@jmoir29.freereserve.co.uk Branch website: <http://geocities.com/edinburghbranch/>

**Glasgow branch.** 3rd Wednesday of each month at 8pm in Community Central Halls, 304 Maryhill Road, Glasgow. Richard Donnelly, 112 Napierhall Street, Glasgow G20 6HT. Tel: 0141 5794109. E-mail: richard.donnelly1@ntlworld.com

**Ayrshire:** D. Trainer, 21 Manse Street, Salcoats, KA21 5AA. Tel: 01294 469994. E-mail: derricktrainer@freeuk.com

**Dundee.** Ian Ratcliffe, 16 Birkhall Ave, Wormit, Newport-on-Tay, DD6 8PX. Tel: 01328 541643

**West Lothian.** 2nd and 4th Weds in month, 7.30-9.30. Lanthorn Community Centre, Kennilworth Rise, Dedridge, Livingston. Corres: Matt Culbert, 53 Falcon Brae, Ladywell, Livingston, West Lothian, EH5 6UW. Tel: 01506 462359 E-mail: matt@wsmweb.fsnet.co.uk

#### WALES

**Swansea branch.** 2nd Mon, 7.30pm, Unitarian Church, High Street. Corres: Geoffrey Williams, 19 Baptist Well Street, Waun Wen, Swansea SA1 6FB.

Tel: 01792 643624

**Cardiff and District.** John James, 67 Romilly Park Road, Barry CF62 6RR. Tel: 01446 405636

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**Swaziland.** Mandla Ntshakala, PO Box 981, Manzini.

**Zambia.** Marxian Education Group, PO Box 22265, Kitwe.

#### ASIA

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**Japan.** Michael. Email: worldsocialismjapan@hotmail.com.

#### EUROPE

**Denmark.** Graham Taylor, Kjaerslund 9, floor 2 (middle), DK-8260 Viby J

**Germany.** Norbert. E-mail: weltsozialismus@gmx.net

**Norway.** Robert Stafford. E-mail: hallblithe@yahoo.com

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#### OVERSEAS

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**Socialist Party of Canada/Parti Socialiste du Canada.** Box 4280, Victoria B.C. V8X 3X8 Canada. E-mail: SPC@iname.com

**World Socialist Party (New Zealand)** P.O. Box 1929, Auckland, NI, New Zealand.

**World Socialist Party of the United States** P.O. Box 440247, Boston, MA 02144 USA. E-mail: wspboston@covad.net

# 1968 recalled

Nineteen sixty-eight was a year of dramatic political developments – the assassination of Martin Luther King, violent demonstrations against the Vietnam War, uprisings in the black ghettos of America, a month-long General Strike in France, the Russian invasion of Czechoslovakia.

It was also, though not being recalled by the nostalgia department of the BBC, the year when the Labour government of the time was in dead trouble, trying to impose wage restraint, introducing racist legislation to keep out Kenyan Asians, losing by-elections to Scottish and Welsh nationalists. But they still managed to stagger on for a couple more years before being voted out. Even fewer recall that 1968 was the TUC's centenary.

We reprint here, along with some of the covers of the year, what we said on some of these events.

## Black Power

"As an insurrectionist slogan, black power is suicidal. Only 15 per cent of the population in the U.S. are black. One needs no great mathematical skill to figure out who would be victorious in a racial war, not to mention the fact that a bottle full of gasoline is a rather inadequate defense against fleets of helicopters and tanks, armed with napalm, poison gas, and fragmentation bombs.

As a revolutionary theory, black power is divisive and self-crippling. Attacks on the "white power structure" mean little unless one understands that the source of its power is not the skin colour of the bureaucrats, but the enormous property values which employ them. We have already mentioned that any part of the working class cannot alone solve problems which stem from their position as wage workers; they must act together with the majority of their class. The concept of black power implies that black workers have basic interests which conflict with those of white workers. Both black power and white prejudice divide the working class against itself, thereby weakening the class and diminishing the power of each of its members. Black power is not a cure for exploitation, but a symptom of the disease.

Nevertheless, it is possible that black power may also be a healthy sign in the American working class movement. The young insurrectionists of Detroit, Newark, Boston, Cincinnati, do belong to the urban working class, and this is the first time since the 1930s that masses of American workers have broken with

"their" government and openly defied it to put them down. Some black power leaders also feel the need for greater support among white workers, and stress their goals of better schools and housing will benefit more white than blacks.

Class consciousness takes a long time to develop. One of the signs of its development

one country to citizens of another but as world socialists to fellow members of the world working class.

We reject frontiers as artificial barriers put up by governments. All men are brothers and the world should be theirs. All men should be social equals with free access to the plenty that could be if only the means of living belonged to a socialist world community. We oppose governments everywhere, all nationalism, racism and religion, all censorship, all wars and preparations for war.

Workers! We support your class struggle for better wages and conditions against the employers and the government. But do not be taken in by the ease with which you have occupied the factories. They allowed you to do this because they know that in time you must give in. Political power is always in the hands of those who control the machinery of government, including the

armed forces and the sadistic CRS. Do not be misled by those who say that universal suffrage is a fraud. Learn from your masters. You too must organise to win political power if you want a new society. Do not let cunning politicians or the discredited Communist Party return to power on your backs. Ignore those who would be your leaders. Rely on your own understanding and organisation. Turn universal suffrage into an instrument of emancipation.

Students! We share your distaste for the indignities and hypocrisies



is a wholesale rejection on the part of workers that a treadmill is their only possible alternative in life. The black powerists, the hippies, and the peace movement suggest that large things are happening in America which the socialist need not regret."

("Black Power in the United States", February).

## The General Strike in France

"The following manifesto (for distribution in France) was adopted by the Executive Committee of the Socialist Party of Gt. Britain on 28th May. This is the English translation.

We address you not as citizens of

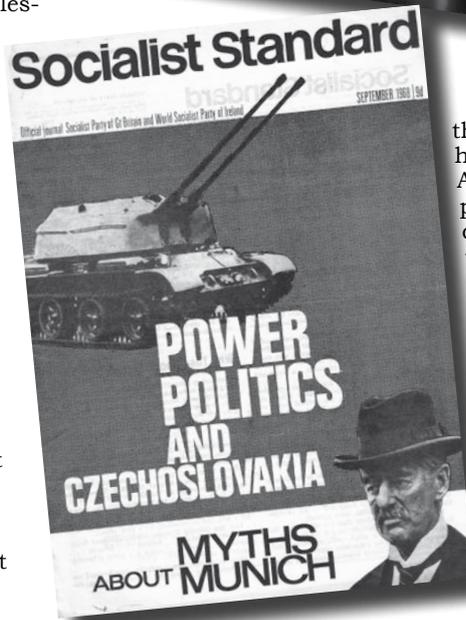
of the present order. We share your wish for a new society with no exploitation of man by man. But do not underestimate what a task it will be to change society. It will be a hundred times more difficult than changing the government. A democratic world community, based on common ownership with production for use not profit, can only be set up when people want it and are ready to take the steps needed to set it up and keep it going. Democratic political action is the only way to Socialism. There are no short cuts. We must have a majority actively on our side. Do not be misled by student demagogues, those who praise Bakunin, Trotsky, Mao or Che Guevara, who would use you for their own mistaken ends. They think that an elite should use unrest to gain power and then set up a classless society. What dangerous nonsense! Look at state capitalist Russia where a new privileged class rules, with police intimidation and censorship, over an increasingly restless population. Look at state capitalist China where power-hungry bureaucrats cynically manipulate the people in their own sordid squabbles. Learn the lessons of history: elite action leads to elite rule. No Socialism unless by democratic political action, based on socialist understanding.

The task you face in France is the same that we face in Britain and our brothers in Germany, Russia, the United States and other countries: to build up a strong world-wide movement for Socialism. What is needed more than anything else in this period of social unrest is a clear, uncompromising statement of the case for a socialist world community..

If you agree, please write to us. We will be glad to help you ensure that the voice of Socialism is again heard in France.

Workers of the world, Unite !"  
 ("To the Workers of France", July)  
 "Millions of viewers of the BBC programme last June on the students will have heard Tariq Ali declare "we believe in the abolition of money". Someone pointed out that "the others looked very doubtful". As well they might. Even Cohn-Bendit has only called for equal wages, presumably to be paid in money. Tariq Ali him-

self probably did not understand the implications of what he said. But he did break a leftwing taboo. Normally they don't like to fly so much in the face of popular prejudice and risk being called "Utopians". No, normally they like to be seen as r-r-revolutionaries boldly declaring they believe in violence!



Whatever the reason for his lapse Tariq Ali did at least provoke some discussion in the papers as to whether or not it was practical to do away with money. Most people ridiculed the idea but one *Guardian* letter-writer pointed out that the absurdity of capital-

ism should be obvious every time you get on a bus and have "to exchange metal discs for a ritual rectangle of paper which an intelligent man was paid to punch".  
 ("What! No Money!", September)

**Invasion of Czechoslovakia**  
 "The dictators of state capitalist Russia have sent their armies into Czechoslovakia in a bid to impose a puppet regime which will carry out their orders to crush free speech and restore rule by torture and the secret police. (. . .)

The Socialist Party of Great Britain wishes workers there every

success in establishing the framework within which a genuine socialist movement can grow, namely, political democracy.

The crude power politics of Russia once again expose the myth of Socialism there. Russia is a great capitalist power and behaves like one.

The Socialist Party of Great Britain abhors this latest display of imperialist brutality, all the more vile as it has been committed in the name of socialism, and calls upon the workers the world over to oppose capitalism, east and west, and to unite for Socialism.

August 21st 1968"  
 ("Power Politics and Czechoslovakia", September).

**Vietnam demonstrations**

"Socialists were out in force to sell genuine Socialist anti-war literature at the pro-Vietcong, and thus pro-war, demonstration held in London on Sunday 27 October, about which the press spread such hair-raising scare stories.

On the Friday evening, when students of the London School of Economics occupied college buildings to turn them into a sanctuary for the demonstrators, Socialists (including two who were LSE students) were able to hold an impromptu meeting and sell a few dozen SOCIALIST STANDARDS. A photograph appeared in Saturday's *Morning Star* in which one of our members selling this journal could clearly be seen.

At 12.30 on Sunday, thirty or so Socialists were at Charing Cross to get ready to sell literature to the demonstrators as they marched to Hyde Park (we stayed well away from Grosvenor Square and the hooligans). Of course, as with CND, we did not join the march but sold literature to the marchers and by-standers. The cover of the October SOCIALIST STANDARD can have left no one in doubt as to our position: VIETCONG, NO! MAO, NO! CHE, NO! SOCIALISM, YES! Up to 600 copies were sold in what turned out to be a very successful afternoon's socialist activity."

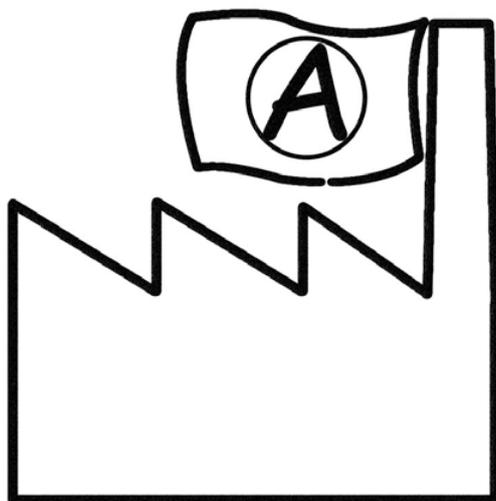
("Socialists and the "October" Revolution", December)

**2007 SOCIALIST STANDARD INDEX**

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# The Revolution that wasn't

*What might have happened if, forty years ago, workers in France had taken over the factories and tried to keep production going.*



**1** 1968 saw an outbreak of protest in various parts of the World. Much of it was very violent and the main thrust of this protest was in France and in America, where a longer-term campaign was being pursued. To a lesser extent, again, some of them very violent, demonstrations took place in Germany and in this country.

No doubt there were some links between these various protests but it was also true that the background in each country was very different. For example, in America there was the civil rights movement being organised by blacks, and of course there was no element of this in what was happening here or in France. The civil rights movement was beginning to find its feet in Northern Ireland; here again, the background was different with its strong element of catholic/protestant conflict.

In Europe, many of the main activists were Trotskyists or anarchists. In America the hippy movement was much stronger than it was here. One common feature was the protest against the Vietnam War and this was linked with the opposition to nuclear weapons. So if we are to remember 1968 as a year of world wide protest and demonstrations, we must also acknowledge that these were not the actions of a world-wide coherent movement; these events erupted at the same time as a result of different and widely dispersed elements. In retrospect, perhaps the spontaneity of these events gave them their immediate strength, but the lack of any cohesion was their longer-term weakness.

In some ways, the ideas which

were coming forward were very welcome, especially ideas being produced by the hippy movement which were a reaction to the soul-destroying life of wage slavery with its pursuit of material things. I remember reading a book by Jack Kerouac in which he railed against what he called the 'white furniture' culture. By this he meant that people were selling their human soul in order to acquire refrigerators, washing machines and these sorts of objects on which they mistakenly focused all their hopes for happiness.

Well, of course you could only agree with this outlook, and it was very welcome to see these ideas being popularised. What was slightly irritating was that these ideas were being put forward as if they were some sort of revelation. In fact socialists had been talking about this for years. Since the 1950s we'd had access to the *Economic and Philosophic Manuscripts of Marx*, and we'd been talking about the alienation of man in practical contexts. We had been talking about the "sterility of the consumer culture" for years and arguing that individual self-realisation could only be achieved on a basis of common ownership, and where you had people working in direct cooperation with each other to provide for each other's needs.

The trouble was that Jack Kerouac hadn't been reading the *Economic Manuscripts of 1844*, he had been reading some ancient Buddhist manuscripts. So, this very useful development of ideas was diverted into some regurgitated version of Buddhism, flower power and the drugs scene.

Socialists like myself had been active for years throughout the 1950s and what we had suffered from was a most appalling complacency. We couldn't get a meeting or a debate; there was almost no interest in politics; the social aspirations of people seemed to have become totally trivialised. People only seemed to be concerned about buying a television or a second hand car on hire purchase.

So when there were various stirrings, first perhaps with CND, events in Hungary and the Suez crisis, we were able to feel that people did care after all. Of course as these were able to gather momentum during the 1960s this brought about a very

changed situation and it was most welcome. Against this it has to be said that there was disappointment as we say this healthy indignation being diverted into lines of action which we argued would be unproductive.

One of the ideas being pursued by many activists in the 1960s was the aim of workers' control. A lot of people still believe that we can achieve an advance towards socialism as a result of workers taking over their places of work, the factories etc., bringing them under their control and operating them in their own interests.

It's quite true that in 1968, in France, at one point, over 9 million workers were on strike: industry was at a standstill and hundreds of factories had been occupied by strikers. Some people thought that industry in France was on the brink of being taken over by the workers. In fact this was not the case. For one thing, although it was in the minds of Trotskyist activists, it was not in the minds of the trade unions in France to establish a system of workers' control. They took over the factories, and others went on strike, so as to press their demands for wage increases and other improvements in conditions. When these demands were largely met, they resumed normal working.

Another reason why industry in France was not on the brink of being taken over by the workers is of course that the forces of the state would never have allowed them to do it. There was the usual heroic talk about smashing the state, but the workers had no intention of smashing the state and even if they did have that intention they would have failed.

It has to be said that in all the violent confrontations which took place between demonstrators and the various police groups, even in France, the force of the state was only used minimally. You had the very vicious CIS—the special riot police—but the armed forces in their tens of thousands, with all the firepower at their disposal, were always in reserve and not brought into use.

At the time, the activists said that the reason for the failure had been the failure of the mass of workers to support the objective of workers' control. So they came out of it still believing that their theory of revolution had not been tested - many people still believing in the theory today.

So its useful to consider what would have happened if, for example, the Renault car factories had been

taken over by the workers who worked in them.

What we assume here is a situation where theoretically, the wage labour/capital relationship operating in the Renault car company would have altered and become a kind of workers' cooperative, with all the affairs of this car production unit under the control of the workers.

There is of course no question here that this has happened as a result of a decision by a socialist majority to capture political control and enact the common ownership of all means of production. There has been no social decision to abolish the market and to establish direct cooperation between people in producing goods directly for the needs of the community, with no exchange of any kind and therefore no use of money. What we have assumed, in line with the objectives of the main activists in France in 1968, is that workers have succeeded in taking over the Renault Car Company together with many other factories.

The present Prime Minister of France (Michel Rocard) was a left wing activist in 1968 and a little later on he said this about workers' control:

"We must aim at self management, that is, the management of factories by the workers themselves... Workers control can only be imposed in strikes where the balance of forces is overwhelming, that is to say, where the unity of the workers is strongest."

So we've assumed that these workers have successfully confronted the forces of the state and imposed this workers control, which is "the management of the factories by the workers themselves."

The market would still be operating and these workers would be selling the cars which they put together in the factories and the sale of these cars would give them an income which would enable them to live, to support their families, to buy the food, to pay the rent and the mortgage and all the other costs involved in living in a market system. They would have a lot of other costs as well. Renault cars are not simply made in Renault car factories. In fact, in the main, these factories are only the places of final assembly. Of all the labour required for the production of a Renault are only a small proportion is supplied in these factories where the final assembly takes place. If the car industry in France is anything like British car production, Renault would have hundreds of sub-contractors supplying components.

You only have to think of the materials in cars—various metals such as copper, aluminium and steel, glass, paints, plastics, rubber, to realise that the different kinds of labour required for the production of a car are dispersed throughout a world wide network of productive links. You've got copper mining in Zambia, the mining of iron ore in Australia, the plastics

pre-suppose the world oil industry, the paints, the world chemical industry, rubber from Malaysia, allocations of energy and world transport. Car production is social production and by that we mean production organised on a world scale.

What this means for these workers in France who have taken over factories where final assembly takes place is that they are the sellers of cars but they also constitute a massive market, a market for all the worked-up materials and components which they have to buy in.

These workers will be in competition with other car manufacturers—Fiat in Italy—Volkswagen in Germany—Nissan in Japan—Volvo in Sweden—General Motors in America—Ford and BMC in Britain. So in order to maintain their livelihoods they will be in intense competition with these other companies, trying to sell as many cars as possible and trying to capture a bigger share of the market at the expense of the capitalists and workers in other sections of the world car industry.

They would have to maintain rigorous efficiency in line with the efficiency of these other companies. In any situation where their costs were disproportionately high resulting in relatively higher prices they would lose sales and there would have to economise and perhaps some workers would have to go. Where there was overproduction in relation to market capacity again there would have to be cutbacks. They could not go on incurring the accumulating costs of producing cars which they could not sell. It would then be a matter of them democratically deciding which of them is going to be out of a job.

However, for the moment we are not concerned with the realistic possibilities, we're assuming that these workers find themselves in a situation where the market for cars goes on expanding. This being the case they will face the problem of financing expanded production so as to take advantage of it. Perhaps they will raise the capital on the share market. This of course is impossible. No bank or any investor would dream of investing in an outfit which had seized the capital funds of a company.

You can of course see where all this is heading. In the impossible circumstances where these workers have been able to expropriate a company like Renault—and succeeded in managing for their own gain as distinct from the previous owners—they would be responding to the same economic pressures faced by the previous capitalist board of directors. They would be acting as the functionaries of capital; different personalities maybe but exactly the same economic role.

What we've actually been describing is a set of mechanisms by which the capitalist structure of production maintains itself as an exclusive capi-

talist structure. Goods are produced throughout a world wide division of labour organised in different production units. The process through which this structure maintains itself as an exclusively capitalist structure is a process of constant economic selection. Whether or not a particular production unit can continue to exist as part of the structure is constantly tested and is determined by the economic viability of the unit.

In every day terms this is matter of income against expenditure. If income exceeds expenditure then the unit can continue to form a part of the whole structure. Conversely, if expenditure exceeds income then it must disappear from the scene.

This process of economic selection may be temporarily upset by the traumas of political or industrial upheaval. In a period of chaos, you may get a change of the people in power. But when production and distribution re-commences, as sooner or later it must, the economic forces of capitalism are immediately brought back into play, so that daily book keeping, cost effectiveness, and the irresistible pressure to sustain income over expenditure again act to maintain production as a capitalist structure.

The particular ways in which a production unit is organised makes no difference whatsoever to this process of economic selection. It can be the usual capitalist company, it can be a so-called workers cooperative under workers' control. It can be a monastery producing herbs or honey for sale.

The decision-making procedures can be authoritarian or democratic, it makes no difference to the fact that whatever the production unit is, in order to exist it must be economically viable. This is the process of economic selection by which the present structure of production is maintained as an exclusively capitalist structure.

The idea that workers cooperatives under workers' control is socialism or is in any way a step towards socialism is an illusion.

Bringing the subject back to 1968 when these arguments were much more in the air of course members of the Socialist Party were encouraged by the fact that a lot of action was taking place. But at the same time there was great disappointment that all this protest was being diverted into this useless activity based on the objective of workers' control.

The only practical way to get a change from capitalism to socialism is to have a majority of socialists acting democratically to capture control of the state and then from this position of control, to remove the capitalist features from social production through the enactment of common ownership.  
**PIETER LAWRENCE** (from a talk given in May 1988)

The intoxicating US housing boom has come to an end. Now the economic hangover has arrived.

# Bubble Troubles

With the collapse of the housing boom in the US what is likely, at the very least, is a prolonged crisis of the credit system. And as credit greases the wheels of capitalism this is no laughing matter for the capitalist class.

The Federal Reserve has been doing its best to ease the pain—the pain for the investment banks, that is. Barkeeper Ben Bernanke announced on March 11 that the Fed intends to generously fund the banks “rehab,” loaning them the incredible sum of \$200 billion in return for the tainted “mortgage-backed securities” as collateral. This is very much like a doctor who prescribes a little hair of the dog to an alcoholic as a “cure” for a hangover. At best, such bailouts will probably only buy a bit of time.

And not very much time at that—judging from the recent string of collapses in recent weeks. On March 7, the investment fund Carlyle Group Corp. announced that it was unable to meet \$37 million in margin calls from its lenders and a few days later it was reported that the 85-year-old investment bank Bear Stearns, which suffered huge hedge fund and mortgage-related losses, is being bought out by JPMorgan Chase in a fire sale, with money loaned by the Fed.

Far from calming the financial waters, the actions of the Fed have drawn attention to the severity of the crisis and also accelerated the decline of the dollar. Somehow, the system as a whole—the once inebriated economic body and its battered financial organs—will have to expel the vast quantities of toxic loans that are clogging it up. When other countries face this dilemma, the US has always the first to prescribe a bit of shock therapy, making use of capitalism’s natural function of regurgitation. For some reason or another, though, the US policy makers are sentimental when it comes to their own venerable financial institutions.

The US government that hasn’t lifted a finger to assist the massive number of workers who face foreclosure, but has acted quickly to pump money into the accounts of those who have made a good living picking the pockets of those workers. The direct impact of the crisis involving “subprime loans” (once more accurately referred to as “predatory loans”) has already led to hundreds of thousands of foreclosures, with the overall number of foreclosures up 79 percent in 2007 alone. Clearly, the US policy makers have every intention of shifting as much of the pain from the crisis onto the working class as is economically and politically possible.

## Empty wealth

Some cold comfort to workers from the crisis, however, is that it rips great holes in some of the smug arguments that economists and politicians have tried to pass off as “common sense” (and which seemed plausible enough during the long speculative boom in the US that basically stretches all the way from the mid-1990s until recent months). For instance, it is becoming increasingly self-evident that the prices of many “commodities” lack any real basis and are thus “fictitious” prices to a large extent.

There is an important distinction, in other words, between the products of labour, which are the basis of any society and happen to take the form of commodities in a capitalist society, and the wide variety of things that have a price and thus take the commodity-form but are not the product of labour and thus lack intrinsic value. When capitalism is humming along, no one is very concerned with whether what is being bought and sold has intrinsic value or not, so long as it can be sold on the market. Thus, “mortgage-backed securities”—to take one example—were as good as gold for many years.

Now that the housing bubble has collapsed, however, such securities are being shunned, as it is clear that a great number of borrowers will be unable to meet their mortgage payments. The “value” (=price) of this commodity has plummeted, wiping out a vast amount of wealth that existed

on paper, while leaving a hard lump of debt behind.

It is hardly surprising that people flock to gold during a crisis. That behaviour is not motivated by a human love of shiny metal objects. Rather, gold has served as the “general equivalent” or money historically precisely because gold has intrinsic value as a product of labour and that that value exists in a form that is inherently more durable and divisible than most other products of labour.

In short, a crisis reveals the crucial distinction between commodities in the fundamental sense (as the capitalistic form of products of labour) and commodities in the purely formal sense (as anything with a price). Call it the revenge of the labour theory of value.

There is some irony in the collapse of the housing bubble revealing the distinction between intrinsic value and mere price. Because one of the initial attractions of the housing market to investors, after their dizzying experience with stock-market gambling, was that it appeared to be *terra firma*. After a vast amount of paper wealth was wiped out of 401k (retirement) plans and mutual funds circa 2000, it seemed that real-estate was a secure investment in a tangible asset.

But to describe a house as having intrinsic value turns out to only be a half-truth. Sure, the house itself has intrinsic value, like any other commodity in the fundamental sense just described, according to the socially necessary labour expended to produce it. In other words, the house’s value (as a structure) stems from the value of the building materials used and the amount of labour expended to assemble them.

However, in addition to the house itself, the price of the land upon which it is built represents a large part of the overall price—and the bulk of the price in the case of large urban areas. And that land has no intrinsic economic value (apart from whatever labour was necessary to clear trees or previous buildings out of the way so that construction could commence), only a price determined, since its supply is fixed, by the paying demand for it. In this sense, real-estate prices are a reflection—more than anything else—of the purchasing ability of the prospective buyers. So it is no surprise that those prices rose rapidly along with the increasing abundance of cheap credit.

Buyers in each particular housing market tried to convince themselves why the price of their own house would never fall (whether because of the desirability of their neighbourhood, the solid construction of the house itself, the strong local economy, or some other reason), but in fact there is no intrinsic value around which the price must gravitate, meaning that there is much room for the price to rise, or indeed, fall.

## Profit-creation

Another central (but often ignored) fact which a crisis helps shed some light on is the origin of profit. During a speculative bubble, when mutual funds or housing prices are steadily rising, profit seems to arise magically from the very act of investment. No one is too bothered to ponder how this feat of alchemy is achieved. When the bubble eventually bursts, it may dawn on some that the actual *creation* of profit—rather than the mere transfer of money from one wallet to another—involves more than simply letting go of funds and then waiting for an even bigger sum to return in boomerang-like fashion.

And if the person bothers to investigate the matter further, it would become clear that profit is generated in the production process. It is there that surplus-value is generated as the difference between the value of the labour-power the workers sell to capitalists in return for their wages and the value those workers add to the commodities produced through their actual labour. In contrast, much of the profit that appeared to be created during the boom was in fact an expression of the expansion of debt.

The housing boom, like the stock market boom that preceded it, was praised as a way for workers to move up the social ladder, and it seemed that there was enough profit

to go around to swell the ranks of the capitalist class. From today's perspective, however, we see that workers are left in a worse situation than ever following the speculative boom, facing foreclosures and wiped out retirement funds. The only upward mobility in the end was for the money itself, which was coaxed out of the pockets of workers to pad the salaries of the much heralded "financial wizards."

Granted, in any speculative bubble the expansion of consumption goes hand-in-hand with an increase in productive activity, but it is certainly not the case that the enormous gains made through speculation in certain activities reflect or correspond to an expansion in surplus-value created via production. Rather, the increase in the "value" (=price) of real-estate, stocks, or whatever the mania is centred on is fed by the speculation itself. Prices go up as more money is thrown at the object of speculation, and with those rising prices even more money is invested. But there is nothing to sustain the high prices once the speculative demand dries up. This is quite different from an increase of investment in productive activity that results in products containing surplus-value that are sold to realize a profit.

A comparison to eating, rather than the earlier hangover analogy, may highlight the distinction between mere speculation and investment in production. Simply put, speculation is not all that different from a person who consumes a large amount of food without performing any physical activity whatsoever. The result, unless the person enjoys a remarkable metabolism, is weight gain.

During the housing boom, the economy swallowed a tremendous amount of credit that for the most part was not directed towards productive activity, and this inevitably led to a flabby result. The speculative feast was good fun for those who partook of it, but now the heavy debt burden is making it hard for the capitalist economy to function, with the credit crisis also hindering investment in productive activities.

But it is not as if a "muscle-bound" capitalism is a lovely state of affairs either. As mentioned earlier, the surplus-value that arises from

productive activity is nothing more than unpaid labour extracted from the working class. So there is no profit without exploitation.

A "fundamentally strong" capitalism (as it is called by those critical of finance capital but enamoured by capitalism itself) may conjure up an image of a healthy organism, but really it is more appropriate to picture a young Arnold Schwarzenegger prancing around the stage of a Mr. Universe contest clad only in his over-inflated muscles and surreal suntan. It is not true health or strength, but just the appearance of it. And just as Arnie worked out incessantly in the pursuit of muscles for their own sake, without any concern for their actual use, the productive activity under capitalism is only a means of building bigger and bigger profits, rather than being primarily a way to produce material wealth to meet the needs of society's members in accordance with their collective and democratic will. There are all sorts of side-effects from the mad pursuit of profit, both in the short- and long-term, similar to how Mr. Schwarzenegger's steroid-fuelled body-building in his younger years resulted in open-heart surgery by the time his muscles had sagged with age.

Workers cannot be indifferent to a crisis, no matter how much we are disgusted by the predictable pendulum swing between "boom" and "bust" (and the sudden mood swings it causes among our capitalist rulers), because our lives can be directly influenced by today's financial turbulence. But at the same time, we have no interest whatsoever in thinking up ways to put capitalism "back on track" or make it "healthy" again. Even when the system is in tip-top shape it works directly counter to the interests of workers.

The crisis will not miraculously or mechanically turn every worker into a socialist, as some pseudo-Marxists fervently hope, but it does at least create a situation where socialists may find workers more willing to consider an alternative to capitalism. It is up to us, as socialists, to present that alternative in a convincing way based on our understanding of the essential nature and limitations of the capitalist system.

**MICHAEL SCHAUERTE**



## Cooking the Books 1

### Are prices real?

"Retail prices fall 50% in real terms since 1970s" headlined the *Times* (31 March) reporting on a recent survey:

"According to Pricewaterhouse-Coopers (PwC), the accountants, the prices of everything from a kettle to a camera have tumbled by nearly 50 per cent since the early 1970s. At Argos, prices have fallen 47 per cent in real terms since Richard Tompkins, the founder of the Green Shield Stamps empire, launched the chain in 1973 with a 250-page catalogue. A fan heater in the original catalogue priced at £7.60 would cost £51 in today's money, given the impact of inflation over the past 35 years. A similar product retails today at £12.99."

To say that a fan heater, priced at £7.60 in 1973 and selling at £12.99 today, has gone down in price seems counter-intuitive. The explanation lies in the introduction of the notion of a price "in real terms", or a "real price", as a way of comparing prices at two different dates ignoring any depreciation (or appreciation) of the currency in the meantime.

To say that a fan heater priced at £7.60 in 1973 would sell at £51 in "today's money" is to say that the currency has depreciated by 85 percent. That the heater is in fact priced today at £12.99 shows that "in real terms" its price has fallen by about 75 percent. In 1973 money its selling price would have been £1.90. It is in this sense that, in real terms, the price of the heater has fallen. Marx would say that this reflects a fall in its labour-time value.

If there was a stable currency then you would in fact expect prices to fall as productivity – the time taken to produce an article from start to finish – rises, meaning that articles have less value, less socially necessary labour-time incorporated in them. Pro-

ductivity does tend to increase slowly from year to year due to technical advances. But there is not a stable currency, and that complicates comparisons.

Although the currency inflation and consequent depreciation is no longer in the double-digits it was in the 1970s, it is still government policy that the currency should depreciate by 2 percent a year. They don't express it this way, but put it the other way round by setting the Bank of England a target that the general price level should not rise by more than 2 percent a year. Which amounts to the same thing as this is in effect to allow the Bank to inflate the currency by that amount. If the price level rises by 2 percent this means that the purchasing power of the "pound in your pocket" decreases by that amount.

Since wages and salaries are also a price – of people's working skills, or what Marx called "labour power" – with depreciation of the currency they too go up continuously if slowly, with a little help from trade unions. Marx employed the concept of "real wages" but in a slightly different sense, though still as a means of discounting changes in money prices. He defined them as "the sum of commodities which is actually given in exchange for the wages" (*Wage Labour and Capital*) and as "wages as measured by the quantity of commodities they can buy" (*Value, Price and Profit*).

He gave the example of the prices of the articles workers buy falling while money wages remained the same; in which case, despite money wages remaining unchanged, real wages would have increased. In these days of permanent, if gradual, inflation if the prices of the articles workers buy increase more than money-wages (as has happened in some years), even though money wages have increased real wages have fallen. On the other hand, if money wages rise more than prices (as seems to be the slow, long run trend in this part of the world) then real wages increase.

# Who wants a referendum on Europe?

*The argument about a referendum over the EU Treaty is not about democracy, but about politicians trying to control decision-making.*

Some things seem to never change. Alexander Hamilton, some two hundred plus years ago, was a luminary of the American revolution. He espoused a creed of natural aristocracy – rule by the best among us (including, naturally, himself) for life. In the presidential elections of 1800 his faction faced defeat at the hands of the democratic forces led by Thomas Jefferson. Back then, the votes for the presidency in New York State were exercised by the state legislature. When the legislature fell into the hands of the democratic party, Hamilton proposed that the rump aristocracy party enact legislation in the dying hours of their term, to put the votes for the presidency into the hands of the electorate at large. That is, one of the true believers in authority and elite rule, one of the verymost opponents of democracy, saw his very last chance in an appeal to the people against the leaders of the opposing faction.

Today, we see a similar story. The Conservative Party in Britain, opposed to the Lisbon Treaty, are demanding a referendum on the former “constitution.” Obviously, they choose to call for this because they are sure that Europe is unpopular, so any referendum would be certainly lost. That is that they are being fundamentally dishonest. In order to avoid exposing splits in their own party, they campaign for a referendum, rather than simply stating out loud that they oppose the treaty itself.

One extraordinary part of this call is the insistence, loudly declaimed by Tory nerd

William Hague, that they are simply trying to live up to their manifesto commitment – and why won't Labour do likewise? This, from the party of Burke, the propounder of the theory that parliamentarians are not delegates, that they are not bound by any election promise, and can (and indeed should) vote as they see fit for the duration of their term. “Your representative owes you,” he famously said “not only his industry but also his judgement; and he betrays, instead of serving you, if he sacrifices it to your opinion”. This is the ideology of the party of natural rulers. Perhaps this overthrowing of their own bedrock ideology is what they meant by the Conservative revolution. Now, after having failed to get their democratic referendum in the House of Commons they'll doubtless use their, er, unelected members of the House of Lords to try and get their way.

No principle is inviolate, none that cannot be overthrown to the first among them all: being in power is an end in itself. Of course, the very same applies to Labour. They only do not want a referendum because they know that they would lose it. Jack Straw bleats how we are a “parliamentary democracy” we don't do things via referendums (as if it doesn't lie in his hands to change that fact), and besides,

the issues are too complex. This from a member of the party that took Britain into the EU after a referendum, and that has had referendums on local mayors, Scottish devolution, Welsh devolution, London devolution, North Eastern devolution, council housing and schools since it took office 11 years ago. The self-same party that is now planning a potential referendum in Wales on further devolved power.

Wasn't it, Jack, the self-same party that promised a referendum on the constitution in the first place? That shamelessly forgot that “we live in a parliamentary democracy” and that the “issues are too complex” simply to get itself out of a temporary political hole? Of course it was. Obviously, Jack, you'd say that this isn't the constitution now – and certainly the fripperies and fopperies of a constitution have been taken away, and Britain has secured its opt-outs.

Ah, yes, those opt-outs. Enough opt-outs that it barely looks like Britain has opted in to anything. The party of so-called Labour opting out of increasing workers' rights. They've opted out of the Charter of Fundamental rights (it won't be enforceable in British law) despite being the proud trumpeters of enshrining the Human Rights Act into British law. They've also opted out of majority voting on police and justice measures. So many opt-outs, indeed, that failure to secure the treaty itself will leave other European government heads wondering whether Britain should really be in the club at all.

The treaty is a deal hammered out in the old fashioned semi-feudal way of ministers meeting in darkened rooms and fudging a solution between each other in the European Council – very like the way in which Hamilton and his mates (the so called Founding Fathers) stitched up the US constitution to keep the filthy paws of



the electorate as far from power as they could.

Albeit that the Lisbon treaty does actually make the European Council a fully fledged body of the EU, rather than just an informal meeting of heads of government. Another EU body, the Council of Ministers, which actually decides EU laws, already makes its minutes public and the directly elected Parliament has at least once sacked the commission. The EU is democratising, at a snail's pace. Part of the drive for this is precisely that wheeler dealing in darkened rooms is perceived to be a hindrance to its development. The veto is a road block to decision making and the interests of the most powerful blocs within the EU (principally France and Germany). In fact, the treaty extends majority voting, i.e. removes the vote, to a wide variety of matters.

There are three fundamental questions that can be asked of any decision making process. (1) Who initiates proposals and policies? (2) Who deliberates on and amends them and gets to decide the detail? (3) Who gets to approve them and has the final say? We can say that the more people are involved, or potentially involved, at any given stage, the more democratic the process is. In the case of international treaties like Lisbon, or referendums on any subject a government may choose, the answers to 1 and 2 will be ministers and parliamentarians (and, so long as they have a majority, that means in practice the parliamentarians of the ruling party).

The point of difference between Labour and the Tories, then, is solely on the fruits of the third stage, a yes/no decision on a completed and formulated proposition with no chance of changing it. This, clearly, isn't a debate on principle between two differently democratic parties with one giving more power to the people than the other. It is a pallid dance between pretenders to the crown who will be buggered if they surrender their capacity to dictate events willingly.

What differentiates them from someone like Hugo Chavez – the current darling of the Romantic lefty who likes to fall in love with far-flung revolutionary utopias? At the end

of last year, his referendum on constitutional reform was defeated. It contained a raft of proposals, a mishmash of changes to property and electoral law. Cunningly, it also included a provision to remove the two-term limit for the president that, er, he introduced when he originally wrote that constitution. Such bundling is a trick beloved of those who have to submit their policy to someone else at stage 3.

Of course, despite those lefties, who will harp on that Chavez has won 7 elections in 9 years and is the paragon of democratic revolution, Chavez is perfectly upfront about his political goals. He takes as his hero Simon Bolivar, who was, some two hundred years ago, a luminary of the South American revolution. He espoused a creed of natural aristocracy – rule by the best among us (including, naturally, himself) for life. He was fond of creating constitutions too.

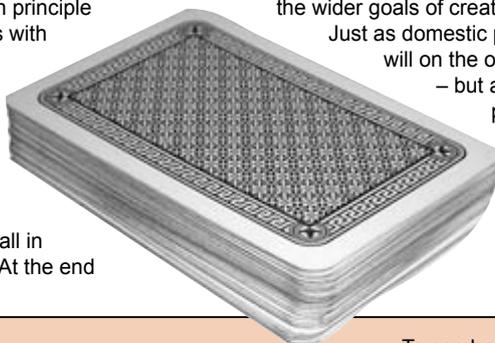
It would probably come as a surprise to the followers of Hugo Chavez and David Cameron just how much their idols have in common – and they would probably deny it to the bitter death in blood flecked phlegm. The fact is, though, that the rules of the game for the rulers are the same by very dint of coming to power and trying to shape things to their individual will – like, as Chavez has it, an artist painting a picture, seeing the parts into a whole. To rule you must initiate policy, and control the detail. If someone else's consent is required the skills of the card sharp are needed to force the right choice on your mark.

That is the nub of this dispute over Europe. It is not an argument about democracy, but a turf battle between competing rulers protecting their own turfs, their zones of influence, versus the wider goals of creating a functional Europe wide market area.

Just as domestic politics is about one faction imposing their will on the other, so, increasingly, is European politics – but at the cost of eroding domestic political

power. Both Labour and Tory are walking a fine line between trying to be part of the winning faction in Europe and staying in charge at home. Their motto throughout continues to be: "All power to myself."

PIK SMEET



## Anyone for coal?

Of the fossil fuels the worst in terms of emitting carbon dioxide into the atmosphere is coal. So, why, if something has to be done to reduce CO<sub>2</sub> emissions (as most scientists in the field advise), are plans afoot to reopen coal mines in Britain?

An article "Old King Coal makes comeback in Britain" (18 March) on uk.reuters.com reported:

"Coal mining is making a comeback in Britain as the quest for secure energy supplies chips away at environmental objections and record high prices for the raw material make pits economically viable".

As the price rises it becomes profitable to exploit more difficult coal seams despite it costing more to work them. Already "two moth-balled deep mines reopened recently, two more were under review and a third working mine was recruiting experienced staff to develop a new seam".

Capitalist firms are influenced in their choice of fuel by a short-term consideration such as the going market price. Governments can take a longer view, but not that long, a couple of decades at most. In Britain energy policy has been driven by changes in the relative prices of coal, oil and gas. Up to the 1960s coal was massively predominant. Then, when oil became relatively cheaper, the 1964 Wilson Labour government decided to run down the coal industry. Following the Arab-Israel War in 1973, which led to the closing of the Suez Canal, the price of oil soared and Tony Benn, as the Minister of Technology at the time, was able to appear as the miners' friend by keeping open pits previously earmarked for closure. It also put the NUM in a position to win two national strikes.

From the 1980s cheap gas from the North Sea became available. The Thatcher government decided to practically close down the coal industry, taking on and breaking the NUM in the process. Even so, there is still a small coal industry in Britain producing 17 million tonnes a year: a further 43 million tonnes are imported.

To combat global warming the government wants to reduce reliance on burning fossil fuels and increase the use of renewable sources of electricity such as wind power. But renewable energy will only take off if it becomes cheaper than fossil fuels (and nuclear power). Currently it isn't.

The theory is that as oil runs out its price will rise, making renewable sources relatively cheaper. The trouble is that it also makes it profitable to exploit previously marginal sources of oil such as tar sands and oil under the deep sea. And it makes it profitable to exploit marginal sources of coal.

Even if oil does run out, coal won't. According to the Reuters report, "Experts tend to agree that, with estimated global reserves for 300 years, coal is not going to go away because it is relatively cheap to extract, to burn and readily available despite the dilemma that it is also the most polluting fuel".

Actually, it's more readily available in some places than others – in the US and China for instance – and they are not likely to give up the competitive advantage this access to a cheap source of energy gives them. Which is why they have resisted international arrangements such as Kyoto which seek to make coal-burning relatively more expensive. But even coal-importing countries like Britain are not going to refuse to use coal if it's cheaper, as can be seen by the government's recent decision to authorise the building of a new coal-fired power station.

To do otherwise would be commercial madness. Energy enters into the cost of most products, so to choose a more expensive source would be to make your country's goods less competitive on world markets.

That no government will do. Under capitalism renewable sources will only be adopted on a wide scale when the price becomes right. But how long will that take? In the meantime coal will continue to be burned.



# How they decided to have (and keep) the Bomb

*We look at what a collection of declassified official documents reveal about the nuclear weapons policy of successive British governments, Labour and Tory*

**P**eter Hennessy's *Cabinets and the Bomb* (published for the British Academy by Oxford University Press)

is a documentary study concerning the decisions made by various Labour and Conservative governments regarding the development of atomic and thermonuclear power - er -making bombs. It comprises a series of declassified Cabinet and Cabinet Committee papers, minutes and letters covering the period from 1940 to 2007.

Even for close students of such matters, there are many fascinating extra nuggets of information to be discovered within these pages and numerous valuable insights into the devious nature of power politics. Also, perhaps surprisingly for some, a document (circulated by Sir Burke Trend, Harold Wilson's Cabinet Secretary) which summarises, with great lucidity, the case respectively for retention; possible replacement or improvement; or complete abandonment of a nuclear weapons policy.

Less surprisingly, the arguments in favour of abandonment (or non-development initially) – at least at Cabinet level – were based solely on doubts about economic viability, by Sir Stafford Cripps and Hugh Dalton (both Chancellors of the Exchequer under Clement Attlee) and later, during Harold Wilson's premiership, by the Treasury and DEA. Ethical considerations played very little part – realistically, none at all – in these deliberations. By the time a decision was required to be made over the hydrogen bomb it was conveniently, and alas correctly, concluded that in terms of ethics there was little or no difference between the A or H bombs and that, after all, the A bomb already existed. Indeed, the point was advanced that the hydrogen bomb could be made “cleaner”.

As the author himself puts it: “This is a book of explanation rather than advocacy, it is for the reader to judge, rather than for the author to declare, which factors trumped what at various times in private debates in the Cabinet Room or Chiefs of Staff suite”. Peter Hennessy, however, does intersperse the rather carefully formulated documents with brief but salient observations. These skilfully succeed in expertly highlighting some of the more important points that might otherwise pass unnoticed in the rather dry language favoured by civil servants. His restrained but informative and engaging commentary provides exactly what is required by the reader and, very sensibly, no more.

One of the benefits of such a commentary is that it is able to draw upon relevant information from other sources. Sometimes this produces a more colourful account than that confined by the austere language of official reports. For instance, when the Cabinet Committee on Atomic Energy (GEN 75) met on 25 October 1946, they were conscious of the fact that, contrary to previously agreed procedure, the McMahon Act prohibited the US from sharing its atomic knowledge with any other country, including the UK. The Foreign Secretary, Ernest Bevin, had broached the matter with the American Secretary of State, James Byrne, and received short shrift. He was not accustomed to being treated in such a disdainful manner and arrived at the meeting still smarting from the humiliating encounter.

The minutes of the Cabinet Committee meeting are relayed thus: “THE FOREIGN SECRETARY said . . . Even with the American information, however, there would still be strong grounds for proceeding with the construction of the plant.”. Drawing on a BBC Timewatch documentary, Hennessy tells how Bevin “waddled in late, having fallen asleep after a heavy lunch” and turned the meeting around. Confronting the arguments of Cripps and Dalton he said: “This won't do at all ... we've got to have this thing over here whatever it costs ... We've got to have the bloody Union Jack on top of it”.

Lord Portal (Controller of Production of Atomic Energy) apparently considered this piece of simplistic jingoistic logic decisive. He is quoted as remarking to Sir Michael Perrin, a Ministry of Supply official: “You know, if Bevin hadn't come in then, we wouldn't have had that bomb, Michael.” To borrow a familiar line from pantomime: “Oh, yes “we” would”.

A further example of this contrast in style arises from the debate regarding the ludicrous and ill-fated Skybolt project. In June 1960, the Tory Minister of Defence, Harold Watkinson, reported in a note to Cabinet on the promised delivery of the missile: “There could as yet be no certainty that Skybolt, which was not due to be tested as a complete weapon for about a year, would be successful . . . However, the United States authorities were confident that it would be effective.”

The weapon was cancelled in December 1962 and the author recalls how, many years later, it was described to him by Robert McNamara (President Kennedy's Secretary of Defence) as: “Skybolt. It was an absolute pile of junk”.

## What independent deterrent?

In the same month, Cabinet minutes recorded a lengthy debate on the future role of the UK in NATO following the possible provision of Polaris missiles, which reveal a wonderful confusion over the precise meaning of a typically ambiguous passage contained in a draft agreement compiled at Nassau: “Again, the latest draft included a new provision that our strategic nuclear forces would be used for ‘the international defence of the Western Alliance in all circumstances except where Her Majesty's Government may decide that the supreme national interests are at stake’. The Prime Minister had particularly directed attention (in telegram Code 24) to these words, which had the effect of giving us sole right of decision on the use of our strategic nuclear forces and had asked whether . . . these words could be publicly defended as maintaining an independent United Kingdom contribution to the nuclear deterrent.”.

In accordance with the Prime Minister's request, the Cabinet examined the text closely and discovered that the meaning was rather less explicit than it had appeared to be at first glance. As the minutes explain with commendable clarity:

“There was some doubt whether, as it stood, the exception would be generally interpreted as allowing Her Majesty's Government to use United Kingdom strategic forces in circumstances not involving the defence of the Western Alliance, or whether it would be taken to mean only that the Government could decline to use those forces

in particular circumstances involving the interests of the Alliance.”

It quickly became apparent that this prime example of legal sophistry (of a kind almost invariably present in any political agreement) needed urgent clarification, without which serious reservations could arise concerning the credibility of the Government’s declared nuclear policy. The crucial point was minuted in a masterpiece of understatement: “We might easily suffer from the growth of a suspicion that our military independence was, or might be, less secure than, for example, that of the French.”

The whole theory of “deterrence” is, of course, a game of bluff and double bluff. While it was, and is, important for successive UK governments to publicly trumpet the idea of an “independent deterrent”, it is hard to imagine that many politicians actually believed in it. Telling revelations identifying such doubts appear throughout the book, via minority reports and admissions made to the author personally.

Discussing nuclear policy with Hennessy in a radio interview in 1985, Harold Wilson confessed: “I never believed we had a really independent deterrent.”

In the 1967 Burke Trend report, under the heading “The Case against Retention and Improvement” we read : “The Treasury and the DEA do not find it possible to believe that the United Kingdom could or would confront the USSR with our nuclear capability independently of the USA. . . .The Soviet Union would not believe that we would be willing to contemplate the total annihilation which would be the result of using our nuclear weapon against them . . . since we have already decided that we shall not develop or acquire a successor to Polaris [professed Labour Party policy at the time, lest we forget] (thereby setting a term to our participation in strategic nuclear deterrence) the right course is to abandon the whole of our nuclear capability as soon as possible.”

Again, in July 1968, dissenting from the Kings Norton Working Party’s recommendation that Polaris should continue, Lord Rothschild raises a further powerful point : “The Committee has been told that Polaris or Polaris-type missiles do not have Union Jacks or Stars and Stripes on them. How then, would Russia react if a missile were fired by the USA, for example, at Moscow? . . .Whatever the United States may say or believe about the acceptability of megadeaths in the USA, the effective elimination of the United Kingdom by a small number of H-bombs must raise serious doubts about the desirability of us having Polaris missiles at all.”

Later, in a report commissioned by Lord Carrington (Edward Heath’s Defence Secretary) another minority opinion is chillingly expressed by Chief of General Staff, Field Marshall Lord Carver: “He also doubted (the minutes continue) the credibility of an independent nuclear deterrent, either in our own or Soviet minds . . . If it were to be used when Europe was attacked it would represent the voice of suicide; if used when Europe had been overrun or we ourselves were under attack, it would be a voice from the grave.”

### A seat at the table

The story told by the documents that Peter Hennessy has assembled is one of secrecy, deception and power motivated expediency. The elaborate charade of nuclear deterrence has at its heart, not the necessary defence of the UK population but perceived political grandeur. Ego-driven politicians playing a dangerous game of power

posturing – fuelled by the pathetic belief that “Britain” has some divine right to sit at the nuclear table for reasons of national prestige. This, from a 1962 Cabinet meeting presided over by Harold Macmillan : “Finally, if this country abandoned the attempt to maintain an independent nuclear deterrent it would be unable to exercise any effective influence in the attempts . . . to achieve some international agreement to limit nuclear armaments.”

Similarly, in a December 1967 minute from Wilson’s Cabinet: “We should lose the ability to influence nuclear policy.” Yet again, from a June 1974 report to Harold Wilson from Sir John Hunt: “But quite apart from the military consequences, it would severely affect our political influence and standing . . .” Nevertheless, four months later the Labour Party manifesto boldly declared: “ We have no intention of moving towards a new generation of strategic nuclear weapons.” Throughout the book, whenever disputes arise over the preferred direction of nuclear policy, we see the trump card of “influence” triumphantly played. From Bevin’s “Bloody Union Jack” intervention to Blair ensuring a UK nuclear commitment through to 2050, the underlying purpose remains the vainglorious and consuming desire to perpetuate the dangerous illusion of “British prestige.”

Similarly, General De Gaulle famously stated that his foremost consideration in reaching the decision to produce a “French” bomb, was that it would enable him to take part in nuclear disarmament talks. This provided fresh ammunition for the British nuclear weapons apologists. A minute of the meeting of the Ministerial Committee on Nuclear Policy (5 December 1967) puts it bluntly: “very serious political consequences would be involved in abandoning Polaris. It would leave France as the only nuclear power in Western Europe at a time she was moving further away from the NATO Alliance and planning to develop an inter-ballistic missile.” Honestly, the damn cheek of those French . . .

Although many papers still remain locked away (it’s called “Democracy”), this excellent collection offers a chance to understand in greater detail, the Machiavellian manipulations practised by successive UK governments. It has only been possible, in this article, to touch upon some of the political expediences, policy reversals and downright deceptions awaiting the reader of this book. Made all the more compelling by their official status.

At last it is possible to more fully comprehend the desperate nature of the futile, but extravagantly expensive, attempts to “keep up” in the nuclear arms race. To follow the gradual unravelling of the staggering costs of the Chevaline development, which Callaghan for so long kept secret from Parliament. There are interesting reports on the nuclear resources of the Soviet Union and numerous enlightening insights into the UK’s supposed “special relationship” with the United States.

What exactly was the “Moscow Criterion”? What was “Option M” in relation to Polaris? What assistance did the London Zoo provide? The answer to all these questions and many more can be found within these pages.

This book deserves to be in every library, but a word of warning must be sounded. The detached and occasionally even elegant manner in which the various Cabinet debates are recorded, may lead some to conclude that we are all in safe hands. We should beware, however, of regarding any discussion as rational when it is manifestly based upon a lunatic and possibly fatal assumption.

**RICHARD HEADICAR**



# Britain: An “Endemic Surveillance Society”

*The control freaks in power who would monitor our every movement, conversation and transaction have had a busy time of late.*



**T**his year began with Privacy International, a London based human rights group and watchdog on surveillance and privacy, reporting that Britain and the US are in the lowest category when it comes to privacy and state intrusion into our lives. Greece, Romania and Canada had the best privacy records of 47 countries surveyed by Privacy International. Malaysia, Russia and China were ranked worst. (<http://www.privacyinternational.org/article.shtml?cmd%5B347%5D=x-347-559597>)

And there has been a constant stream, in the daily press and on radical websites, of reports of new and advancing methods in surveillance technology.

On 23 February, *BBC Online*

reported that the Home Office had rejected calls by the police to introduce a mandatory DNA database of all UK citizens, arguing that the suggestion “would raise significant practical and ethical issues.”

Already there are 4.5 million people in Britain on the DNA database, earning Britain the ominous title of the most DNA profiled country on the planet. Since 2004, the data on everyone arrested for a recordable offence (all but the most minor of offences) has remained on the system regardless of their age, the seriousness of their alleged offence, and whether or not they were prosecuted. In countless cases, if you go to court and you’re found totally innocent, they still have your DNA, a profile of your personal genetic make-up.

Not enough, say the police who, to highlight their case, point to recent solved murders thanks to the national DNA database. Right-wing reactionaries have backed police calls for such a database, citing the hackneyed argument that if you’re doing nothing wrong, then you have nothing to worry about. Which misses the point by a mile.

There’s nothing radical at the moment in the government resisting police pressure for a DNA database. They simply realise it will be one huge palaver to get DNA samples from almost 60 million people, a lot of whom will kick off big time were they to be threatened with penalties for failing to comply. Just how *do* you get a DNA profile on every human in Britain? For the moment they are biding their time until they come up with a better way to get around this.

So if you’re thinking that here is the British government defending our civil liberties, forget it. They’re still after their surveillance society. The *Guardian* (23 February) for instance, told us that:

“Passengers travelling between EU countries or taking domestic flights would have to hand over a mass of personal information, including their mobile phone numbers and credit card details, as part of a new package of security measures being demanded by the British government. The data would be stored for 13 years and used

to ‘profile’ suspects.”

One thing few of us were aware of was that last summer the EU made a deal with the US Dept. of Homeland Security to provide Washington with 19 pieces of information on all passengers between Europe and the USA, including credit card details and mobile phone numbers.

Not enough, says the British government, who want the system extended to sea and rail travel, to domestic flights and those between EU countries. And is the reactionary British government the only one in Europe to argue for this measure? Yes! Twenty-seven member states were questioned on whether the system should be extended for “more general public policy purposes”, aside from the alleged ‘war on terror’ and crime, and only Britain put its thumbs up. Britain further wants the authority to exchange the information gleaned, your most personal details, with third parties outside the EU.

The *Daily Telegraph* (7 March) reported: “All British citizens will have their fingerprints and photographs registered on a national ID database within 10 years under plans outlined by the Government.”

The Government announced that a national ID card, carrying 49 pieces of information about us, will be phased in within two years and that millions of workers in “sensitive jobs”, like teachers, carers and health workers, will be among the first to have their most personal details stored on to the national identity register.

The first unfortunates to be targeted will be foreign nationals working in Britain and who will possibly be issued with cards from this November. Then, next year, they predict that the first British citizens will be enrolled beginning with some airport staff, power station employees and people working on the London Olympics site

The *Daily Mail* (11 March) reported that some one-and-a-half-million 10 to 18-year-olds will have had their genetic profiles stored by this time next year, which strengthened arguments that the Government is moving towards a DNA database of all British adults “by stealth”.

“Since 2004 police have had the

power to take DNA samples from anyone over the age of ten who is arrested, regardless of whether they are later charged, convicted, or found to be innocent....But analysis by the campaign groups Action on Rights for Children and Genewatch has found that the figure conceals a far larger DNA-gathering operation, since the profiles of juveniles who have since turned 18 are no longer counted in the official total."

Earlier, the *Independent* (17 February) informed us that schools will be very much preparing kids for life in the police state, where cops have increasing powers. An article on knife crime in schools commenced:

"Parents will be told that they must allow their children to be searched at any time within school premises if they want to get them into the schools of their choice, under new plans to rid Britain's classrooms of the scourge of knives.

The Home Secretary, Jacqui Smith, will put the battle against illegal weapons at the top of her agenda when she unveils her Tackling Violence Action Plan tomorrow. The blueprint for tackling knife-related violence will include a radical move to give police hundreds of metal detectors to catch young people carrying hidden weapons in schools, clubs and pubs."

Three days later the *Independent* reported that teachers had backed the introduction of metal detectors in schools:

"Although the initiative carries disturbing echoes of some US cities, where high-school pupils are routinely scanned for weapons, head teachers said it could help to tackle violence in high-crime areas. Metal detectors are still relatively rare and hugely controversial in US schools, but they have been used, particularly in rougher inner-city neighbourhoods, for at least 20 years with some success."

This is a disturbing vision of the future. Not only does your kid get to be fingerprinted at school, as now, their details stored and their having to have their dabs scanned before even getting a school meal (as was done by stealth at my son's comprehensive school, without the prior knowledge of parents) but they will face spot searches, yanked from class to be frisked by some over-zealous teacher, as well as having to go through metal detectors.

How long before kids are urged to report to staff on any subversive comment heard at home, being rewarded with a medal when they do? If you're aiming on implementing a total surveillance society, then what better way than to start with kids and acclimatise them to incessant surveillance from an early age.

And if you can target kids, who are all too ready to accept the 'wisdom' of their elders and superiors, and

who are in no position to object, then why not also target another section of society who have fewer rights – prisoners – who can be conned into having their movements monitored if they think it will result in a non-custodial sentence?

Less than two weeks after Privacy International announced that Britain was an "endemic surveillance society" we had the *Independent on Sunday* (13 January) reporting with a front page headline: "Prisoners to be chipped like dogs". All that was missing was the subheading: Welcome to the police state Britain.

In a bid to implement home curfews on the more 'errant' members of our society and to create more space in Britain's overcrowded jails, ministers have come up with plans to implant 'machine-readable microchips' beneath the skin of thousands of offenders as part of an expansion of the electronic tagging scheme.

The system is already in place for dogs and cats, cattle, cars and airport luggage, for instance, so it was really only a matter of time before someone came up with the bright idea of using 'spychips' on humans. Said one senior minister: "We have wanted to take advantage of this technology for several years, because it seems a sensible solution to the problems we are facing in this area...We have looked at it and gone back to it and worried about the practicalities and the ethics, but when you look at the challenges facing the criminal justice system, it's time has come."

So much then for the battle cry of the Labour Party when it came to power: "Tough on crime, tough on the causes of crime." The latest move is tantamount to admitting Labour policies have failed, that crime cannot be controlled within the context of capitalism and that class inequality will forever throw up a "criminal element".

The *Independent* observed:

"More than 17,000 individuals, including criminals and suspects released on bail, are subject to electronic monitoring at any one time, under curfews requiring them to stay at home up to 12 hours a day. But official figures reveal that almost 2,000 offenders a year escape monitoring by tampering with ankle tags or tearing them off. Curfew breaches rose from 11,435 in 2005 to 43,843 in 2006 – up 283 per cent. The monitoring system, which relies on mobile-phone technology, can fail if the network crashes."

The idea now is for offenders to have tags, consisting of a toughened glass capsule holding a computer chip, injected into the back of the arm with a hypodermic needle

It goes without saying that human rights campaigners should be the first to expostulate. Liberty's Shami Chakrabarti commented: "If the Home

Office doesn't understand why implanting a chip in someone is worse than an ankle bracelet, they don't need a human-rights lawyer; they need a common-sense bypass."

Harry Fletcher, assistant general secretary of the National Association of Probation Officers, said: "This is the sort of daft idea that comes up from the department every now and then, but tagging people in the same way we tag our pets cannot be the way ahead. Treating people like pieces of meat does not seem to represent an improvement in the system to me."

One company plans deeper implants that could vibrate, electroshock the implantee, broadcast a message, or serve as a microphone to transmit conversations. What is being proposed, then, in some quarters is the tasing of offenders, via satellite, from outer-space. Step outside the confines of your curfew area and ZAP! How long before we find Gordon Brown and Co. contemplating the idea of each and every one of us carrying a vein deep implant, with defenders of the idea regurgitating the old line: "if you're doing nothing wrong, then you have nothing to worry about?"

Consumer privacy expert Liz McIntyre said: "Some folks might foolishly discount all of these downsides and futuristic nightmares since the tagging is proposed for criminals like rapists and murderers. The rest of us could be next."

Most workers are totally oblivious to the creeping surveillance society, the full police state, where people with powerful interests to defend can track us 24-7. It is done so slowly, so subtly, that the majority of people don't realise what is going on. Indeed, many who are cognisant of future surveillance proposals believe it is harmless and is done with their best interests at heart – so wise are our leaders. Little by little, workers are becoming acclimatised to the Big Brother Society, in which they will have your DNA, your fingerprints your credit card details... everything... Everything will eventually be known about everyone.

They're telling us all that we are not to be trusted - none of us – and that we need to be surveilled constantly and that it is all in our own interests, for the good of society. They want our genetic profiles logged, our financial transactions, our medical history, and our telephone, email and web-surfing habits catalogued and shared with security agencies all over the world. Well, trust is a two-way thing, so why should we trust them one inch?

**JOHN BISSETT**

### Russia and the World

***Empire of the Periphery: Russia and the World System.* By Boris Kagarlitsky. Translated by Renfrey Clarke. Pluto Press, 2008. £40 / \$60.**

This is a Marxian analysis of Russian history, from Kievan Rus (ninth century) up to the present day. The author is a prominent left-wing writer, currently director of the Institute of Globalisation and Social Movements in Moscow.

It is not an easy book. Written originally for Russian readers, it assumes a basic knowledge of the facts of Russian history and concentrates on interpreting the most important of those facts. However, it is very stimulating and informative and well worth the effort that it demands.

The interpretation focuses on the evolution of economic interactions between Russia and other parts of the world. These interactions, according to Kagarlitsky, have been much more intensive and persistent than many historians have believed. Nor has Russia always been a backward country: Kievan Rus was far in advance of early medieval Western Europe. If Russia has been relatively underdeveloped in recent centuries, that is a product not of isolation but rather of the way it was integrated into the growing world capitalist system – as a dependent periphery, supplying raw materials to the world market. The “Soviet experiment” was a temporarily successful effort to break out of dependence and establish Russia as an independent industrial power. Now Russia has fallen back into its traditional niche in the world system.

One of the interesting points made is that the serfdom of the early capitalist period was quite different from feudal serfdom. Unlike the serfs of olden times, who lived in a natural economy, the serfs of the 18<sup>th</sup> and early 19<sup>th</sup> century were exploited in order to obtain grain for sale abroad. The author compares this semi-capitalist serfdom with slavery in the old American South, which was likewise oriented toward the world market, and also with the collective farm system under Stalin.

Kagarlitsky does not express a definite view regarding the nature of the Soviet socio-economic system. He clearly regards it as a functional substitute for private capitalism, which in Russian conditions was unable to industrialize and modernize the country. He does not claim it was socialism, but he seems to feel there was something socialist about it, especially at the start. The account of the early post-revolutionary period is perhaps the weakest section of the study.

Taken as a whole, however, this book is an impressive achievement. In contrast to many writers on Russia, Kagarlitsky knows not only Russian

but also world history, and this enables him to view Russia in context as part of the world, not as a world apart. As socialists, we have no quarrel with his concluding sentences: “The fate of Russia is inseparable from the fate of humanity, and we can struggle for a better world for ourselves only through trying to build a better world for everyone. And this, of course, can also be said of any country.”

**SDS**

### Controlling the Past

***The Battle for China's Past.* By Mobo Gao. Pluto Press £18.99.**

Whoever controls the past controls the future was one of Big Brother's slogans in George Orwell's *1984*. This point is illustrated in this book on Chinese politics and recent history.

Gao's theme is that the Cultural Revolution (1966–76) under the leadership of Mao Zedong was beneficial to most Chinese, even though it is now described in China as ‘ten years of catastrophe’. The official denigration of Mao and the Cultural Revolution serves the purposes of those who now govern China and wish to set themselves apart from the China of the 50s and 60s. Mao was right to describe Deng Xiaoping as a ‘capitalist roader’, as Deng's views became dominant after Mao's death and led to the present triumph of ‘neoliberalism’. In contrast, many Chinese — especially the poorest or those living outside the big cities — look back on the Cultural Revolution as the good old days. Numerous internet sites contain defences of Mao's time as boss.

Along the way, Gao lays into the Chang and Halliday biography of Mao (see the *Socialist Standard* for September 2005), describing it as a disaster, full of dodgy references, mis-use of sources and complete representations. Equally, the memoir by Li Zhisui, who represented himself as Mao's personal doctor, contains many fraudulent claims.

Beyond relatively easy targets such as these, however, Gao's attempts to rehabilitate Mao and Maoist policies are not very convincing. The Great Leap Forward (1958–60) created a famine that led to large numbers of deaths. There seems to be little justification for the Chang-Halliday claim that Mao murdered 38 million people, but even the lowest estimates of the death toll put it at several million. And it is not much of an excuse to say that Mao was not the only government leader responsible for the disaster.

The Cultural Revolution itself is treated in a very rosy glow. Supposedly it was originally intended to teach ‘Communist’ Party officials an ideological lesson but got out of hand, with physical violence often being used against officials and their family members. It's at best misleading to say that there was

**continued on next page**

### Summer School

Friday 18 July to Sunday 20 July  
RELIGION

Our weekend of talks and discussion will explore socialist views on religion and its impact on society. How does faith relate to other aspects of capitalism, such as relations between countries or between communities? How does a religious outlook differ from a socialist or humanist one? The venue for Summer School is Fircroft College, which offers excellent facilities within easy reach of Birmingham city centre.

Full attendance (including accommodation and meals Friday evening to Sunday afternoon) costs £120 per person, or £60 to those on low incomes. Send a £10 deposit (cheques made payable to the Socialist Party of Great Britain) to Summer School, flat 2, 24 Tedstone Road, Quinton, Birmingham, B32 2PD. Enquiries to Mike at spgbschool@yahoo.co.uk.

### East Anglia

Saturday 24 May, 12 noon to 4pm

12 noon: informal chat/branch business

2pm to 4pm: branch business/future plans.

The Conservatory, backroom of the Rosary Tavern, Rosary Road, Norwich.

### South West Regional Branch

Saturday 17 May, 2pm to 5pm

Village public house, 33 Wilton Road, Salisbury (near Salisbury railway station).

### Socialist Ramble

A RAMBLE along the Green Chain Walk in South-East London, approx 6 miles. Sunday 8 June, meet Falconwood station 11am.

This is open to members, supporters, non-members, etc. - anyone interested in finding out about socialism and the Socialist Party in a relaxed informal setting. We shall stop at a pub for lunch.

If you would like to know more about the route in advance, contact Richard Botterill on 01582-764929.

On the day, phone Vincent Otter's mobile 07905-791638.

'unprecedented freedom of association and freedom of expression' at the time without referring to those who suffered from exercising these so-called freedoms. For instance, Gao mentions Yang Xiguang of the Shengwulian organisation, but without mentioning that he spent ten years in prison from 1968 for 'counter-revolutionary activity'.

In defending Mao and the Cultural Revolution against their present critics, Gao is also attacking developments in China since Mao died, especially since the 'reforms' began in 1978. He argues that China is, or is becoming, a capital-

ist country, on three grounds. One is the alleged deterioration of the position of workers and the undeniable growth of inequality. The second is the spread of privatisation, and the third is the extent to which the Chinese economy is run by transnational capitalist firms. But none of these relates to the mode of production: wage labour and commodity production have increased in scope since 1978, and indeed since 1949, but they are not new. China was state capitalist under Mao and is increasingly private capitalist now.

**PB**

**2007 SOCIALIST STANDARD INDEX**

An index of articles to 2007 can be obtained by sending two first-class stamps to Socialist Standard, 52 Clapham High Street, London SW4 7UN

## To busmen—and others



By the time this issue of the SOCIALIST STANDARD is in print the Busmen and Railwaymen may have got the pay increases they claimed, or they may be preparing for strike action. In either event we wish them well, as we always do when workers take realistic action to get something more out of their employers. We say that the action should be realistic; it should be taken after due consideration, by the workers concerned, of the chances of success, for there are occasions when strike action has been a battle lost before it was fought. There is, however, no reason to think that the situation facing the busmen and railwaymen at the present time is such an occasion. The controlling body of both sections of the nationalised transport industry say they can't pay more and won't pay more, and that strikes will only drive more people permanently away from using trains and buses, but it looks, to an outside view, better to test the situation now than to defer it, even though no doubt the growth of unemployment in recent months has already made the situation rather less favourable than it was. (. . .)

As Socialists we have something

more to say to our fellow workers who make wage claims than merely to wish them well; we ask them to look beyond strikes over wages, and by that we do not mean that we advise them to look to Nationalisation or Labour Government to help them. The Transport industry is already nationalised, without that change having done anything for Busmen and Railwaymen. Remember, too, that the Government policy of "wage restraint"—persuading you not to press for higher wages when conditions are more or less favourable—was in full force under the Attlee Labour Government and will be continued by any future Labour government.

What we ask you to do, in your own interest, is to consider the case for Socialism. If you do you will discover things that may surprise you. You will find out how Socialism will spare you the necessity of striking over wages, for Socialism involves the abolition of the wages system in its entirety. It also involves the abolition of capitalism with its continuing poverty, slumps and wars. Socialism should be your concern as well as ours.

*Executive Committee.*

*(Socialist Standard, May 1958)*

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## Declaration of Principles

*This declaration is the basis of our organisation and, because it is also an important historical document dating from the formation of the party in 1904, its original language has been retained.*

### Object

**The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.**

### Declaration of Principles

The Socialist Party of Great Britain holds

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.)

by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom,

the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.



# Winners and losers

One law for the poor, and another for MPs.

Day after day, in magistrates' court up and down the land miserable, friendless wretches stand a-tremble as they wait to hear how they will be punished for behaviour which, they are encouraged to believe, is akin to a weapon of social mass destruction. For these are the benefit frauds, people who have successfully claimed a state hand-out which the rules – the law – says they are not entitled to. In some cases, perhaps dependent on where the court is situated, the illegal claimant is surprised to find that the prosecutor from the benefits agency and the magistrates are not unsympathetic to the defence that it was the misery of persistent extreme poverty – perhaps trying to get by as a lone parent or on the starvation wages of a cleaner or a carer or the like – which led, inexorably, to the false claims. But in other cases, when the circumstances of the claimant are not so bleak, they are liable to hear themselves denounced as a threat to an orderly, fair society in which everyone has their place and where all benefits will come to those who are grateful enough to wait. In such cases a sternly salutary sentence is in the offing.

A recent example of this was heard at a court in Somerset, when a David Wilshaw was sent to prison for 20 months. His offences were to claim, over a period of four years, tax credit for 16 children who did not exist. It all began, he said, when he claimed legitimately for two children of his partner and saw that he was not required to provide any proof, such as birth certificates, of their existence. This encouraged him to invent other children, which brought in over four hundred pounds a week. It was said that when he was arrested he hinted that he should be congratulated rather than punished; he had, he said, done a “public service by identifying this loophole” which, although showing that he was typically acquiescent in the delusions about the essential justice and progressiveness of class society, did not persuade his sentencers to go easy on him. After all, they had already heard some other facts about him, for example that he had many previous convictions for fraud and was a gambling addict who could run through six hundred pounds a week. It did not help his case that while he was at the betting shop his partner was contending with her own addictive needs, swallowing a minimum of two bottles of brandy a day.

## Epidemic

So there you have it – a man who, rather than tackle his personality defects exploits the generosity of a compassionate society. Except that he is not alone in this; a BMA report in January 2007 described Britain as heading for a gambling epidemic, with an estimated 300,000 addicts, while widespread and easily available “treatment” – stifling, or perhaps substituting for, the compulsion – is urgently needed. Gambling is no longer mainly a male preoccupation for it is now known as “female friendly” – although what is “friendly” about it is not easily apparent – and it now threatens to engulf children. The outlook is that the problems will get worse. A Labour MP who sat on the committee which examined the laws of gambling said that new opportunities, such as on-line gambling, were bound to result in a rise in addiction – and “addiction,” he said, “isn't like flu; it doesn't just go away and you can't take a pill to beat it”. Which, true as it is, avoided the point that this Labour government, like its predecessors on the other side of the Commons, had actually aggravated the addiction, akin to forcing someone with flu to stay outdoors in bad weather.

The Gambling Act 2005, among other things, eased

the entry requirements for casinos and bingo halls and sanctioned TV advertisements for casinos. Professor Mark Griffiths, who was co-author of the BMA report, commented on the likely effect of this: “The liberalisation of gambling and the number of different ways people can do it, such as mobile phones and spread betting, means the figure (of addiction) will go up”. The Act also allowed the establishment of the “super casinos” (although in deference to loud protests and, it is rumoured, Gordon Brown's Presbyterian background, this has since been modified) and other such establishments whose purpose is to supply an hour or two of fantasy to some particularly desolate workers while separating them from what is left of their wages. Gambling is a big, growing industry in which about nine and a half billion pounds are “lost” each year. Such harsh realities threaten the very foundations of working class dreams.

## Gravy Train

It might be that none of this is of interest to David Wilshaw sitting in his cell but at least he has time there to reflect on his wasted life, which may be more instructive for him than crossing off the days until he is free to get back to his sad, alcoholic partner and the local betting shop. It might occur to him that the treatment given to those who offend against capitalism's expectations is not unconnected with their social standing. Newspaper addicts will be aware of the turbulence over the scale of expenses available to MPs and the manner in which these have been claimed, giving the overriding impression that Honourable Members are happily aware that they are on to a good thing. Among the most blatant examples of working the system was that of Tory MP Derek Conway, who claimed allowances to employ his two sons and the boy friend of one of them to work for him as “researchers”.

The problem was that there was no evidence of any of them doing any research or even of attending the Commons other than when being entertained on the Members' Terrace. One of the sons is a university student and the other a “fashion writer” whose day job is to arrange swell parties for upper class youngsters at the exclusive Mahiki night club, a favourite haunt of Prince Harry when he is not preoccupied with clearing the Taliban out of Afghanistan. The estimates of the amounts paid to these “researchers” varied but it was clear that in total it ran into tens of thousands of pounds. Naturally the other MPs got very cross about this unwelcome exposure of their gravy train and as a result Conway had to make the usual noises about being sorry, he was ordered to repay just a part of the money he had misappropriated and he was suspended – told not to turn up for work for a few days. By David Wilshaw's standards, not too bad a result.

Why were there such differences in the treatment of these two cases, both of which involved obtaining money through false declarations? Both men gambled on not being found out but Conway had the better chance of getting away with it in that he relied on the established system based on the assumption that MPs, who spend their time telling the rest of us how to behave, and passing laws to ensure that we do as they say, are incapable of abusing their own rules. Nothing must be allowed to undermine this assumption. Some analysts would regard this as an addiction as powerful and as destructive as the one which bring all those desperate people into the dock and shut David Wilshaw away in prison.

IVAN

# Voice from the Back

## The Gap Widens

Much is made of the progressive nature of capitalism by journalists eager to prove that it is a society that is gradually making us all better off. A dissident view has recently been aired by the journalist Phillip Blond. "The New Economics Foundation has shown that global growth has not aided the poor. In the 1980s, for every \$100 of world growth, the poorest 20 per cent received \$2.20; by 2001, they received only 60 cents. Clearly neo-liberal growth disproportionately benefits the rich and further impoverishes the poor. Real wage increases in the top 13 countries of the Organisation for Economic Cooperation and Development (OECD) have been below the rate of inflation since about 1970 – a situation compounded in Britain as the measure of inflation massively underestimates the real cost of living. Thus wage earners – rather than asset owners – have faced a 35-year downward pressure on their standard of living." (*Independent*, 23 March)

## Double Standards

"Too much public money is spent on prolonging the lives of the elderly when it could be diverted to helping young offenders, according to a senior Church of Scotland minister. The Reverend Maxwell Craig, who is now retired but retains the honorary position of Extra Chaplain to the Queen in Scotland made the comments yesterday in a newspaper column." (*Times*, 27 March) We are fairly certain that the reverend gentleman is complaining about the expense of keeping old workers healthy and not the Royal Family whom he serves and who have a fairly good record of longevity. In the east end of Glasgow, in an area known as Calton the average life expectancy of males is 57. Make your own mind up.

## American Illusions

During the primary elections in the US much has been made of Hilary Clinton's care for the under-privileged against the



Rice - going wild, and palm oil, coming in

super-rich, but what is the reality? "Democrat Hilary Clinton and her husband, former President Bill Clinton, have made \$109 million since leaving the White House, including \$51 million in speech income for Bill Clinton, according to eight years of tax records released on Friday." (*Yahoo News*, 4 April) We don't take sides in this political 'beauty contest', but we can recognise that all of the candidates are hypocritical self-serving people who wish to administrate the awful system of capitalism. We hate their system and we detest all of them who try to con us into supporting it.

## This Is Progress?

Apologists for capitalism like to paint a picture of a system that is gradually improving the lot of the world's poor, but recent developments show that this is a fallacy. The development of the markets in China and India and the process of arable land being used to produce bio-fuels instead of less profitable foodstuff have led to chaos throughout the world. "Rising food prices could spread social unrest across Africa after triggering

riots in Niger, Senegal, Cameroon and Burkina Faso, African ministers and senior agriculture diplomats have warned. Kanayo Nwanze, the vice-president of the United Nations' International Fund for Agriculture, told a conference in Ethiopia that food riots could become a common feature, particularly after the price of rice has doubled in three months." (*Financial Times*, 4 April)

## A Grim Future

Recent droughts in places like Australia and Africa combined with the explosive

competition inside modern capitalism have led to many experts forecasting future disasters. "In recent months the commodity prices of rice, wheat and corn has jumped 50 percent or more, pushing retail prices to levels unseen in



a generation and prompting grain-exporting countries to curtail trade to suppress domestic inflation. On March 20, the World Food Program issued an emergency appeal for more funding to keep aid moving to the world's poorest countries. Last week World Bank president Robert Zoellick called for urgent global action on the part of rich nations 'or many more people will suffer or starve'". (*Newsweek*, 14 April)

## Free Lunch

by Rigg



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# socialist standard



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Journal of The Socialist Party - Companion Party of the World Socialist Movement

## Mental Health

### It's not capitalism - it's YOU!

#### MEDICAL DICTIONARY

NEW CONDITIONS IDENTIFIED:  
Addendum 2008

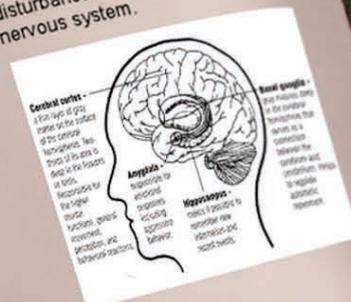
**RESENTMENT AGAINST BOSSES**  
(*Indignari Dominus*) A syndrome comprised of various signs, amongst which are: negativism, automatic disobedience, the holding of grudges, inability to identify with authority figures, and the inability to sympathise with high-income earners. Until recently it was thought to be related to schizophrenia, but this view has been discredited when the biochemical basis for the syndrome had been discovered. The current thinking is that *Indignari Dominus* is an exaggerated form of mania (in other words: an affective disorder). It also appears in certain psychotic states and mental disorders that have organic (medical) roots.

**HATRED OF POLITICIANS**  
(*Politico-phobia*) A psychotic state accompanied by hallucinations such as the feeling that politicians of one particular party are in some ways better than others or are able to provide solutions to society's ills. *Politico-phobia* is one of a family of disorders which includes *Indignari Dominus* (see above).

**FEAR OF THE FUTURE** (*Futurophobia*) Inability or diminished capacity to form or voice positive thoughts about the future or to take a long view of things. Can also be the Defence Mechanism comprised of ignoring unpleasant facts, filtering out

**INSECURITY OVER INCOME**  
(*Insecurus Salarium*) A set of signs in depression which includes loss of appetite, sleep disorder, loss of sexual drive, loss of weight, and constipation. May also indicate an eating disorder. Sufferers often believe that they are being stalked or followed, plotted against, or maliciously slandered, often by banks. They constantly gather information to prove their "case" that they are the objects of conspiracies against them.

**INEQUALITY-RELATED FRUSTRATION** (*Aqualitas Frustrare*) A form of mood or anxiety disorder that manifests as overpowering physical and mental fatigue coupled with dizziness, headaches or migraine, diffuse pain, difficulty to concentrate and perform tasks, sleep disorders, and memory loss. Usually co-morbid with gastrointestinal dysfunction, irritability, excitability, lability, and disturbances of the autonomic nervous system.



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#### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 7 June** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.

tel: 020 7622 3811  
 e-mail: [spgb@worldsocialism.org](mailto:spgb@worldsocialism.org)

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## Introducing The Socialist Party

The Socialist Party is like no other political party in Britain. It is made up of people who have joined together because we want to get rid of the profit system and establish real socialism. Our aim is to persuade others to become socialist and act for themselves, organising democratically and without leaders, to bring about the kind of society that we are advocating in this journal. We are solely concerned with building a movement of socialists for socialism. We are not a reformist party with a programme of policies to patch up capitalism.

We use every possible opportunity to make new socialists. We publish pamphlets and books, as well as CDs, DVDs and various other informative material. We also give talks and take part in debates; attend rallies, meetings and demos; run educational conferences; host internet discussion forums, make films presenting our ideas, and contest elections when practical. Socialist literature is available in Arabic, Bengali, Dutch, Esperanto, French, German, Italian, Polish, Spanish, Swedish and Turkish as well as English.

The more of you who join the Socialist Party the more we will be able to get our ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

The Socialist Party is an organisation of equals. There is no leader and there are no followers. So, if you are going to join we want you to be sure that you agree fully with what we stand for and that we are satisfied that you understand the case for socialism.

## Editorial Know Your Enemy

Capitalism is everywhere these days. Turn on the TV or open a paper and “capitalism” is being talked about. And not just one capitalism – so many different types!

There’s turbo-capitalism, free market capitalism, selfish capitalism, crony capitalism, natural capitalism, laissez-faire capitalism, Chinese capitalism, state capitalism, and even disaster capitalism.

The fact that the media are increasingly calling a spade a spade in terms of the actual words they use is a positive development to be accepted. It’s good to know your enemy and it helps if you can call it by its real name.

But that’s not to say all these different types of “capitalism” don’t themselves sow confusion. World socialists would argue that while the outward appearance of an economic system may vary from region to region or over time, at the level which matters, it all comes down to the same thing. So what is the level that matters and what does it all come down to?

We would argue that an economic system should be judged on how it produces and distributes wealth to its members. All round the world we see cast-iron evidence that – whatever the supposed form of capitalism practiced locally – capitalism itself is a system that is failing the vast majority.

In the more mature capitalist areas useless goods are increasingly produced that workers have to be persuaded to buy; in younger capitalist regions humans starve in their thousands because their suffering is invisible to the logic of the profit system. It makes no difference whether there is a King or a President on the banknote, it’s still capitalism, and the banknote is the part of the unnecessary rationing system.

So what does capitalism all come down to? In a nutshell capitalism is about wealth being produced for sale on a market with a view to ensuring a profit for the owner of the capital invested in the production process (e.g. wages). All supposed “forms” of capitalism must comply with this rule to make profit. That profit may be partially hidden in a nationalised industry or obscure within the workings of a co-operative enterprise, it makes no difference. The economic system as a whole must carry on making a profit. If it does not, then investment stops and production stops, and individual businesses go to the wall. For states with significant state capitalist enterprises, the reality may be held off for some time but ultimately that state itself may become bankrupt.

What we have then is global capitalism arranged worldwide to satisfy the needs of the small minority who live in various degrees of luxury, off the unearned labour of the large majority, who live in various degrees of poverty. We do not for a second deny that in terms of standard of living there are enormous differences between workers globally. But that difference (caused by centuries of unequal development across the globe) in access to wealth is insignificant compared to the gulf between the employing class and the employed class living literally yards away from each other, whether in Lagos or London.

So forget the various versions of capitalism. Don’t waste time trying to work out where selfish capitalism becomes unselfish capitalism, or where turbo capitalism stops and laissez-faire starts. Look beyond the label: the problem lies with capitalism itself.

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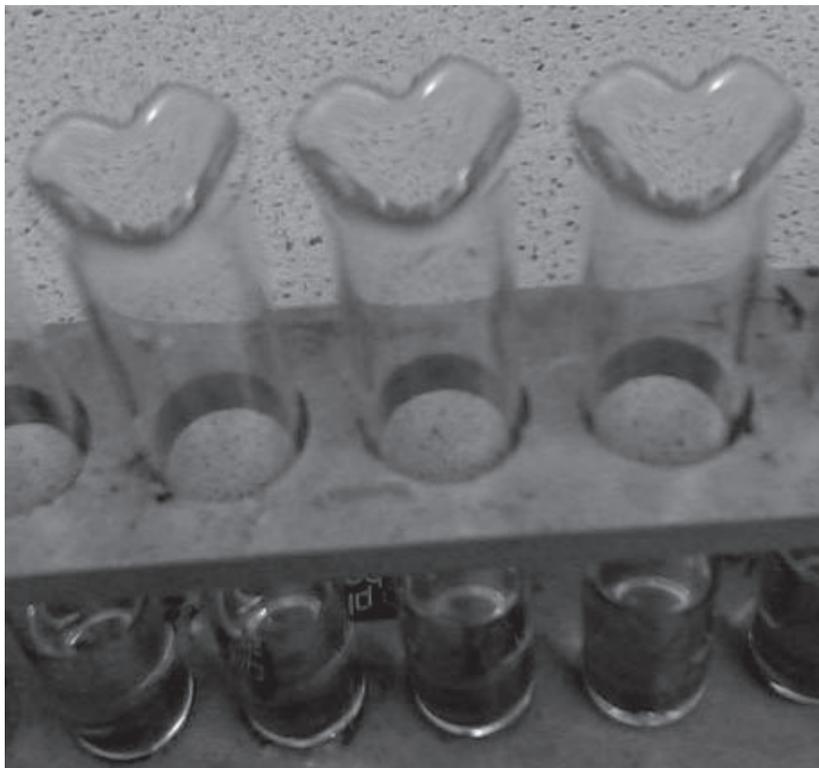
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# Love is the Drug



In a lighter moment the other day, the present writer penned a short tale about a society at war which agreed for humane reasons to exempt all couples in love from military service, an infallible test for love being available in the form of an MRI scan of the hypothalamus. What followed was the black-market proliferation of Cupidol, a drug to make people fall in love with anyone. This story, as may be surmised, was intended as futuristic comedy.

As if to prove that fiction can always be trumped by fact, what came through the door a week later, in the May 17 issue of *New Scientist*, was the story of how MRI scans of the hypothalamus, part of the limbic system of the brain which governs emotions, are being used to track the neurotransmitter oxytocin, known as the 'love hormone'. This hormone is now the subject of intense research as a possible new wonder therapy for so-called people-problem mental disorders, as well as its offshoot commercial potential as a recreational love drug that would beat Ecstasy - pants down, presumably.

Oxytocin seems to be released in varying degrees and pulses during social interactions, and in strong doses during romantic and sexual encounters, it reduces stress, aids relaxation and assists in bonding. Studies suggest that blocking receptors of this neurotransmitter results in the turning-off of bonding patterns in prairie voles, and rats and mice stop nurturing their young or even recognising their own familiars. Its function appears to be to associate social interaction with pleasure, and it works in tandem with the 'reward' transmitters dopamine and opioids to create a feel-good effect.

The implications, according to the article, could be enormous for human psychological disorders that arise from relationships with other humans, among them depression, personality disorders, psychosis, social

phobias and autism. But before one gets too excited, one must bear in mind the cogent point Ed Blewitt makes in this issue (page 9), that biology is no quick fix for endemic social problems which are rooted in the way society is organised, a point doubtless conceded yet scarcely emphasised by science-based writers. If there was a drug for socialism, for example, it wouldn't work anyway.

Still, the general trend in that perennially polarised debate between the environmental and the biological determinists seems to be settling on a middle ground where cause and effect are bound up together in a still little-understood feedback mechanism. Somehow, our relationships with other people affect our body chemistry, and in turn our body chemistry affects our relationships with other people. What is significant about such a recursive cause-and-effect loop is that you can intervene at any point, and even at all points, to disturb or transform it.

Imagine, for example, that somebody wrote a self-help book that actually worked, as proposed in Will Ferguson's 2002 novel *Happiness*. Would the social

institutions of capitalist coercion and wage-slavery begin to crumble and break under the weight of joyful anti-capitalist non-cooperation, as Ferguson gleefully suggests? Presumably not, or not right away. If self-help books could cause revolutions, Marx's *Capital* would have been the last self-help book in history.

But it is tempting to speculate just how close the artificial bond of identification between system and psyche, referred to by Peter Rigg (page 11), would continue to be if people, either through drugs or DIY therapy, weren't quite so devastatingly messed up by the social order they help maintain.

In reality, the biggest problems with any pharmaceutical road to earthly paradise are first, that the effects would wear off and you'd have to keep re-dosing and second, and more to the point, that even if citizen worker got herself loved up and liberated, the bosses still have the loot and the law. That, and a cold and distinctly unloving gleam in their eye. Like it or not, conscious political action will not come out of a 30 milligram dose of delight to the limbic system. For that you have to rely on the more prosaic technologies of reason, democracy and organisation.

Research into such frontier territory as neurobiology, while not offering any magic bullet for social or psychological disorders under capitalism, certainly should be explored and would be pursued in socialism too, because of its potential for insight into how our minds work, what happens chemically when we relate to other people, and when we don't. And this in turn may offer us further insights into how best to organise our social and democratic structures, given that in socialism we will be at liberty, for the first time, to debate such things as a matter of conscious collective design.

# Letters

Dear Editors

I was interested to read Gwynn Thomas's article on Kosovo (and Soros) in the April issue.

In the 1990s, the OSCE created a democracy fund to 'democratise' East Europe. Reagan and Hurd 'warned' Rumania and the GDR, respectively, in their elections, that unless opposition parties enjoyed "reasonable access" to (state-controlled) media, the resulting administration would not enjoy access to low-interest loans from Western banks.

As an enthusiastic investor in/supporter of "democratic" capitalism, Bob Maxwell donated (with others' money?) to the OSCE fund—and 'emerged' with a Polish TV station and a Hungarian newspaper, if I recollect.

And, in the 1996 Bosnian election, a fascist candidate was able to access the OSCE fund, for politicking/propagandising purposes. The Foreign Office denied it had contributed to the support fund, but claimed Italy had provided the funds. I thought all funds were usually contributed to pro-rata (Guardian article and Foreign Office correspondence to me.)

D. SHEPHERD, London NW4

### London election result

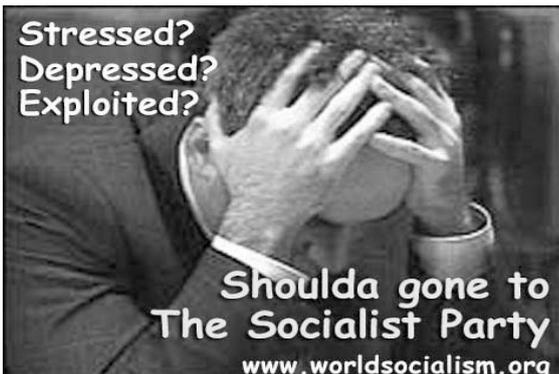
The Socialist Party stood a candidate in Lambeth & Southwark in the 1 May elections to the Greater London Assembly when we distributed some 20,000 leaflets. The result was:

Labour 60 601; LibDems 36 953; Con 32 835; Green 18 011; Christian 4432; UKIP 3012; LeftList [SWP] 1956; English Democrats 1867; Animals Count 1828; Socialist 1588.



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# Evo Morales: A Call for Socialism?

On 21 April, 2008, President Evo Morales of Bolivia delivered the opening address to the Seventh Session of the U.N. Permanent Forum on Indigenous Issues in New York. His speech included the following passage:

“If we want to save the planet earth, to save life and humanity, we have a duty to put an end to the capitalist system. Unless we put an end to the capitalist system, it is impossible to imagine that there will be equality and justice on this planet earth. This is why I believe that it is important to put an end to the exploitation of human beings and to the pillage of natural resources, to put an end to destructive wars for markets and raw materials, to the plundering of energy, particularly fossil fuels, to the excessive consumption of goods and to the accumulation of waste. The capitalist system only allows us to heap up waste. I would like to propose that the trillions of money earmarked for war should be channelled to make good the damage to the environment, to make reparations to the earth.”

Despite the striking anti-capitalist content of most of this passage, the last sentence reveals that Morales does not have a clear conception of the socialist alternative. He still thinks in terms of the money system. The accurate way of posing the problem focuses not on the waste of money but on the waste of *real* resources of all kinds – the waste of nature and its bounty, of human life and labour, of knowledge and its potential. True, money represents or symbolizes *some* – far from all -- of these real resources, but in a very inadequate and distorted manner. To substitute the symbol for the reality is a mystification.

Nevertheless, I would like to argue that Morales is a good deal closer to a true understanding of socialism than most of the so-called “left” in Latin America or elsewhere. The very fact that he is addressing a world forum about the future of the species and the planet suggests that he is seeking an alternative at the global rather than national level. Although nationalization forms part of his domestic policy (the oil and gas

industry in Bolivia was nationalized in 2006), he does not equate nationalization with socialism.

## The model of the ayllu

In a number of interviews Morales has been asked what he and his movement – the Movement for Socialism (MAS) – understand by socialism. Thus, Heinz Dieterich of *Monthly Review* (July 2006) asks him what country the socio-economic model of the MAS most



President Evo Morales of Bolivia

closely resembles. Brazil? Cuba? Venezuela? Morales does not like the way the question is put. (“[Socialism] is something much deeper. ... It is to live in community and equality.”) He talks instead about the traditional peasant commune or *ayllu* of the indigenous peoples of the Andes, based on communal landholding and “respect for Mother Earth.” He himself grew up in an ayllu of the Aymara people in Oruro Province; in some parts of Bolivia such communities still exist.

In another interview, to journalists from *Spiegel*, Morales says: “There was no private property in the past. Everything was communal property. In the Indian community where I was born, everything belonged to the community. This way of life is more equitable.” As the *World Socialist Review*, published by our companion party in the United

States, comments: “This is more than just a variation on the leftist cop-out that socialism is a goal for the distant future; it is, on some level, an acceptance of it as a real alternative to capitalism” (<http://www.wspus.org/wp-content/uploads/2008/04/wsr21b.pdf>)

## Rejecting vanguardism

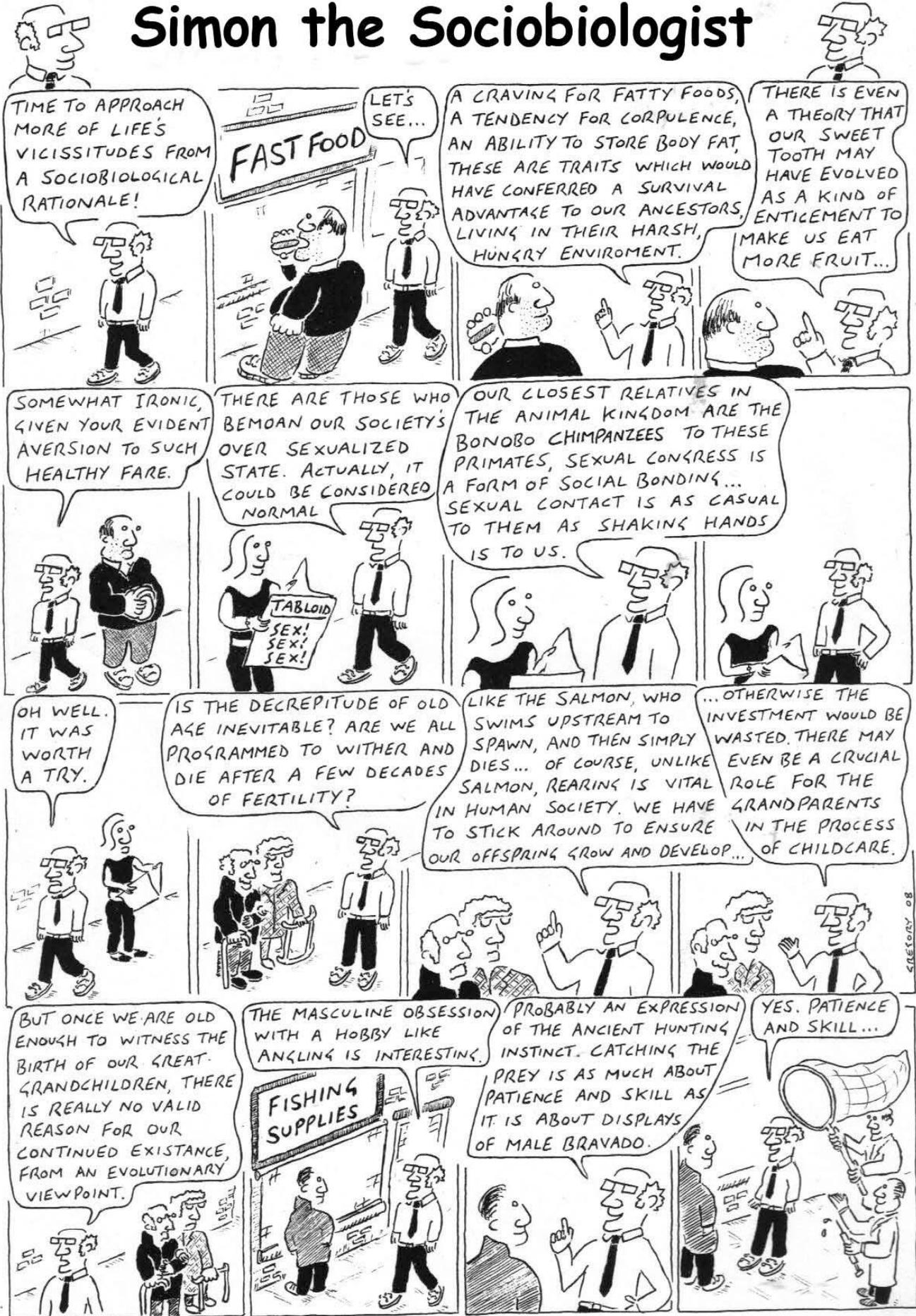
Another indication that Morales is closer than most of the “left” to a genuine understanding of socialism is his opposition to the Bolshevik idea of the “vanguard party.” The MAS, he tells Dieterich, “was not created by political ideologues or by a group of intellectuals, but by peasant congresses to solve the problems of the people.” It has always rejected the pretensions to “leadership” of Leninist groups of different varieties -- followers of Stalin, Trotsky, or Mariategui (a Peruvian Bolshevik who has had great influence on the left in Latin America).

Of course, Morales is not only a thinker with more or less clear ideas about capitalism and socialism. He is also head of the government of an underdeveloped country that has to operate within the parameters of a capitalist world. As such he is no position to realize his more far-reaching aspirations. At most, he has been able – like Hugo Chavez in Venezuela – to divert some of the proceeds from the sale of oil and gas to making some improvement to the life of the impoverished indigenous communities.

The fact remains that an internationally known figure has stood up at the United Nations and called upon the world community to bring the capitalist system to an end. Morales’ concept of socialism may be less clear than we would like, but it does at least bear some relation to the real thing. Viewed from the time when the UN and its specialized agencies are converted into the planning and coordinating centre of world socialism, this will, perhaps, be regarded as a milestone in its history.

**Stefan**

# Simon the Sociobiologist



TIME TO APPROACH MORE OF LIFE'S VICISSITUDES FROM A SOCIOBIOLOGICAL RATIONALE!

FAST FOOD

LET'S SEE...

A CRAVING FOR FATTY FOODS, A TENDENCY FOR CORPULENCE, AN ABILITY TO STORE BODY FAT, THESE ARE TRAITS WHICH WOULD HAVE CONFERRED A SURVIVAL ADVANTAGE TO OUR ANCESTORS, LIVING IN THEIR HARSH, HUNGRY ENVIRONMENT.

THERE IS EVEN A THEORY THAT OUR SWEET TOOTH MAY HAVE EVOLVED AS A KIND OF ENTICEMENT TO MAKE US EAT MORE FRUIT...

SOMEWHAT IRONIC, GIVEN YOUR EVIDENT AVERSION TO SUCH HEALTHY FARE.

THERE ARE THOSE WHO BEMOAN OUR SOCIETY'S OVER SEXUALIZED STATE. ACTUALLY, IT COULD BE CONSIDERED NORMAL

OUR CLOSEST RELATIVES IN THE ANIMAL KINGDOM ARE THE BONOBO CHIMPANZEES TO THESE PRIMATES, SEXUAL CONGRESS IS A FORM OF SOCIAL BONDING... SEXUAL CONTACT IS AS CASUAL TO THEM AS SHAKING HANDS IS TO US.

OH WELL. IT WAS WORTH A TRY.

IS THE DECREPITUDE OF OLD AGE INEVITABLE? ARE WE ALL PROGRAMMED TO WITHER AND DIE AFTER A FEW DECADES OF FERTILITY?

LIKE THE SALMON, WHO SWIMS UPSTREAM TO SPAWN, AND THEN SIMPLY DIES... OF COURSE, UNLIKE SALMON, REARING IS VITAL IN HUMAN SOCIETY. WE HAVE TO STICK AROUND TO ENSURE OUR OFFSPRING GROW AND DEVELOP...

... OTHERWISE THE INVESTMENT WOULD BE WASTED. THERE MAY EVEN BE A CRUCIAL ROLE FOR THE GRANDPARENTS IN THE PROCESS OF CHILDCARE.

BUT ONCE WE ARE OLD ENOUGH TO WITNESS THE BIRTH OF OUR GREAT-GRANDCHILDREN, THERE IS REALLY NO VALID REASON FOR OUR CONTINUED EXISTANCE, FROM AN EVOLUTIONARY VIEWPOINT.

THE MASCULINE OBSESSION WITH A HOBBY LIKE ANGLING IS INTERESTING.

PROBABLY AN EXPRESSION OF THE ANCIENT HUNTING INSTINCT. CATCHING THE PREY IS AS MUCH ABOUT PATIENCE AND SKILL AS IT IS ABOUT DISPLAYS OF MALE BRAVADO.

YES. PATIENCE AND SKILL...

FISHING SUPPLIES

FISHING SUPPLIES

FISHING SUPPLIES

FISHING SUPPLIES

GREGORY 08

# Pieces together

## BIG BROTHER IS LISTENING

"Hundreds of benefit fraudsters have been caught out by lie-detector technology. More than 370 people were identified fiddling their benefits in Lambeth, South London. As part of the pilot project, Lambeth Council staff phoned 2,000 residents and used Voice Risk Analysis, which picks up tiny changes in the voice that show a person is lying. Benefit staff then made further checks to see if claims needed investigation. A total of 638 people were investigated and 377 were caught lying and had their benefits stopped or decreased." (*Times*, 21 April)

## AN EXPENSIVE TIPPLE

"While the global credit crunch has forced many consumers to rein in spending, one Beijing-based billionaire has splashed out a record \$500,000 on 27 bottles of red wine, London-based Antique Wine Company said on Saturday. The anonymous Chinese entrepreneur bought a mix of vintages of Romanee Conti, a Burgundy wine and considered to be among the world's most exclusive with only 450 cases produced each year. The client bought 12 bottles of Romanee Conti 1978, two bottles of the 1961, 1966, 1996 and 2003 and single bottles of the 1981, 1990, 1992, 1995, 1999, 2001 and 2002. "It is the highest price that has ever been achieved for a single lot," Managing Director Stephen Williams of the London-based Antique Wine Company told Reuters on Saturday. "I don't think he has bought this as an investment -- he has bought it to drink," he added. "The fine wine industry is completely immune from the global credit crunch." (*Yahoo News*, 19 April)

## HEATHROW HOMELESS

"Each night, scores of London's homeless men and women take advantage of modern travel delays by posing as stranded passengers in order to sleep in a warm, safe place. ... Those contacted included a man sleeping under his coat, another conspicuously hiding behind an open newspaper, and a woman clutching a duty free bag, who insisted she was waiting for a flight, only to whisper when police were out of earshot, "I can't afford electricity. It's warm here. Please let me stay." (*Times*, 21 April)

## 100 YEARS OF POVERTY

The columnist Richard Morrison on pensions "The old-age pension is 100 years old. When Asquith introduced it in 1908, it was five shillings a week - a sum that was regarded as shamefully low by progressives in his party. But if even that paltry figure had kept pace with the growth in Britain's GDP, the state pension should now be £161 a week. The actual figure? £90.70p. Some progress." (*Times*, 30 April)

## Contact Details

### UK BRANCHES & CONTACTS

#### LONDON

**Central London branch.** 2nd Weds. 6.30pm. The Shakespeare's Head, 64-68 Kingsway, Holborn. (Nearest tube: Holborn.) Tel: Tristan 0207 6223811

**Enfield and Haringey branch.** 2nd & 4th Monday. 8pm. Angel Community Centre, Raynham Rd, N18. Corres: 17 Dorset Road, N22 7SL. email: julianvein@blueyonder.co.uk

**South London branch.** 1st Tues. 7.00pm. Head Office. 52 Clapham High St, SW4 7UN. Tel: 020 7622 3811

**West London branch.** 1st & 3rd Tues. 8pm. Chiswick Town Hall, Heathfield Terrace (Corner Sutton Court Rd), W4. Corres: 51 Gayford Road, London W12 9BY

**Pimlico.** C. Trinder, 24 Greenwood Ct, 155 Cambridge Street, SW1 4VQ. Tel: 020 7834 8186

#### MIDLANDS

**West Midlands branch.** Meets every two months on a Sunday afternoon (see meetings page for details). Tel: Tony Gluck 01242 235615

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**South West branch.** Meets every two months on a Saturday afternoon (see meetings page for details). Ray Carr, Flat 1, 99 Princess Road, Branksome, Poole BH12 1BQ. Tel: 01202 257556.

**Bristol.** Shane Roberts, 86 High Street, Bristol BS5 6DN. Tel: 0117 9511199

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**Edinburgh branch.** 1st Thur. 8-9pm. The Quaker Hall, Victoria Terrace (above Victoria Street), Edinburgh.

J. Moir. Tel: 0131 440 0995 JIMMY@jmoir29.freemove.co.uk Branch website: <http://geocities.com/edinburghbranch/>

**Glasgow branch.** 3rd Wednesday of each month at 8pm in Community Central Halls, 304 Maryhill Road, Glasgow. Richard Donnelly, 112 Napierhall Street, Glasgow G20 6HT. Tel: 0141 5794109. E-mail: richard.donnelly1@ntlworld.com

**Ayrshire:** D. Trainer, 21 Manse Street, Salcoats, KA21 5AA. Tel: 01294 469994. E-mail: derricktrainer@freuk.com

**Dundee.** Ian Ratcliffe, 16 Birkhall Ave, Wormit, Newport-on-Tay, DD6 8PX. Tel: 01328 541643

**West Lothian.** 2nd and 4th Weds in month, 7.30-9.30. Lanthorn Community Centre, Kennilworth Rise, Dedridge, Livingston. Corres: Matt Culbert, 53 Falcon Brae, Ladywell, Livingston, West Lothian, EH5 6UW. Tel: 01506 462359 E-mail: matt@wsmweb.fsnet.co.uk

#### WALES

**Swansea branch.** 2nd Mon, 7.30pm, Unitarian Church, High Street. Corres: Geoffrey Williams, 19 Baptist Well Street, Waun Wen, Swansea SA1 6FB.

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**Cardiff and District.** John James, 67 Romilly Park Road, Barry CF62 6RR. Tel: 01446 405636

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##### Socialist Party of Canada/Parti

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##### World Socialist Party (New Zealand)

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##### World Socialist Party of the United

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covad.net



# Biology as ideology

*For over 40 years there has been an increasing momentum to the wholesale medicalisation of human and social problems*

It was in the late 19<sup>th</sup>/20<sup>th</sup> centuries that the notion of conceiving of distress/madness as a 'mental illness' came to predominate. In particular, the work of Emil Kraepelin, and the notion of trying to classify distress into a number of discrete psychiatric disorders, and that these disorders were diseases of the brain, and that these diseases of the brain were categorically distinct from the normal brain and normal behaviour.

For the last hundred years biological psychiatrists have been looking for pathologies in the brain to explain the different symptoms that 'patients' present. What with the 1990s being declared the Decade of the Brain, and with the Human Genome Project, they have had a good twenty years to propagate their view. Indeed, for over 40 years there has been an increasing movement towards the wholesale medicalisation of human and social problems. Virtually every problem is conceived as something that can come under the scrutiny not only of medicine in general but psychiatry in particular. Who are the gurus on TV and the press to whom we turn to for

solutions to our personal and societal problems—Dr. Mark or Dr. Joan! The politics is taken out of problems. It is not social conditions that require changing—it is our biology. And for 'mental illness', this means the resort to pills—the chemical balance of your brain needs to be adjusted.

Today, the bible of psychiatric approach to human misery is the *Diagnostic and Statistical Manual of the American Psychiatric Association* (DSM-IV). When it appeared in 1994 (only 7 years after DSM-II), it was some 900 pages long (a revision is due in 2010 and is expected to be 1250 pages). Within DSM are over 300 diagnoses. If you feel in need of a diagnostic label you are sure to find one here.

Over the years of revision from DSM in 1952 the shift has been away from a psycho-analytic perspective to a biological one. Now, the biological perspective is the dominant one, and refusal to toe the line can lead to a psychiatric career coming to an end—not only in terms of posts but also any research grants. No longer is the personal political – the personal has become biological.

The biological approach, however, has come under attack from a number of perspectives. The whole of the conceptual apparatus has been undermined by psychiatric service users, psychologists and sociologists. Yet the edifice still stands and may be gaining in strength. The general public seems to be keen on it, let alone other professional and political interests. It will be a tough nut to crack.

As more mental illness categories are added because more people are showing their misery in different ways, this provides an ideal opportunity for the commodification of happiness—with the solution to unhappiness being offered by the pharmacology industry, often referred to as BigPharma.

## No place for culture

The biological approach claims that its diagnostic categories are objective and universal because they are based on the pathologies of the brain. Schizophrenia is schizophrenia in AD 2007 or 2007 BC, in Britain or Borneo. The particularities of culture have no place here.

But this is not the whole story. There are cultural psychiatrists who

are opposed to this Western imperialist encroachment. Not only are there differences across contemporary culture but even in the West differences are found across time. To show the difference in how misery shows itself across cultures consider these examples of what are called culture-bound syndromes.

*Koko*: usually Malaysian males who believe their sexual organs are shrinking, and is accompanied by panic as this is an indication of imminent death.

*Latah*: experienced by Indonesians who develop an exaggerated startle response, which includes shouting rude words and mimicking the behaviour of those nearby.

Western psychiatry tries to put these cultural forms into its categories.

To show how even in the West psychiatrists have changed their mind, consider what Samuel Cartwright classified as "drapetomania" in 1851. This disease was previously unknown to medical authority, although its diagnostic symptom was well known to "our planters and overseers". This symptom was found only in black slaves and involved "absconding from service".

He concluded that what "induces the Negro to run away is as much a disease of the mind as any other species of mental alienation and much more curable". The cause was not pills but "whipping the devil out of them". The patient should be treated like a child. But he warned against being too lenient or overly severe whipping—both of which would induce "drapetomania". The term is derived from the Greek "drapetes"—a runaway slave.

Even schizophrenia has been seen as a disorder that is of recent origin, being rarely noted before the rise of modernity, in traditional or pre-literate societies.

The biological approach is not only wrong, but it is also ideological. This is not to deny that biological factors are not prominent in certain disorders. But whatever role biological factors play, psychological interactions cannot be reduced to the biological. As biological entities, all our activities have a biological component. But psychological activities are constituted in the interaction or transaction of a biological organism and a physical social environment.

## Social relationships

A significant difficulty in looking at the literature which makes reference to social conditions is trying to sort out those which are capitalist specific or class specific from those which are a part of social life in general.

Moreover, it is difficult to sort out those sites where capitalist social relationships have direct effect on the conditions occurring there, such as work and unemployment, from where they have a mediated effect. That is, where capital does not directly create that site but works through an already existing institution, such as the family, gender relations, 'racial' relations, and personal relations.

In addition to those, there is the problem that capitalism has with the notion of class. Capitalism likes to think that class problems are a thing of the past or is a subjective matter. Therefore, it is reluctant to fund research which looks at this as a variable. It will accept an occupational or educational definition of class but it will not accept a Marxian definition.

Psychiatric research relating to class seems to have gone through three phases:

First, from the Victorian period up to the Second World War. Unlike mainstream medicine which was very much concerned with the environmental and social conditions of the poor—important public health measures, e.g. sewerage and water, were the focus in trying to improve the physical health of the working class—the focus of psychiatric epidemiology was on the identification of types of mental disease and (because of the brain pathology notion) localising the source of these in the constitution of the person and their family inheritance. This was the period of tainted genes and eugenic solutions.

Second, from the Second World War to the 1970s. The period of the long boom and of social reconstruction, of making capitalism modern, saw an interest in the social conditions of the working class. With the rise of the community health movement, the sources of mental health problems were seen to be, at least in part, those of poverty. Eugenics had of course lost all credibility. So, instead of segregating the mentally ill, the issue was to ameliorate social conditions. Studies showed that schizophrenia was more common in the poorer communities, as well as depression and anxiety.

Third, from the 1970s to the present. With the end of the post-war boom and the crises of the 70s and 80s, the social reformism came to an end. Community care was found to be too expensive and so cuts were made. Once again identification of problems, rather than sources of problems, became the main issue. With the introduction of new diag-

nostic practices and pharmacological treatments there was a return to the biological, and there was a strong bias against showing the effects of social conditions on the origin and development of the disease. There were exceptions, but that is what they remained. If you wanted large research grants from the biologically dominated institutes you put in a biological proposal.

Because of this state of affairs, it is difficult to identify clear-cut research studies which put social class in the forefront. But those few that are available all show that the 'lower' the social class and degree of urban poverty the greater the incidence of mental health problems. However, the relationship is not always clear-cut. For example the chronically unemployed are less distressed than those who are poorly employed (i.e. those in stressful, badly paid and insecure jobs).

In dealing with this distribution of mental health problems two, antagonistic, hypotheses have been proposed. The first assumes that social stress causes mental health problems. The second assumes that inherited or acquired causes lead to the patient being socially disadvantaged, and this leads to a downward social drift.

The emphasis on social stresses points toward a change in social conditions, whereas the social drift model with the emphasis on genetic faults or self-induced damage, such as alcohol or drug abuse, points toward blaming the person and the use of individual treatments.

## Psychic reformism

Throughout the 20th century there have been movements that have promised happiness to us: Dale Carnegie, Norman Vincent Peale, "Every day in every way I am getting better and better", Gestalt Therapy, EST, self-actualisation, the human potential movement and so on. They've come and they've gone. They fail to meet the hype because in part they are confined to merely individual happiness—I'm OK. They argue that if you sort your head out you can be happy. But it ignores the nature of the society in which we live. Unless this necessary condition for being a human being—miserable or flourishing—is taken into account, any hope for change is doomed to failure—yet another form of reformism. But we've had enough of reformism dangled in front of us, promising this time that things really will be different.

But is there anything to think that socialism has something to offer as an answer to the problem of human misery? In socialism we will still have some of the problems that make you feel miserable, scared, depressed or demented. Socialism is not a solution to all mental health problems, it is a solution only to those created

by capitalist conditions of life, or to class conditions of life. While some of the problems are due to being human beings living within a social setting, others are due to being biological organisms, and as such will break down if we are damaged or just get old (e.g. aphasia, epilepsy, anger management problems, Alzheimer's, front lobe syndrome, pharmacologically induced psychosis). While there could be a reduced use of medication and an increased use of social therapy, the power to detain people whose condition renders them dangerous to others will still be needed.

Socialism involves the abolition of the wages system. This entails that our ability to use our labour power is no longer subjected to the power of the capital social relationship, to be used only when capital sees a profit. Rather our labour power becomes ours, to be used voluntarily as part of our relationship with others, working in association towards our goals—to production for use to meet our needs.

Socialism also involves:

The abolition of useless production, freeing up of millions of people from producing products and services necessary only for capitalism.

Social decision-making on what is useful—no tat, built-in obsolescence or environmental damage.

Breaking up of the division of labour, having multiple roles in society.

Voluntary work—from each according to their ability; less emphasis on efficiency so people can work as much as their competence allows

Co-operation between user and provider: not a commodity relationship; providers doing it because they want to—so less likelihood of abuse; no power differential between providers and users but partners; emphasis on building competencies

The case for socialism as more than an opposition to the economic exploitation of the working class. Throughout their writings, Marx and Engels criticised capitalism because of its effects on the working class as human beings, as more than mere economic agents.

In arguing against capitalism there was a positive model of human being set up in opposition, and as a position from which to evaluate capitalism. This positive possibility of human socialism needs to be put forward. Socialism is about establishing a mode of society which allows individuals to develop their powers to be more than mere producers or consumers. Capitalism has long produced the potential for such individual development, the task now is to realise it, to persuade working people that there is more to living than the shit of capitalism—we are more than pigs, content with mere physical satisfaction.

**ED BLEWITT**

# The happy slave syndrome

We're H.A.P.P.Y. ...



*Why do we so doggedly embrace the wages and money system when it openly makes use of us?*

For some of us our wage slavery can buy us a comfortable, prosperous lifestyle and personally rewarding work; for others it means being discarded; for most of us perhaps it's something in between. But in any event, the sole purpose of the capitalist system is to make a profit out of us and to accumulate capital, and no amount of TV property programmes, cars, foreign holidays, latte coffee, or shopping makes any difference to that.

A certain proportion of us are able to believe that 'we're all middle class now', because some of us at least can afford to accumulate a certain amount of stuff. But this is an illusion; there is no middle class. We're all working class in the economic sense that we have to sell our labour in order to live, with the exception, of course, of the small number of capitalists who can live entirely on the labour of others. The rest of us are all, economically speaking, working class by virtue of the fact that we have to let ourselves be used, to sell our labour power, to live.

And yet, how readily we embrace the illusion! From the 'minnows' of the Wall Street stock boom in the 20's to Margaret Thatcher's new homeowners and the 'Sids' of working class share ownership, and now, in Russia, China and India, we reach out again and again in individual aspiration, setting aside the hope

of banding together and ending our exploitation. We try to win in the rat race instead of trying to abolish it, thereby ensuring that the capitalist class goes on mining our lives for profit. We are like the credulous 'natives' of imperial mythology, marvelling at our handful of pretty beads while the white man robs us of everything.

Our hope has been dashed in so many ways. Hitler, Stalin, Mao and Pol Pot have poisoned our understanding by pasting the word 'socialism' onto the very opposite, their barbarous tyrannies. Labour movements have been disabled by the capitalists' increased ability to move capital and workers round the world. Reformist parties have caved in to the needs of capital to the point of embarrassment. We find dumb serenity staring at a screen or through a windscreen.

Nevertheless, beyond this, I think that we ourselves have been structured to accept this system. One way of looking at the way capitalism has formed us and we form it in turn, is through a consideration of our psychological defences, a psychological term for the means we use to manage our lives in the face of threats to our stability.

We all try to find ways of defending ourselves psychologically. It's natural and necessary. We couldn't get through the day if we were con-

stantly overwhelmed by the world, if we were totally impressionable. However, a defence can distort our awareness of reality, in this case, of how we are made use of, and so we shape ourselves to the economic circumstances, in order to be able to tolerate them.

The first means of defence I want to look at is 'projection'. To project can be to imagine that some outside figure or power possesses something that is part of ourselves. For example, a woman who had an unfriendly piano teacher as a child, might project her love of music into her daughter, and want her to do well. Both she is impoverished by her projections, missing out on an opportunity to be creative herself.

In a similar way, I think that we project our capacities into money, we imagine that money holds great powers, although in reality those powers belong to us.

We have the ability, all of us, working together as citizens of the world, to run the world together democratically, as equals, with no need for money or other forms of domination. But we act as if we don't. We project our own functions and capacities into money, we attribute those qualities to money and deny them in ourselves. Money is endowed with the same sort of status as a god, it seems to be the source of everything; but of course *we* are, as the people of the world, self-evidently, the source of everything. Nothing comes from money; money is an agreed convention; it's a fiction that holds and wields all the power we can't bear to own. We are like our fictitious piano woman – she *could* play the piano but she sees all of that in her daughter. The analogy is that we *could* run the world, but we let money run it instead.

We also project into money our adult capacities and onto money the status of a parent on whom we depend. In relation to money it is as if adults are babies or small children, unable to judge whether we need something or not. It is money, the stern parent, that tells us we can't have things. This parent can be so stern that for many of us money refuses us enough to eat, refuses us medical care. It can deny us the barest dignity in old age, or even life itself. When we can't have something we need, we say 'Where's the money going to come from?' And this can apply equally to goods which are, in reality, either plentiful or scarce.

It works the other way too. We assume that our wants are limitless and that, if money weren't an obstacle, we'd just accumulate things

endlessly and not know when to stop. Money then can be an overindulgent parent, that lets us be completely spoilt, that offers us no limits. Money can give us victory over the social and human limitations that come from considering others. If you've got enough money you don't have to give any thought at all to other people, and in this society that's just about the highest form of freedom we can imagine. When we are living in a wasteful and reckless way, we say 'We are prosperous now and this is what we want! Nobody can tell us what to do!'

So the centre of decision making is located outside ourselves. If we can't afford it we can't have it, and if we can afford it we *have* to have it.

Money starves us or it fattens us up, but either way, it is money that is in control, enabling our labour to be siphoned off and gathered together as profit.

This oppresses us, but it also frees us of responsibility. If we project our power elsewhere then we are excused the work of taking responsibility for it. Living in a socialist society, having assumed our own power, will indeed be hard work and a lot of it will unfortunately be the boring slog of going to meetings and trying to sort out our relationships with each other socially, and make decisions. In a sense, we don't want to grow up – far better to leave it to

the parents to tell us what to do, while we just gripe from the sidelines.

The second defence mechanism I'd like to discuss is that of 'identification'. To 'identify' means we fuse or confuse our identity with that of another. For example, I might watch a Clint Eastwood film and feel, for a while at least, as if I too am hewn from granite. But it also means the taking in of another person, so that I might recognise enduring traits in me that are like my own father or mother, for example.

In this case of our adjustment to capitalism, we identify with the powerful. We prefer to imagine that we are all pocket capitalists. Instead of recognising that the owners of capital might be using us, we imagine ourselves to be in control, and the owners of capital to be our servants. We think we are sophisticated, knowing consumers who know a bargain when we see one, and companies exist to meet *our* every caprice and whim, rather than the reverse.

Campaign groups try to publicise the exploitation of suppliers that is the cost of low prices to 'the consumer'. I wonder whether, identified with the capitalist class, we in some way enjoy supermarkets acting as our agents in pushing other working class people to the limit so we can feel we're getting a bargain. Isn't there a seductive joy in being able to feel like the oppressor, like a proxy

slave owner with all these poor little people slaving away so we can pick our week's shopping off the shelves? And what about the fast food customer bullying and patronising the person serving the burgers? Isn't there an element of acting like the lord of the manor in that behaviour? Isn't that part of the deal, that you get to boss somebody about?

However, the supermarkets' own marketing patter describes our slavery accurately enough, though they put it in advertising code. They describe us as 'discerning consumers with an eye for price'; decoded, that means that we're broke and overwhelmed with debt. They say we are 'leading today's high pressure, busy lives'. That means we're overworked, sweated labour just like in Dickens' time, but repackaged as living some kind of exciting fast-lane lifestyle. We're not even consumers, not really. The capitalist is the ultimate consumer. The cost of our labour is the total value of keeping us going, keeping us fed, housed, entertained and all the rest of it, so low prices in the shops means that we are cheaper too. The rich are sophisticated consumers of our labour and *they* certainly know a bargain when they see one.

My argument, in short, is that we are characterologically adapted to the capitalist system; that we feel no need to get rid of it because of

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## Cooking the Books 1

### The way the world can feed itself

That was the headline of an article in the *Sunday Times* (27 April) by their Economics Editor David Smith. The way he endorsed was allowing "large, technologically sophisticated agro companies" to take over food production from peasant farmers in Africa and elsewhere. Yes, but

what will happen to the millions of dispossessed peasants this would create? How will they be able to get money to buy food? But at least he conceded that it is technically feasible to produce enough food to feed the world's population.

It might have been expected that the recent increase in the world market price of wheat and rice and the resulting food riots in Haiti and other countries would lead to a revival of the views of the Reverend Thomas Malthus, the 18<sup>th</sup> English parson turned economist, who argued that world poverty and starvation are due to overpopulation, to not being able to produce enough food for everyone. But no. All the pundits and all the spokespersons of international capitalist institutions such as the World Bank and the UN World Food Programme (WFP) seem agreed that the problem is not that enough food cannot be produced to feed the hungry, but that the hungry cannot afford to pay for the food that has already been produced. As Peter Smerdon, Africa spokesman for the WFP put it in an interview with the *Times* (8 April):

"it is not a question of availability as one saw in previous drought-induced famines. 'People can suddenly no longer afford the food they see on store shelves because prices are beyond their reach. It is about accessibility . . .'"

In fact, it seems to be generally admitted that food production

could be increased and, indeed, will be increased in response to high prices.

David Smith made the same point we made here in February: "Set-aside subsidies have been an important part of the common agricultural policy. Farmers have been paid not to produce. Last September, however, EU ministers agreed on a zero set-aside rate for 2007-8, to boost grain production by 10m tons".

Meanwhile in rice-growing Thailand:

"Fields that have lain fallow are being ploughed and planted; in wet and fertile central Thailand . . . farmers are contemplating three or even four harvests a year, beyond the usual one or two" (*Times*, 28 April).

This raises the question of why in a world where there is mass hunger in some parts – 1 billion in "absolute poverty" and a further 854 million who are "food insecure" (*Times* 8 April) – this land wasn't used before to produce more wheat or rice. The answer is obvious: it wasn't profitable, the price wasn't high enough.

The ironic thing is that this extra food production will not benefit those in "absolute poverty" since they still won't be able to afford to buy it. And if prices fall again, as they might well do since the rise is partly due to a speculative boom amongst commodity traders, then the land will be taken out of production again. That's the way the market works. But what a way to run the world.

There is an obvious solution: produce food directly for people to eat. But, first, the land and all the rest of the world's resources, industrial as well as natural, will have to stop being the private property of rich individuals, multinational corporations and states and become the common heritage of all humanity. On this basis enough food could rapidly be produced to eliminate starvation immediately and, within a few years, to provide every man, woman and child on the planet with an adequate diet.



# Football: a capital idea

*Football is now a commodity packaged and sold to make money for the clubs' shareholders.*

Football fans were given something meaty to chew on recently when the English Football Association appointed an Italian, Fabio Capello, as manager of the national team. Capello, in turn, brought with him a bevy of besuited Italian colleagues to help him to ensure that England qualify for, and preferably do well in, the next major tournament, the 2010 World Cup.

Most football fans, including large sections of the press, have been tearing their hair out in frustration because the England team hasn't been doing too well recently in comparison with the top national sides. (Let's leave aside the fact that England isn't strictly speaking a nation and that the United Kingdom actually has four 'national' teams). The crunch came when the previous manager, Steve McClaren, failed to 'lead' England to the 2008 European Championship finals this coming summer. He was considered not to have enough charisma or technical know-how for the job. Capello was seen as the best qualified manager to take over. The only fly in the ointment was his nationality, but for the sake of getting the right man, this was overlooked and those who would have preferred an Englishman breathed a collective sigh of resignation. At least this foreigner, with his no-nonsense approach and impressive managerial CV, might knock a bunch of spoiled, overpaid players into shape and win something.

This is not the first time a foreigner has been involved in English football, although based on the press coverage and fan reaction, we'd have been forgiven for thinking so. Only a few years ago, the England team was managed by a Swede, Sven-Goran Eriksson, but, perhaps because he spoke good English and was temperamentally more like an Englishman than Capello, he was more readily accepted. More significantly, there is now a proliferation of non-English players in professional English club football, to the extent that some sides rarely field an English player at all. In this sense, the game in some quarters is truly cosmopolitan.

Looking farther back, the reality is that there has always been a foreign or non-local element in English football. Almost from its inception as an organised sport,

in the late nineteenth century, players moved around from club to club if their services were required. Thus we had, firstly, northerners playing for southern clubs and vice versa, then Scots playing for and managing English clubs, then English players and managers moving abroad to foreign clubs as their overseas counterparts came in the opposite direction, only more recently in far greater numbers. At every stage of increasing "foreignness", there were many objectors.

But after the inevitable cries of horror, each encroachment of 'foreigners' into the game is accepted as long as it helps 'your' team to win. For the fans, winning is an end in itself, a kind of vicarious success and reflected glory. For the players, it means a better living (sometimes, in the case of the top players, dramatically so). For the clubs, it is a means of making profits, or at least avoiding losses and staying in business. So if foreign players and managers can help in the process of winning, most people involved in the game are satisfied, albeit grudgingly in some cases.

The other side of the coin is that employing foreign players and managers is regarded as a failure for the national game. The general view is that the England team is not good enough because, as a result of the foreign influx, there aren't thought to be enough good English players or managers bubbling up through the system.

Shame, we are told, and we hear players saying that to play for their country is the greatest honour. But interestingly, club managers aren't so patriotic – they don't like 'call-ups' for fear their players get injured and reduce the chances of winning for their club.

The issue of club versus country or national versus foreigner in football is a reflection of the confused attitude to nationalism in capitalist society in general. After all, organised football is entirely a product of capitalism. The same is true of all modern professional sport. Its increasingly ruthless and competitive nature is a direct result of the increasingly ruthless and competitive society it is a part of. Here are some more examples which show the increasing pervasiveness of capitalism into sport as in everyday life.

1 Sponsorship is a big money-spinner: thus we see a proliferation of company logos on team kit and perimeter fencing. 'Lesser' sports get away with even more crass commercialism, such as the large RBS logo painted into the centre of rugby pitches and angled directly at the camera such that it is almost constantly in view.

2 Merchandising is an integral aspect of any football club's everyday activities: typified by the annual introduction of new strip to keep up sales of replica shirts.

3 Pressure to succeed becomes ever greater: at some clubs, huge sums are paid for what are seen as star players and managers (regardless of nationality), who are then discarded almost as a matter of routine after a year or less if they don't bring instant success.

4 As in many other areas of capitalism, the top strata of football are awash with money while there's precious little to spare lower down, with many of the smaller clubs are living from week to week.

5 We have the absurd situation of millionaire players bullying referees who until recently didn't even get paid to do the job.

6 There is regular tinkering with the laws of the game to make it a more entertaining, and thus saleable, 'product'.

7 Clubs are now known as brands – even some players such as Beckham.

8 Returning to the nationality issue, the increase in foreign 'trade' reflects the increasingly global nature of capitalism: witness the recent proposal of the Premier League for an extra match per team each season, to be played at various venues around the world – there can be no other reason than that of generating more profit.

9 The game is ultra-competitive: mistakes by players or referees are more and more costly; at a far lower level we have pushy parents on the touchline at school matches bullying their children to play harder and be

more like the heroes they worship.

10 So much rides on success that you have to have a winner. This is particularly ironic in football when roughly 25% of matches are drawn. The draw is increasingly unacceptable, hence the increasing number of penalty shoot-outs to replace replays.

11 The desire to win also perversely means a fear of losing – for many decades the game has been over-defensive, with too few goals.

12 Teams are run on almost military lines, with the players being routinely drilled like soldiers by their coaches and disciplined by referees and organising bodies.

13 Football is now a so-called 'middle class' game and lower-paid fans are being priced out. To watch even a modest club play can cost three times as much as a cinema ticket.

Most of the above observations are commented on weekly in the national press. Most football fans agree that money coupled with the overweening greed of the big clubs is spoiling the game. Alas, lasting solutions are never suggested since most fans and journalists are as blinkered by the constraints of money-based society as the sport's practitioners.

The only way to stop the rich clubs getting richer and the poor clubs getting poorer is not to limit the amount of money in the game or to distribute it more evenly – a virtually impossible task anyway – but to take the money out of football altogether. And that in turn means abolishing money in all other areas of life. And how do we stop foreigners being brought in to manage the national team? Well, why don't we try abolishing nationality? The national football team is a product of the nation as a competing political unit in capitalism, and in a nationless society would have no role.

**ROD SHAW**



## Cooking the Books 2

### The nature of business

Remember the scenes in January last year when hundreds flocked to Branscombe beach in Devon to scavenge for the cargo of a beached container ship? Some saw this as confirmation of the popular prejudice that it is "human nature" to grab, grab, grab. Actually, it was a manifestation of human behaviour

in a society where normally everything has to be paid for when something becomes unexpectedly and temporarily available for free.

But that's not the main lesson of the incident. This April the Marine Accident Investigation Branch (MAIB) of the Department for Transport published its report on what happened ([www.maib.dft.gov.uk/publications/investigation\\_reports/2008/msc\\_napoli.cfm](http://www.maib.dft.gov.uk/publications/investigation_reports/2008/msc_napoli.cfm)). The report didn't just deal with the technical aspects of why the hull cracked and why the ship had to be beached to avoid a serious oil spillage but looked at the wider context too.

In section 2.10 on the "Container Ship Industry", the MAIB observed:

"Without the ability to quickly ship large quantities of containers across the oceans, containerisation would be generally constrained within the continents. However, the commercial advantages of containerisation and intermodalism such as speed and quick turnarounds appear to have become the focus of the industry at the expense of the safe operation of its vessels. The industry is very schedule driven, and operators inevitably have an eye on the timetable when making key decisions".

On the particular accident last January, the report went on:

"In this case, the decisions to sail: without an operational governor; sail in excess of the maximum permissible seagoing bending moments in order to allow greater flexibility for the time of departure; to operate at near maximum bending moments when underway; and to keep the ship's speed as fast as possible when pounding into heavy seas, were symptomatic of the industry's ethos to carry as much as possible as quickly as possible".

This wasn't the first time the MAIB had pointed this out. The report quotes from a previous report put out in September 2007 on another accident:

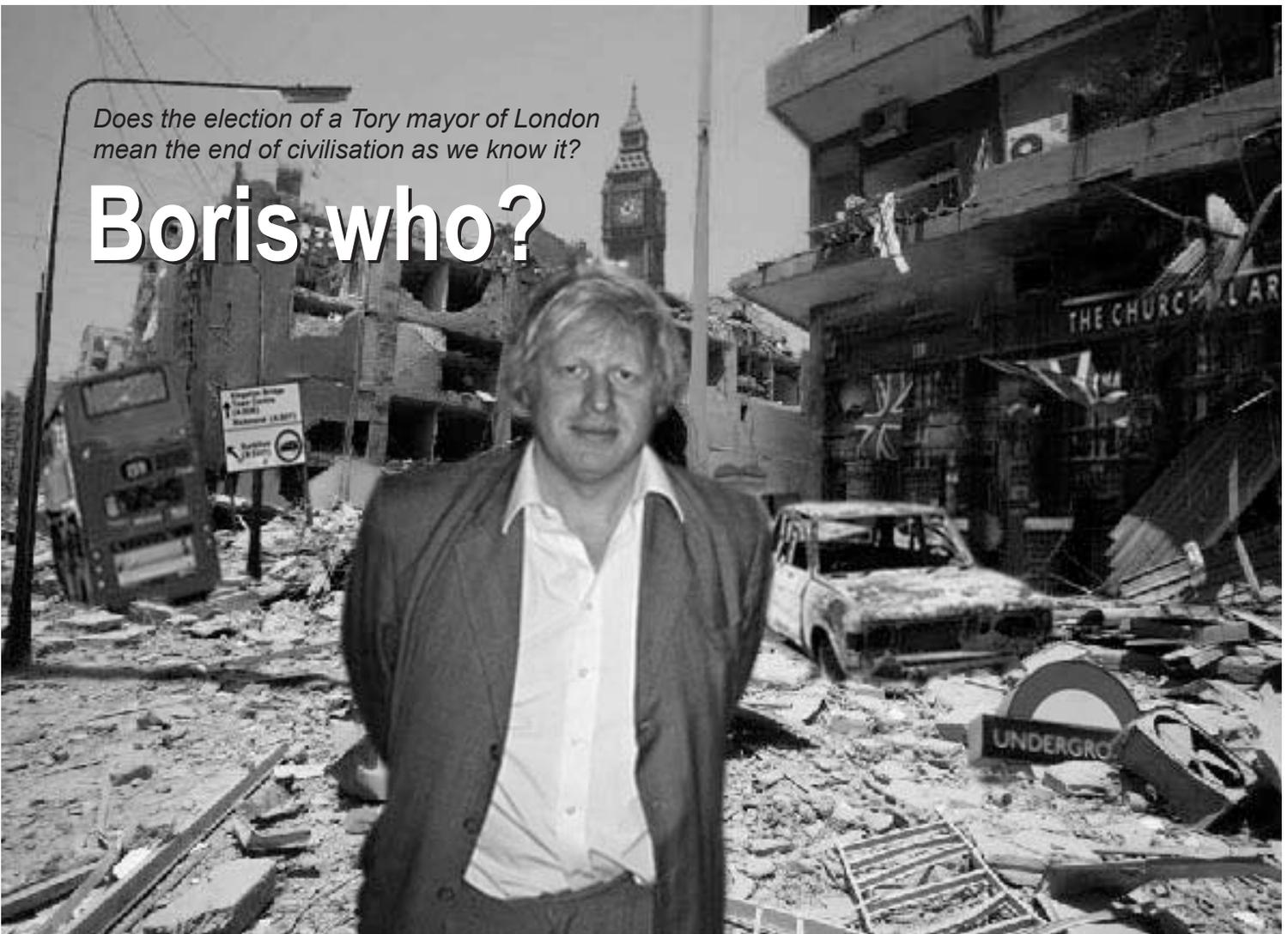
"Working practices relating to the planning, loading, transportation and discharge of containers are largely unregulated and have been understandably focussed on the need to maximise efficiency and speed of operation. While key industry players will attest that safety is of paramount concern, evidence obtained during this and other MAIB investigations into container shipping accidents suggests that in reality, the safety of ships, crews and the environment is being compromised by the overriding desire to maintain established schedules or optimise port turn round times".

Something will no doubt be done to tighten up the regulations – or rather the unenforceable "code of best practice" – if only because accidents cost the shipping companies money. But the real question is why weren't proper safety measures already in place? The answer is the commercial pressures that all firms are subject to under capitalism. The shipping companies are all in competition with each other for business, and those who can deliver quicker get the contracts.

It is not human nature to grab, grab, grab, but it is the nature of capitalist businesses to take risks and cut corners with safety to win the battle of competition and make more profits.

Does the election of a Tory mayor of London mean the end of civilisation as we know it?

# Boris who?



I came back from attending the London elections count on the 2<sup>nd</sup> of May, to find the following letter on my welcome mat, from a Labour Party member of my acquaintance.

Dear Pik,

As I write, Tories overhead are taking over my city. Otherwise civilised people, with a knowledge of Beethoven and Shakespeare, are trying to enact Tory policies. I am currently cowering in my cellar, with my Grandad's old steel helmet on my head, and a phrase book of how to speak Tory. I have stockpiled on bully beef and powdered egg, and with my knife tied to a broomstick I am prepared to last out the rule of Boris Karloff – or whatever his name is.

I remember our conversations, in those now far-off days of Labour rule, in which the sun always seemed to shine. You said, if I recall, that Boris is just a saloon bar bore – heartland Tory who believes in small government and just letting the rich get on with running their lives. Just look, you said, at his housing policy, he wants to end the requirement to have 50 percent affordable housing (and no, I still don't know what "affordable" actually means in practice, nor for whom they are supposed to be

affordable) on all new building projects. Instead he promised to "work with the boroughs" in order to build the same 55,000 such new homes. In other words, he was going to allow Tory boroughs to refuse to allow low cost housing in their halcyon areas that might attract the likes who might vote Labour. Likewise his promise to promote building that won't spoil existing views – protect the rich and drive the poor into already ugly ghettos.

I know I've spent the last few years talking up Labour's increase in policing, and how that has cut crime. You said that crime always falls while the economy grows, and showed me graphs and stuff to prove it (do you always carry those round in your pocket?); but Boris wants to cut the cost of policing, while at the same time putting more police on the tubes and buses. He wants to cut and cut taxes, and the expensive part of the mayoral budget is the police part. I know you said "how can Boris be tough on crime if there isn't plenty of crime to be tough on", and I agree that the Tories do try to have it both ways, but I was shocked when you said "look, the root cause of crime is free enterprise – so long as there

are profits to be made, and entrepreneurs ready to enter the crime market, there will be blood." How can you say such things when, under Labour, free enterprise has brought us such prosperity?

I know Ken Livingstone almost said as much, blaming the rise of teenage violent crime on his success in smashing the drugs networks (apparently, he reckons, with their foot soldiers in prison, the drugs barons just started recruiting a new generation). But, really, how could you possibly equate the likes of Shell or BAE with a bunch of violent hoodlums using violence to make money?

So what that Karloff will surround himself with are advisers he can delegate to – just like the way he ran the right-wing rag *The Spectator*. So, you reckon, that means that they'll ensure that he stays within the law, and doesn't do anything so disastrous that the profit of the people who own London will be threatened. Most of what will change will be the mood music from city hall – even if it will be the harsh sounds of the right-wing dog whistle.

You'll miss Ken now he's gone. He fought for a living wage in London £7.20 an hour, the European decency

threshold. He won awards for equal opportunities – the most gay friendly workplace in the country and using the London Development agency to promote Black and Minority Ethnicity businesses. OK, a lot of that was compliance with national law, so Boris will hardly be unable to undo it all, but he will say mean things, and upset a lot of people – you just watch.

I mean, you said, “Livingstone hasn’t got rid of poverty, and can’t – he’s consciously working within the capitalist system. Look at his arguments over the Public Private Partnership – he wasn’t against capitalist finance, he just thought the state should borrow on the open market, and pay profits in the form of interest on that debt.”

And you said “he didn’t use his position to call for radical change, instead he used machiavellian tactics to hold on to power while working behind the scenes to secure his basis of support. That’s why he lost, he just strung workers along with a few paltry promises – and when a better snake oil salesman came along, they buggered off and voted for him instead. Selling promises isn’t democracy, it’s the politics of the market place, and Ken was just out-entrepreneuried by Karloff.”

So, you reckon Ken lost because the workers preferred what the Tories had on offer and wanted that. I don’t believe it, I think their minds were warped by the *Evening Standard* using mind rays or something. How could they possibly want to vote for someone who will allow them to drive gas guzzling cars, opposes a 24 hour freedom pass for pensioners and who will doubtless cut back on free bus travel for school kids?

Next you’ll be telling me that the fact that the BNP won a seat isn’t a cause for concern. I know what you’ll say, that they just got one of the seats that went to UKIP at the last election (the Tories got the other), and so that just means that the anti-immigration rightwing majority on the GLA will be maintained (yes, I know the fact that under PR the right predominated previously shows that there is mass support for such views in London, and that Karloff’s victory is just a reflection of this).

Of course, the three seats for the Liberals make them decisive, but given that they’ve tacked onto the cost cutting message of the Tories, and ran on a platform of tax cuts they’ll back the Tories on crucial votes to try and woo the latter’s supporters. At least you and I agree on this, that the Lib-Dems are yellow Tories, people who just can’t admit to themselves

that they are Tories.

But the BNP are fascists – I know, they’re mostly ageing suburban cockney’s who are deeply confused. What was that you were telling me about the BNPer you overheard talking about why he believed his “mixed race” grandson that he was raising should be allowed into the BNP (despite understanding the need to “protect the species”)? I know “its irrational” and that they’re clinging to this sense of identity. Of course, the Tory party has long contained such people, and if the workers come to believe such nonsense there’s nothing we could do to stop them.

Except, you were there when we both heard Frank Dobson MP suggesting we should just change the electoral rules to keep the BNP out. That seems fair to me – these people are opposed to democracy anyway, so we need to take away their votes in order to save voting. After all, if we can point to the BNP we can persuade people to vote for us to keep them out. I know you keep saying that unless we give people something to be for, and actively try to change their minds, then the BNP is what you get. I know that Brown shamelessly pandered to their prejudices with the slogan “British jobs for British workers” that the BNP then prominently displayed on their election material. But trying to change people’s minds is a way to lose elections, unless we tell them what they want to hear, we’ll never get to get into government and enact our programme.

So, the “socialism” you talk about sounds lovely. It’s a great idea, but no-one will ever go for it. In the meanwhile we’ve got to try and run capitalism as it exists. We don’t have time for changing minds, for education, for the hard slog of building up a clear line of advance, we just need to adjust how we sell our product better. Brown will try and make out that he has gifts to give the electors in return for their votes, and if we overcome this mid-term blip, then, at least, we might hang on, or at least deny the Tories a majority.

Anyway, I must go now, I think I heard Tories trying to sniff me out. I’ll come out of my bunker when its safe, until then, here’s a record of me chanting “Boris, Boris, Boris, out, out, out.” Hey, back to the good old days under the Tories, stormy meetings, out on the streets. We can do it all again!

Yours,  
L. P. Hack.  
*Sigh.*

# Nigeria, Biafra and Oil

*Oil was a major issue in the Nigerian civil war forty years ago.*

Nigeria is a country that was created artificially by British colonialism. It has a complex ethnic mixture of groups, with a division between the North, inhabited by Muslim Fulani-Hausas with a rigid feudal system, and the South where a number of different ethnic groups co-existed loosely, the largest of these groups being the Christian Igbos and Yorubas. The trick of British colonialism was the divide and rule system. They knew the nature of Nigeria; that it is a country that doesn’t have the same climate, not the same religion, not the same mentality, not the same food, not the same dress, not the same dialect, and not the same culture. They used their military might to force Nigeria to be one by the amalgamation of the southern and northern protectorates of Nigeria. They gave the Fulani emirs political prominence at the expense of the Southern population and left a time bomb with the fuse burning.

Prior to independence, and afterwards, many threats of a Northern secession were made by the Northern politicians because they did not want to be part of Nigeria. But in reality these Northern political kangaroos called leaders did not want to lose the benefit of Southern oil and industries. Nigeria was supposed to get its independence before the Gold Coast (now Ghana) did in 1957 but, because Northerners were not prepared to be part of the new country, Nigeria lost many years in debate and compromise until the North agreed to be part of it. It was only in 1960 that independence came.

But the new Nigerian constitutional framework did not resolve everything, it being clear that Nigeria was sitting on a time bomb that would explode and cause real dangerous harm to all Nigerians.

The constitution did not change the relative cultural backwardness of the North compared to the South. What the Northern leaders wanted

was a guarantee that they would retain their dominant political position after independence. If not, they would pull out and form an "Arewa Republic" for the interest of the Fulani-Hausa. British imperialists taught that the North were fools to be used, and stole the resources from the South. But, the North got their way in political domination in Nigeria.

### Military rule

In 1966, a group of young officers assassinated the Northern leader Bello, the federal Prime Minister Tafawa Balewa and the Western leader Akintola who had become discredited in the eyes of the population. The coup leader, Major Kaduna Chukwuma Nzeogwu (now dead) broadcast the following reasons for the coup on radio:

"Our enemies are the political profiteers, swindlers, men in high and low places that seek bribes and demand ten percent, those that seek to keep the country permanently divided so that they can remain in office as Ministers and VIP's of waste, the tribalists, the nepotists, those that make the country look big for nothing before international circles".

In the North, jubilant masses ransacked the governor's palace and cheered the coup leader, despite his Igbo origin.

The coup did not succeed. In Lagos, General Thomas Umunnakwe Aguiyi Ironsi had restored peace and order in the name of the old government with British backing. He placed himself as the first army general at the head of the federation and declared Nigeria under military rule.

Despite opposition from Northern politicians, General Ironsi announced his "Unification Decree" which although it changed little but names – regions became provinces, the federation became a Republic – caused a series of the most violent massacres of Southerners yet seen in the North. "Armed thugs moved across the space between the city walls of Kano and the Sabon Garis where the Easterners lived, broke into the ghetto and started burning, raping, looting and killing as many men, women and children from the

East as they could lay their hands on". It is without doubt that these massacres were deliberately planned by Northern politicians using their own armed gangs to whip up local feelings against the Igbos and other Southerners.

General Ironsi then went on a tour to Ibadan, Western region, to promote the "One Nigeria" ideal.



While he was on this tour another coup was staged, by Northern army officers. General Ironsi and two of his commanding officers were stripped, beaten, tortured and then shot. With taking over command, the coup leader, led by a young British trained officer, General Gowon, issued instructions for Igbos in the army – many of them formed the majority of the technical corps – to be rounded up and imprisoned. And Gowon declared himself the supreme commander of the Nigerian armed forces. During

September and October 1966, three months after Gowon's takeover a large scale massacre of Southerners was reported again from the Northern region.

The British High Commission in Lagos after meeting with the coup leaders came out in their full support – including their demand for recognition of the dominance of the North in any political process. All the regions except the South Eastern region – where the former governor, colonel Chukwuemeka Odumegwu Ojukwu, remained in command with his troops and refused to recognize the new dictatorship. This Ojukwu, son of a millionaire who had been knighted by the British, had been educated in Oxford University and Sandhurst college, saw the atrocities of Gowon and decided to lead the South-East to secession and war.

Gowon taught that British imperialism liked him and that was why they would support him to fight a war against Ojukwu. But he failed to understand that Britain and America were only interested in stealing Nigerian oil.

### The Biafra War

On 30 May 1967, Colonel Ojukwu proclaimed the independent Republic of Biafra. Biafra fought a war against Britain, the United States of America, the Nigerian federal army and the River State militia. The actual fighting lasted for 24 months and took the form of an initial conquest of towns and a whole region to the west of Biafra by the Biafran Army and then the slow re-conquest of this region and Biafra itself, town by town, with the Nigerian Federal Army with its imperialist backers pushing the Biafran troops further back.

What the Nigeria and Biafra civil war did achieve was hatred, tribalism, nepotism, marginalization, ethnic inquisition, killings of 2 million innocent Nigerians who did not know anything about politics nor the oil in their region by Gowon and his capitalists backers, i.e. Britain and US. It also resulted in the reinforce-

ment of the Gowon regime as the military dictatorship was to remain in power for a further six years before being kicked out of power by another brutal military dictator Major General Murtala Mohammed in 1976.

### Rivalries for Oil

The BBC journalist Frederick Forsyth, who reported from Biafra during the war, later highlighted a major factor precipitating the war:

"It has been postulated that if the Biafrans had had their way as a republic of semi-desert and was allowed to separate from Nigeria, there would have cries of 'Good Riddance' in their ears. One foreign businessman said that 'it's an oil war' and felt obliged to say no more."

Biafra was not a semi-desert, beneath it lies an ocean oil. Approximately one tenth of this field lies in neighbouring Cameroon, three tenths in Nigeria. The remaining six tenths lies under Biafra.

Gowon and his ruling bandits and Ojukwu's Eastern interest group had attempted to make an agreement over the terms of their relationship with the British and US oil companies in New York in June 1967. Ojukwu claimed the right to the royalties paid in Lagos by Shell/BP. Up until June 1967, £7 million due to Nigeria in oil royalties had not yet been paid. It was discussed that Biafra should receive 57.7 percent of the royalties and the rest be put aside until there was a political settlement. Gowon vehemently refused to pay and threatened to extend the anti-Biafra blockade to the Bonny Island oil terminal. Without respecting the agreement, Gowon's troops launched their attack and captured the terminal at Port Bonny.

As soon as the Nigerian army took the oil terminal, the British and US oil companies arrived behind them building new oil installations as fast as they could while war was still raging a few kilometres away.

The Gowon regime represented by proxy the interests of Britain, the US and Muslim countries including Egypt whose pilots flew the Ilyushin jets provided by the USSR. The important imperialist interests at work were those of the oil companies owned by the British, Americans and French and backed by their respective governments in the way they lined up for and against Biafra.

Shell/BP was the biggest exploiter of Nigerian oil. This Anglo-Dutch consortium held the major concessions for oil in both the Biafran and Niger delta region where oil had more recently begun to be pumped. When

Biafra was blockaded all oil ceased to flow – because the oil from outside of Biafra, from the Niger Delta' was conveyed to Port Harcourt, now in Biafra, via a large pipeline. The US companies were also exploiting Nigerian oil but their interests were mainly in the Niger Delta region.

As to France, since all oil concessions in the Biafran region were not yet taken by super imperialists, they had been planning to expand their own concession already operating in Biafra in the name of the state-owned company ELF. Because of that they were in direct rivalry with Shell/BP and hope to gain something at their expense.

The President of France, General Charles De Gaulle kept his options open. Though he never formally recognized Biafra, he did support Biafra's "right to self-determination" and gave aid through France's colonized states like Ivory Coast, Cameroon and Gabon. Biafra also got support from South Africa, and Israel.

In 1970, after the genocide, a series of peace talks were held and a settlement was reached and Gowon made his famous speech that there were no victors, no vanquished in this war. Of course, this was true. Both sides had suffered severe losses and part of the country had been devastated. But there was one victor not only in Biafraland but, also in the whole world. Imperialism had established a number of new oil terminals and ensured the stability of its oil profits thanks to Gowon.

The "unity" of Nigeria in reality disappeared because of the mistrust built up during the war and the atrocities perpetrated against Biafrans by Gowon and his imperialist backers.

Every war fought in the world is at the advantage of capitalism. The Nigerian-Biafran war, Rwandan genocide, Liberia war, Sierra Leone war, Democratic Republic of Congo war, Ivory Coast war, Uganda war, Eritrea-Ethiopia war, Darfur conflict, Angola war, Iraqi war, Palestinian-Israeli war, Afghanistan war, India-Pakistan war, Somali war, Zimbabwe conflict, Senegal-Cassamace war, Guinea-Bissau war, Chechnya-Russia war. All wars to the advantage of capitalism. Beware and be warned.

Do not say that you did not know or hear about socialism and what we do. The choice is yours. Enough is enough - we must work together and join hands and cast capitalism and imperialism to burn in the abyss of everlasting fire.

**CEBILOAN HYACINT**

# Las Vegas and the environment



In the US the so-called "richest country in the world", millions are so desperate for more money (and/or are bored to tears with their lives) that gambling is a major industry. Las Vegas in Nevada grew up to supply this demand. Now no one in their senses - if human considerations were the only issue - would think of siting a city in the Mojave Desert, 22,000 square miles of desolation in the south of California and Nevada, and the west of Arizona and Utah. Much of it is elevated: its highest peak is 11,918 feet, but it also descends to 282 feet below sea level, in Death Valley, where temperatures range from below freezing on winter nights, to 130 degrees Fahrenheit (54 centigrade) on summer days. The Mojave Desert has less than ten inches of rain per year. But this is where get-rich-quick entrepreneurs - and they did get rich quick - built Las Vegas. (And according to some accounts, much of the money came from the Mafia.)

With monumental disregard for the environment, they built enormous casinos and hotels and entertainment palaces all dedicated to a single end - sucking in many thousands of hopefuls from all over the US (and abroad), and encouraging them to lose their money twenty-four hours a day. The whole place is ablaze with lights; great fountains shoot into the sky; in the "Venice" complex, gondolas travel down wide canals; lawns are supplied by endless irrigation. It now houses 1,900,000 people, and of course water has to be pumped in, 90 percent of it from Lake Mead, a man-made reservoir on the Colorado River thirty miles away. (Several small communities were drowned when the lake

was flooded.) In February this year the reservoir stood at only 50 percent of capacity. University of California researchers have concluded that if present climatic trends continue, Lake Mead will be empty in 2021.

However, building in Las Vegas is going ahead at frantic speed to make the city still bigger, the profits still fatter, and the water problem still greater. Despite the current worsening economic conditions, a number of prestige projects - hotels, casinos, plazas, apartment blocks - are going ahead so fast that a *Times* reporter (8 April) said there were fears that "all this financial pressure is resulting in sloppy construction practice. Over recent months nine workers have died in eight accidents at various sites: one man was cut in half when a counterweight" for a lift fell on him. (There would no doubt have been an outcry if this had happened to an owner instead of to a worker.) But beside all that, another gigantic project is going forward called "the City Centre". The journalist said a local told him it was "a city-within-a-city. They say it's gonna cost more than \$8 billion: the most expensive private land development in American history. Only in Las Vegas, huh?"

Well, just before you put all this down to the boneheaded Americans, rather than to boneheaded capitalism, here's another item in the very same paper - this time from Spain. Catalonia (the north-east part, round Barcelona) and Valencia, just south of it, including the Mediterranean coast down to Alicante, have had less rain than at any time since 1912. Farmers fear for their crops; "water reserves there are at 19 percent of capacity - they must be shut down when they reach 15 percent because there is too much sediment near the bottom"; and Catalonia is considering bringing in water from elsewhere by boat or train. It is also thinking of a new desalination plant (to take the salt out of seawater), but it seems that such plants produce a lot of carbon dioxide, held responsible for feeding global warming, so that would make things worse in the long run. Catalonia wanted to take more water from the River Segre; but Aragon, on the other side of the river, refuses to let it. "Catalonia accuses its neighbour of hoarding water for unsustainable developments, such as a 'European Las Vegas' with seventy hotels, five theme parks and several golf courses planned for a desert region." Only in capitalism, huh?

**ALWYN EDGAR**

# Relearning history

*Don't believe what you were taught in school or hear from the media about benevolent Britain. We look at some books that give the other side of the story.*

**F**or those caught in their long-held conviction of the benevolence of British history, of the goodwill and generosity extended by successive governments to subjects of colonial conquest around the world; for those whose history books told stories of great white men's great adventures into darkest Africa, of fantastic voyages to unknown shores lasting years and necessitating the loss of many lives, of returning heroes laden with treasure and tales of faraway cornucopias; for those who retain romantic visions of countries conquered and occupied for reasons of honest trade and incidentally to improve the lot of indigenous populations, to bring them civilisation and democracy; for those who considered the invasion of Iraq an aberration, an atypical intervention, something outside the realms of normal government procedure, blatant lies deliberately told to the populace as a cover-up for an illegal act; for those who cling to the fallacy of their leaders being beyond reproach because it's not "British" to collude behind the scenes or to manipulate events. They always play the game by the rules and British justice is known to be above reproach. After all, didn't we invent cricket?

For all those - it's time to re-learn history, this time the real history, to have the scales removed from the eyes, to be confronted with the hard evidence, undeniable facts revealed from previously secret documents painstakingly investigated and compiled by those who seek the truth for humanity's sake. This time to have the courage to question one's enduring beliefs in the light of authentic revelations. This time to see through the obfuscation and downright lies that have been the staple diet fed to us by our elected representatives, generation after generation, with the purpose of pursuing their own secret agenda, extending personal interests and cementing alliances with powerful allies often with complete disregard for international law, agreements and that detail of small importance, public opinion.

The following are a sample from investigative journalists and historians known as tenacious and imperturbable individuals resolutely determined to get the truth out into the public domain.

## **Birth of the corporation**

The history of the East India Company, a forerunner of the modern shareholder/corporate set-up is a story of 'executive malpractice, stock market excess and human oppression.' Nick Robins says in *The Corporation that Changed the World* that he set out to address the issue of the company's social record as a corporation, something which he believes no other history of The Company does. Compared with today's "corporate leviathans" the East India Company "outstripped Walmart in terms of market power, Enron for corruption and Union Carbide for human devastation." From its origin in 1600 as an aggressive spice trader, using guile, bribery, mercenary armies, piracy and plunder it moved on to take control of Bengal and Bengal's cotton fabric industry. Robert Clive (of India) decimated the weaving industry and, as an eerie precursor to current day India's farmers' suicides as a result of impoverishment by transnationals, weavers amputated their own thumbs rather than be forced to spin thread for less than starvation wages.

Later came Warren Hastings, responsible for pushing opium into China (illegally), causing the later "Opium Wars" and eventually forcing Chinese ports to open to trade. Despite the British government's initial protests at the opium trade they were soon persuaded by the company's Governor General in India that the revenue was growing too quickly to be abandoned. Nick Robins shows only too well that "a peculiar amnesia continues to hang over the role that corporations such as the East India Company had in the creation of the modern world."

## **Public statements; Private record**

Covert military action, support of

military dictators, direct and indirect responsibility for millions of deaths around the world since the end of World War Two, support for various regimes that would surprise a lot of the British public. From previously secret files, now released into the public domain (even if still partially censored) Mark Curtis, in *Unpeople. Britains Secret Human Rights Abuses* reveals that “British ministers’ lying to the public is systematic and normal”, that “the culture of lying to and misleading the electorate is deeply embedded in British policy making”, that “the policy makers are usually frank about their real goals in the secret record” and that “humanitarian concerns do not figure at all in the rationale behind British foreign policy.”

A strategy beyond propaganda, ‘perception control’ (thought control to you and me) “is designed to counter the major threat to British foreign policy: the public.” How many in Britain know – that British forces fought in Vietnam? And that in breach of the Geneva Accords also supplied arms to the US for use in Vietnam? About Britain’s support for Idi Amin? Support for Pinochet? About the “dirty war” in North Yemen in the 1960s where the British engaged with the wrong side for purely political reasons?

With enormous discrepancies between public statements and private files in both Labour and Conservative terms of office it is shown quite clearly that successive governments have nothing but contempt for their electorate. Curtis recommends the reader to undergo “a personal transformation, decolonising the mind of accepted truths and received wisdom.”

### **Media and government united in deceit**

The role of the media, controlled by monopolies of multinational companies, requires ever more scrutiny; however, much of the public still tends to take their pronouncements at face value. Within the world of the media, integrity and the search for the truth is the main motivator of only a minority. It is interesting how mud tends to stick though, even when thrown at the innocent. People remember the breaking of a story but are often more unsure or forgetful about the outcome. The “no smoke without fire” syndrome. Take, for instance, the Scargill affair in 1990 when Maxwell’s *Mirror* launched an all-out attack on Arthur Scargill. According to Seumas Milne (at the time a journalist with the *Guardian*

and author of a subsequent book *The Secret War Against the Miners*), Arthur Scargill and “Scargillism” were and had been “the enemy within” to Maxwell’s media empire, the “modernising” Labour Party leadership (Kinnock et al), the Conservative government and Thatcher in particular (she had voiced this comparison of the miners with the Argentinian junta that had invaded the Falklands two years earlier) and to British security and intelligence agencies. The two year smear campaign against Scargill came close to the end of two decades of determined effort by the Tory party “and Margaret Thatcher above all – to avenge absolutely and unequivocally their double humiliation at the hands of the miners in the historic strikes of 1972 and 1974.” A vendetta against the miners which was aimed at destroying the NUM and, as collateral damage if necessary, the British coal industry too. Maxwell’s *Daily Mirror* smear campaign, Milne asserts, would never have taken off had it not been for “the monopoly ownership grip of multinational companies on great swathes of the media” and too many compliant journalists happy to report what they knew to be fabrication as fact. It was the perfect distraction of public attention from Scargill’s warnings of the government’s intention to bring down the coal industry. The campaign worked as planned except that ultimately Scargill was acquitted of all and any crimes and the corrupt were only found to be amongst his accusers. Ironic, but another result for a government against its people.

### **The Chagos Islands (inc. Diego Garcia)**

A tiny archipelago, home to some 2000 people living in “conditions most tranquil and benign” (1950s Colonial Office film), a group of islands so small as not to warrant a place on a page of the 2002 Peters World Atlas. It can only be found like fly droppings inside the back cover. But, starting with Harold Wilson’s, seven successive governments have clung together around a huge lie – a lie they fabricated and used against the islands’ inhabitants since they started removing them from those islands in 1968 – that they were merely transient workers. In fact they were first taken there as slaves by the French in the eighteenth century and became British in 1815 after Napoleon’s defeat. Now the islands are home to around 4000 US troops plus all their support personnel and paraphernalia, swimming pools, golf course, two of the longest military runways in the

world (used for bombing Afghanistan and Iraq) and suspicions that captives are being “rendered” there for “serious interrogation.” The US are seeking to extend their current lease, which expires in 2016, for another ten years at least, for islands which are deemed too risky (with spurious claims about climate, water shortages etc.) for the original British inhabitants to return to, even though there have been two High Court rulings allowing them to do so. (See *Freedom Next Time* by John Pilger).

To compare and contrast the forced removal of these British citizens (compensation of about £1,000 GBP per person) with Britain’s resistance to the Argentinian invasion of the Falkland Islands (also with a population of about 2,000) in 1982 at a cost of £2 billion pounds is poetic irony; an order-in-council agreed by the Queen in 2004 to ban the islanders from ever returning home for one population, for the other a Christmas broadcast by Tony Blair in 2006 telling them, “It is your right to determine your future.”

Why must these atrocities be kept secret from the public? Simply because if too many of us get too angry for a sustained period and decide collectively to get active it’s all over for them. Justice and morality; values we have been tricked into believing are at the core of the leadership of our society, propaganda of the most despicable kind used against the very people they are mandated to represent. *They* may be immoral and pervert justice but that doesn’t negate *our* individual humanity and desire for honesty. It may even strengthen our resolve in the search for the truth. It reveals the rottenness of the establishment, not of the people. We, the people, can decide to reject that establishment and work together towards a truly representative democracy.

What has to be remembered and given serious consideration is this; if we do nothing after being party to such a revelation in a book, credible newspaper account or reliable TV documentary the atrocity, injustice, inhumanity, chauvinism or deceit will still be there and will continue to affect those afflicted by it and the lie will still be a lie and we will still be the recipients of the lie. When these shameless lies are put firmly into the public domain it is the public’s responsibility to guard against collective amnesia, to constantly remind ourselves and each other of the accumulation of crimes committed in our name.

**JANET SURMAN**

## OBITUARIES

### Ron Cook

Members were saddened to hear of the death of Ron Cook, of Birmingham branch, at the beginning of May. He was born in 1927 and joined the Party in 1948 while he was a student at Ruskin College from where he won entry to Cambridge University. At the end of the war he had been a teenage sailor on the battleship HMS *Illustrious*. He worked as a teacher and later as a tutor for the Open University.

He was an active member both at local and national level, a regular delegate to Conference until recent years. He had his own viewpoint on a number of issues. A keen student of Marxian economics, —and the writings of Paul Mattick in particular—he argued that crises under capitalism tended to get worse and worse. He was also impressed by Herbert Marcuse's 1955 work *Eros and Civilization* and was inclined to be take on board more of Freud's theories than most members. In 2001 he published a book *Yes Utopia! We have the Technology* in which he presented the case against capitalism and for the sort of society he would like to see established, (including some of his personal preferences, such as that people in socialism would live in something akin to hotels).

Besides being a speaker and debater for the Party, he wrote for the *Socialist Standard* (sometimes under the pseudonym of S. Stafford) and drafted pamphlets including the latest edition of *Socialist Principles Explained*. In 1994 he represented the Party in the elections to the European Parliament, standing in the Birmingham East constituency. Until last year he organised the annual Party summer school at Fircroft College in Birmingham. Members were expecting to meet him there this year but his friendly and encouraging presence is going to be missed from now on. A party representative spoke at his non-religious, humanist funeral where John Lennon's song *Imagine* was played.

Our condolences go to his wife and family.

### Robert Russell

Robert Russell joined the Socialist Party during the second world war. He was born in 1925 and came from a deprived area of Glasgow called Anderson but despite an impoverished background he

managed to obtain a bursary grant and attended the fee-paying Allan Glen's school. He was an extremely intelligent man and after some time working in the shipping trade he qualified as a Chartered Accountant.

Bobby, as he was known to his friends was to become something of a Marxist scholar inside the Glasgow branch of the SPGB. He was particularly adept at conveying this knowledge to younger members of the branch. I for one am grateful for the time he took encouraging me to read the Marxist classics and for his arguments and discussion.

He was a very active branch member and during his membership he must have held about every post in the branch. As a regular branch attender he could always be relied upon to make worthwhile contributions to the branch's activities. He was a modest sort of man and could often be self-depreciatory about his abilities as a speaker.

Despite this he was a regular indoor speaker and an excellent tutor at many of Glasgow branch's study classes. During the sixties when Glasgow branch conducted many electoral campaigns he stood as a candidate for the SPGB at local elections.

Bobby was an extremely kind and generous person and when he married later on in his life he was especially kind to his new adopted family. When he retired from work he was the Managing Director of a Glasgow Iron Works and used his pension with great generosity towards his family. He was especially good at dealing with children as many of the young in his family can attest to.

Bobby was in many ways the embodiment of what is called a "self-educated" man. He took a lively interest in politics, science and language, but what he will be remembered for by his Glasgow comrades was his friendliness and



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## Meetings

### Swansea

Monday 9 June, 7.30 pm

IMMIGRATION: CAN IT CARRY ON?  
Unitarian Church, High Street.

### London

Saturday 14 June 11am to 5pm

SOCIALIST PARTY OPEN DAY  
Book, pamphlet and back numbers sale, exhibition of historical documents, free socialist literature, questions and answers on socialism. Free light buffet and refreshments  
Socialist Party Head Office, 52 Clapham High St., SW4 (nearest tube: Clapham North)

### Chiswick

Tuesday 17 June, 8pm

CLIMATE CHANGE

Open discussion

Committee Room, Town Hall,  
Heathfield Terrace, W. 4 (nearest tube: Chiswick Park).

### Manchester

Monday 23 June, 8.30pm

CAPITALISM VERSUS NATURE

Unicorn, Church Street, City Centre.

## Summer School

Friday 18 July to Sunday 20 July

RELIGION

Our weekend of talks and discussion will explore socialist views on religion and its impact on society. How does faith relate to other aspects of capitalism, such as relations between countries or between communities? How does a religious outlook differ from a socialist or humanist one?

The venue for Summer School is Fircroft College, which offers excellent facilities within easy reach of Birmingham city centre.

Full attendance (including accommodation and meals Friday evening to Sunday afternoon) costs £120 per person, or £60 to those on low incomes. Send a £10 deposit (cheques made payable to the Socialist Party of Great Britain) to Summer School, flat 2, 24 Tedstone Road, Quinton, Birmingham, B32 2PD. Enquiries to Mike at spgbschool@yahoo.co.uk.

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the firmness of our defences against knowing just how merciless it really is. How could it be otherwise, when we have created it and lived in it for so long? This view has the virtue of explaining why we stubbornly hold onto this exhausting, murderous society of rich and poor, user and used; but I can see how it might appear to be a pessimistic outlook.

However, I don't think it is. It seems to me that that hope lies in a paradox here; paradoxically it is in admitting our slavery that our freedom lies.

Our difficulty is in realising that,

no matter how seductive the consumer society is, we are still wage slaves, and our lives are lived, as Fromm says, 'for purposes outside ourselves'. And it seems to me that if enough of us were to face up to that seemingly unbearable fact, and start to take back our capacities and set about using them, then that could be the beginning of the end for capitalism. It could also be the beginning of a completely new system, where our common purpose is the fullest development of every single person in the world.

**PETER RIGG**

## THE LIBERAL REVIVAL



The managers of the Tory and Labour Parties, during the past year, have had to endure a nagging worry of a kind they both thought had gone for ever, the revival of the Liberal vote. To make it worse they see that it has happened not because voters particularly like the Liberals, but because the voters in increasing numbers have had a lively urge to register their dislike of Labour and Tory.

The suffering Labour and Tory leaders, as if by agreement, jeered at the Liberals for having no policy, until Lord Rea, Liberal Leader in the House of Lords, undertook to tell the readers of the *Daily Telegraph* (18th March, 1958) what that policy is.

He did not make a very good job of it for, like the spokesman of the two big rival parties, he had the delicate task of steering between the fault of saying too little

to please anyone and the risk of saying too much and scaring off some potential voters. In this country, with wage and salary earners making up nine-tenths of the electorate, competition for their votes is a tricky business and the three parties have given much thought to working out the best tactics. What has evolved is the situation in which the Tory, Liberal and Labour parties each has a list of vague general principles, and the three lists are almost identical, except for small differences of emphasis. Thus they all say they are working for Peace, Disarmament, low prices, high wages, and making everybody happy, and all declare themselves to be not a class party, but a party of the nation.

(From editorial, *Socialist Standard*, June 1958)

## Socialist Ramble

A RAMBLE along the Green Chain Walk in South-East London, approx 6 miles. Sunday 8 June, meet Falconwood station 11am.

This is open to members, supporters, non-members, etc. - anyone interested in finding out about socialism and the Socialist Party in a relaxed informal setting. We shall stop at a pub for lunch.

If you would like to know more about the route in advance, contact Richard Botterill on 01582-764929. On the day, phone Vincent Otter's mobile 07905-791638.



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## Declaration of Principles

*This declaration is the basis of our organisation and, because it is also an important historical document dating from the formation of the party in 1904, its original language has been retained.*

### Object

**The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.**

### Declaration of Principles

The Socialist Party of Great Britain holds

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.)

by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom,

the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.



# Timer for a change?

“There is nothing to hope for from a clutch of privileged Tories”

**W**hen they woke up on 2 May, did the electorate realise what they had done with their votes on the day before? Were they alert to the fact that they had encouraged David Cameron’s party to an excited optimism that, after all those agonised years of Blair’s Britain, they had been brought to the threshold of again being accepted as The Natural Party Of Government? (The capital letters are used in acknowledgement of how vital such concepts are to the well-being of the Conservative mind). The experience of Labour government, particularly since their last election victory in 2005, went a long way to persuade many of their previous supporters that, apart from anything else, it was time for a change even if the only other choice was a Conservative government. Gordon Brown has not helped his party by being such a tormented gift to the slick operators of the Tory propaganda machine. So it came to pass that people whose daily life is continually threatened with being little short of a wretched struggle to balance their income against what they need to get by were narcotised into opting to be ruled by a government led by an Old Etonian whose great achievement has been to re-fashion his party’s image by blanketing its disreputable past.

## History

Panic-stricken Labour MPs, as they contemplate an approaching electoral massacre, may take some misguided comfort from their history. In the 1968 local elections, when the standing of the Wilson government was at rock-bottom after the devaluation climb-down and the imposition of “necessary austerity measures” (for which read “wage cutting” and “reduction in working class living standards”) they managed only a 30 per cent share of the vote – a little more than their 26 per cent this year. However they staged something of a recovery so that when Wilson called the 1970 general election they were the pollsters’ favourite. The snag, however, was that they still could not avoid defeat by Ted Heath’s Conservatives. This might have taught their successors something about the volatility of voting intentions which are not based on an understanding of capitalism and its destructive machinations. But in the 2005 general election, when Labour’s majority was slashed from 161 to 67, the response of MPs was predictably chaotic, as they queued up to lay the blame at the door of their then leader. “You can’t beat about the bush” said one of them “Blair was a negative factor on the doorstep, time and time again”. Another plunged hastily (too much so, in view of recent events but in any case he has announced that he will not be standing again and the local Labour Party have selected his successor) into: “It would be nice to see Brown crowned as early as the next party conference”. In a moving display of grief at losing her seat, a former Blair Babe speedily adapted her alleged principles and applied to join the Conservative Party. We are witnessing a similar reaction, as the promised post-Blair revival fails to materialise and the Tory threat gets ever more menacing. Brown’s response was as exhausted and as unhelpful as ever:

“Of course we can recover from this position...by sorting out the immediate problem of the economy and showing people we can come through, as we have in the past...by showing people that we have the vision of the future that will carry this country...into its next phase.”

Once again, Labour have no more to offer by way of explaining their defeat than to blame the shortcomings of their leader. Only hours after the results had been declared on May 2, the calls for Brown to go began, with a desperate search for an acceptable alternative. Should it be ex-postman Alan Johnson? Cadaverous John Hutton? Already discredited Jack Straw? Head Prefect David Miliband? Risibly callow James Purnell? There is no cause to believe that any of these would, in the face of capitalism’s anarchy, succeed where Blair and Brown failed. And while Labour commences yet another civil war the Tories have time to wallow in their victory and plan

the campaign to take the greater prize whenever the government dares to take their chance in another general election.

## London

In this it could not have turned out better for the Tories than for Boris Johnson to be elected Mayor of London, even if they had to bring in some expensive manipulators to persuade this irritatingly professional buffoon to look a little more credible as someone to be trusted to manage a city with a budget of £12 billion and to throttle off his more oafishly empty attempts at humour. There will now be a period during which Johnson’s mayoralty is taken as a measure of the likely success or failure of a Cameron government. It is not only on his avowed intention to replace the lumbering bendy buses with Routemasters with conductors and to ban alcohol on public transport that Johnson will be judged. He has also promised that all Londoners will actually be able to live in homes which they can afford (while accepting that what he can afford is rather better than anything available to most Londoners). There will be special attention given to the problem of youth crime and particularly to the fearful procession of youngsters being murdered in the capital. To this end Johnson has appointed as his Deputy Mayor an admirer of his – Ray Lewis, who was once governor of a Young Offenders Institution and who now runs something gloriously called a Young Leaders Academy in London. Lewis advises the parents of the boys attending his Academy that they should remove the TV from their bedroom and stop any listening to “dirty music”. His boys are taught to march and to salute: “When we go out, they walk in line, they walk in time, they catch the eye”.

Johnson’s approval of the “boot camp” style of dealing with young delinquents conveniently overlooks his history of (suspiciously unrecorded) offences. He did not report to the police an approach from his Old Etonian friend Darius Guppy, asking him to arrange to have a journalist beaten up who was investigating Guppy’s record as a fraudster too closely. During his time at Oxford Johnson (with Cameron and Shadow Chancellor George Osborne) was a member of the Bullingdon Club which, although it claimed to be a sporting and dining club, devoted itself to serious vandalism. One of their achievements was to hire a string band to play at a garden party and then to destroy all the instruments, including a Stradivarius. In a recent outing involving Johnson they wasted a beautiful cellar in a 15<sup>th</sup> Century Oxfordshire pub. The pub owner called the police – which the club members dismissed as due to his lacking “a sense of humour” – and Johnson remembered their arrest:

“The party ended with a number of us crawling on all fours through the hedges of the botanical gardens and trying to escape police dogs. And once we were in the police cells we became pathetic namby-pambies.”

To the fury of the pub owner, the police did nothing more than impose a few on the spot penalties – rather different to how they would have reacted if the damage had been caused by youngsters from Oxford’s Blackbird Leys estate. But the Bullingdon is rather more exclusive – to begin with the traditional dining suit costs three thousand pounds and there is a need for a rich relative to smooth things over and avoid calling the police by paying generously for the damage. This is the background of the man elected by the people to rule the heaving, tempestuous city of London.

So is it time for a change? Ten years of Labour rule have shown that party quite unable to prevent, or even interfere with, the crises and malfunctions of capitalism. There is nothing more to hope for from a clutch of privileged Tories. But rather than dither in a futile panic between one bunch of hopeless careerists and another, why not use the vote properly and effectively and opt for a real alternative?

**IVAN**



# Voice from the Back

## MORE PROFIT MEANS MORE HUNGER

"This year global production of biofuels will consume almost 100 million tons of grain – grain that could have been used to feed the starving. According to the UN, it takes 232kg of corn to fill a 50-litre car tank with ethanol – enough to feed a child for a year. The UN last week predicted 'massacres' unless the biofuel policy is halted. Jean Ziegler, the UN's special rapporteur on the right to food, said biofuels were 'a crime against humanity', and called for a five-year moratorium." (*Independent*, 16 April) The UN can issue all sorts of pious resolutions, but if it is more profitable to produce bio-fuels than food, then that is what capitalism will do.

## THE NAME IS BOND - CAPITALIST BOND

Capitalism pervades everything in modern society. If you buy a football shirt it will advertise a beer or a soft drink. Formula 1 car racing would be impossible if advertising logos didn't cover every space on the cars and the drivers. It is in the entertainment business though that this pervasive influence is growing at an astonishing speed. "The name is Bond, James Bond. And he likes his Martinis shaken, not stirred. That is, as long as they are Smirnoff. Product placement is playing an increasingly important role in Hollywood blockbusters. The last Bond film bore a string of high-end sponsors, such as Omega, Sony, Ford and Sony Ericsson. Television shows have also lured advertisers, often preferring product placement or sponsorship over traditional advertising. ... The expectation is that television



Daniel Craig enjoying a quantity of solitude

advertising will become more about the 30-minute sponsored advertisement than the 30-second shot." (*Times*, 21 April)

## DIGNITY? NO WAY

"Eight out of 10 nurses say they have left work distressed because they have been unable to treat patients with the dignity they deserve, a poll suggests. The Royal College of Nursing (RCN) poll of more than 2,000 UK nurses cited washing and privacy as key issues." (*BBC News*, 27 April) The NHS is provided for members of the working class. They are the class that produce all the wealth of the world but being poor can ill afford the best of housing, food or even medical care. Dignity for the only worthwhile class in capitalist society is an impossibility.

## THE KILLER SYSTEM

Supporters of capitalism claim that it is the most efficient way to run society, but that is a claim that rings hollow to millions of hungry people today, as even one of capitalism's stoutest supporters is forced to admit. "Giant agribusinesses are enjoying soaring earnings and profits out of the world food crisis which is driving millions of people towards starvation, *The Independent on Sunday* can reveal. And speculation is helping to drive the prices of basic foodstuffs out of the reach of the hungry." (4 May)

## PRIMITIVE ACCUMULATION

"In the semi-arid forests of the Chaco region of Paraguay, where summer temperatures top 40C (104F), the continent's last uncontacted Indians outside of the Amazon basin are on the run, their traditional forest home increasingly encroached upon by ranchers. ... These formerly nomadic tribes people struggle to maintain a

semblance of their traditional way of life in camps on the edge of the agricultural colonies that invaded their territory." (*Times*, 6 May) This process called by Karl Marx the so-called primitive accumulation of capital was dealt with him in his *Das Kapital* (1867) mirrors what had



The Amazonian rainforest, or what's left of it

happened in Europe at the beginning of capitalism. "In actual history it is notorious that conquest, murder, briefly force, play the great part ... As a matter of fact, the methods of primitive accumulation are anything but idyllic." A view echoed by one of the Indians in the *Times*: - "The whites are violent. They just want land. We are afraid of them, they are very aggressive."

## BUSINESS AS USUAL

"Burma is still exporting rice even as it tries to curb the influx of international donations of food bound for the starving survivors of the cyclone that killed up to 116,000 people. Sacks of rice destined for Bangladesh were being loaded on to a ship at the Thilawa container port at the mouth of the Yangon River at the end of last week, even though Burma's 'rice bowl' region was devastated by the deadly storm a week ago. The Burmese regime, which has a monopoly on the country's rice exports, said it planned to meet all its contractual commitments" (*Observer*, 11 May). Inside capitalism business is business, and the fact that millions of Burmese risk death by starvation is of no concern. That is how capitalism operates. During the Irish potato famines foodstuffs were still being exported from Ireland.

## Free Lunch

by Rigg



# socialist standard



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## Where dreams go to die



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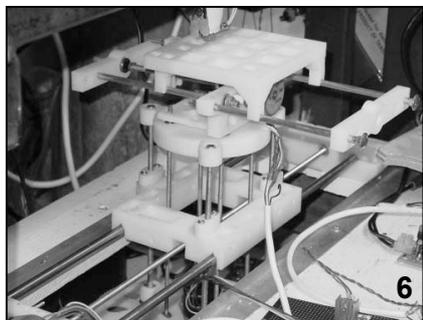
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# SOCIALISM OR YOUR MONEY BACK

JULY 2008

## The capitalist century,

website: [www.worldsocialism.org](http://www.worldsocialism.org)



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#### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 5 July** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.

tel: 020 7622 3811  
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## Introducing The Socialist Party

The Socialist Party is like no other political party in Britain. It is made up of people who have joined together because we want to get rid of the profit system and establish real socialism. Our aim is to persuade others to become socialist and act for themselves, organising democratically and without leaders, to bring about the kind of society that we are advocating in this journal. We are solely concerned with building a movement of socialists for socialism. We are not a reformist party with a programme of policies to patch up capitalism.

We use every possible opportunity to make new socialists. We publish pamphlets and books, as well as CDs, DVDs and various other informative material. We also give talks and take part in debates; attend rallies, meetings and demos; run educational conferences; host internet discussion forums, make films presenting our ideas, and contest elections when practical. Socialist literature is available in Arabic, Bengali, Dutch, Esperanto, French, German, Italian, Polish, Spanish, Swedish and Turkish as well as English.

The more of you who join the Socialist Party the more we will be able to get our ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

The Socialist Party is an organisation of equals. There is no leader and there are no followers. So, if you are going to join we want you to be sure that you agree fully with what we stand for and that we are satisfied that you understand the case for socialism.

## Editorial

### The return of bleak times

LAST MONTH both the Chancellor of the Exchequer and the Governor of the Bank of England announced, as they tucked into a slap-up meal at the Mansion House in the City of London, that austerity was returning.

First off was Mervyn King. He warned that real take-home pay would not keep up with rising prices. "It will not be an easy time," he said, "and I know that some families will find it particularly difficult." Alistair Darling made it quite clear that the government was going to help ensure this, declaring that "continued restraint on pay is required from both the public and private sector".

It's the same old story. Profits are being squeezed by rises in the price of oil and raw materials and the government is trying to protect them by squeezing wages. This, at a time when wages are themselves being squeezed by rising food prices and gas and electricity bills.

This was not what Gordon Brown promised when he was Chancellor. "My Budget choice is to lock in stability and never put it at risk", he said when introducing the 2005 budget, "at all times putting Britain's hard working families first."

In that same speech he proudly proclaimed that his policies had conquered the stop-go, boom-slump cycle. "Britain", he said, "is today experiencing the longest period of sustained economic growth since records began in the year seventeen hundred and one." He wasn't worried

then about rising oil prices. The British economy could take it:

"In any other period an oil price rise of over 100 per cent and rises in industrial materials and metals of around 50 per cent would have led to a surge of British inflation. But inflation - which went as high as 20 per cent in the 1980s and 10 per cent in the early 90s - has, every year in the last eight years, been 3 per cent or less - the least volatile and most stable of all the major industrialised economies."

Even in his last budget speech as Chancellor in 2007 he was still under the illusion that he had banished the business cycle, proclaiming "that after 10 years of sustained growth, Britain's growth will continue into its 59th quarter - the forecast end of the cycle - and then into its 60th and 61st quarter and beyond".

He got out just in time. He had been lucky: the up phase of the business cycle in the British economy had happened to coincide with his period as Chancellor.

As socialists who know how capitalism works - how it can't be controlled by governments and how it can never be made to work in the interest of wage and salary workers - we knew that sooner or later Gordon Brown would have to eat his words. And now he has to.

Now the crunch has come it is not "Britain's hard working families" that are being put first, but profits. As it has to be, and always will be, under capitalism.

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# Reprap Artists are Fab

You know what it's like when you need to buy a tap washer, or a small plastic bracket, and you go to some big hardware chain to find that they will only sell you the product in packs of ten? You know why they're doing it of course, because it's not worth their while to sell them individually. You also know that the other nine you've had to buy are going to end up, either lost in the back of the shed, or lying fresh and un-degraded in landfill for many times the lifetime of the appliance, or even of yourself, your house, your city or your economic system. While you're ruminating on this absurdity, your expensive digital camera fails because of a tiny piece of plastic which must have been deliberately designed to break, something that ought to be replaceable but isn't, except by buying a whole new camera and scrapping the old. Such, you conclude in disgust, are the peculiar and pointless ways of capitalist production and economics. So much energy, so much waste, so little useful result.

Those with overachieving memories may recall Pathfinders, back in August 2005, excitedly discussing the advent of 3D printers, which heralded the possibility of downloading and printing your very own tap washer, bracket or camera casing. The state of the art back then was less-than-durable wax and plaster, and the cost exorbitant. Well, things have moved on. Now they are working in durable plastic, and last month the Cheltenham Science Festival saw the first 3D printer capable of printing most of the parts necessary to make itself, in other words, a self-replicating machine (*New Scientist*, June 7). The replicating rapid-prototyper or Reprap, version 1, the 'Darwin', can only do plastic, and the metal struts and electronics still have to be bought off the shelf. It is a far-cry yet from the developers' own dream of creating the first Universal Constructor, an all-singing, all-dancing, cellular-based creation device first proposed by John von Neumann back in the 1940's. The range of things Reprap can make is hardly enough to inspire enthusiasm in anyone but technogeeks and ironmongers, but the next model being planned, the Version 2 *Mendel*, is expected to be able to print metal parts and electrical circuits too.



So why all the excitement, over a gizmo that can knock out the odd plastic sprocket or the various parts of another sprocket-making gizmo? There are several reasons. Innovation and design in an industrial manufacturing environment typically requires a retooling for each new model, and expensive one-time only prototype production costs, thus acting as a huge financial drag on the pace of development. The technology of micro-production in so-called fab labs in the last ten years has changed this, yet the cost of the fabrication machines, in tens or hundreds of thousands of pounds, has still been beyond the reach of most designers. Now that 'fabbers' are becoming cheap enough for even home amateurs, the pace of technological design may well accelerate geometrically. And not only that, the design process itself will benefit from Darwinian-type evolution as the ease of try-it-and-see approaches potentially leads to unplanned and unforeseen breakthroughs.

Another reason why we should be excited is that the designs and specifications for these cheap fabbers are not proprietary but are offered free to anybody under the terms of the GNU General Public Licence, with a view to 'democratising' design and construction. If you want one, you can have one yourself, for just the cost of the materials. This is the first time that the Open Source movement has broken out of the digital world into the concrete world of things, and although 'open source' isn't always the same as 'free gift', the two traditions of cooperative endeavour and free access are so welded together that this development inevitably raises a new and very interesting possibility, a new spectre perhaps to haunt not just Europe but the whole of advanced capitalism.

The spectre in question is the potential of free or near zero-cost production, the antithesis of the closed market, slayer of scarcity, enemy of poverty, destroyer of profit. And in case anyone thinks that is just fanciful talk, a quick glance at the Reprap homepage at [www.reprap.org](http://www.reprap.org) shows that the developers of these machines have not failed to foresee the possible long-term radical implications. Describing Reprap, somewhat immodestly, as a 'project to save the world', the developers claim as their ringing slogan the words 'Wealth without money'. Now there's a socialist idea if ever there was one.

Even so, the range of likely products issuing forth from this technology is not startling, and socialism will not come about simply because the bottom has suddenly dropped out of the plastic coat hook market. What really needs to happen for capitalism to be under threat is for the machinery to go super-small. An open-source revolution in nanotechnology could quite likely wreck the market system altogether, as it would make possible the production of almost any conceivable item in chemical vats at almost zero-cost, plus the replicators to create them, and most significantly, stupendous amounts of food reprocessed from junk biomass. The difference is that nanotechnology is still hugely expensive, probably decades away from self-replicating machines, and entirely proprietary.

It shouldn't really need saying, but technology won't save the world by itself, and not even a revolution in production will necessarily change anything unless social attitudes change too. Still, the idea of giving not selling is catching on fast, and it's now spreading beyond the domain of software into the material world. Socialists have long said that there is no need for global scarcity, even with today's technology. But if tomorrow's technology further reinforces the potential of global abundance, perhaps we might finally see the world usher its steam-age economic system into well-deserved retirement.

**So that's why . . .**

Dear Editors,  
Under the heading "Working classes 'have lower IQs'" the BBC reported on 22 May:

"Working class people have lower IQs than those from wealthy backgrounds and should not expect to win places at top universities, an academic has claimed. Newcastle University's Bruce Charlton said fewer working class students at elite universities was the "natural outcome" of class IQ differences. The reader in evolutionary psychiatry questioned drives to get more poorer students into top universities". (<http://news.bbc.co.uk/1/low/england/tyne/7414311.stm>)

So that's why I'm a bit thick and should know my place. Or does it say something about the validity of IQ testing or the disadvantage of just being poor and the limitations to knowledge opportunity? Or does it say something about a "science" that justifies the status quo or about what is "science" in this field of biological determinism which justifies the fundamental "rightness" of our social organisation based on a hierarchy where those with the highest IQs take their natural place?

Obviously university is not the place for me if this is the type of thinking that goes on there. I'm the better for it. I wish I hadn't been born stupid but apparently it's quite natural. I should respect my betters with their superior intellect. I'm not a prisoner of my genes but of my limited intelligence. I know my place!  
STUART GIBSON, Bournemouth

**MP's pay**

Dear Editors  
The ongoing row over MP's pay and allowances obscures that those elected to Parliament will always receive a remuneration far superior to the average income of their constituents regardless of what punitive measures are taken to masquerade it has greater equability.

Contrary to the conventional wisdom, MP's aren't elected to the House of Commons to represent their constituents in the running of the country's best economic and social interests. They are elected to assist in the running of capitalism's best interests and whatever personal style they choose to deal with the problems they encounter at their surgeries (all of which inevitably have their genesis in the traumas of the system), what they do and say will always be dictated by this factor.

Now that the underlying rottenness of the system is becoming more evident in the form of banks running dry, home repossessions, and global stagflation even the most opportunist of MP's particularly if they've used

New Labour as a political career platform are placed in a dilemma in how to explain the economic crisis to their anxious electors particularly if those electors actually voted for them personally.

Consequently the whole purpose of such excessive remuneration packages they receive is to act as an inducement to ensure that all of them, particularly if associated with the left, act in the highest traditions of parliamentary etiquette and bipartisan propriety so that none, apart from the odd maverick who can easily be marginalised, dares to challenge the wisdom in Parliament that there isn't an alternative to capitalism and the global chaos it causes when there quite clearly is!

This issue has all been comprehensively laid bare by New Labour's electoral drubbings in recent local elections and the Crewe and Nantwich by-election. Tory leader David Cameron was ironically 'right' when he said afterwards the results heralded the end of New Labour but not for the reason he infers. After ten years of an economy tied to the US dollar and credit, voters actually rejected the neoliberal economic policies New Labour had stolen from the Tories so that in effect politics, like the housing market has plummeted into a type of 'negative equity' where voters reject Tory policies by New Labour yet vote in official Tory candidates on the other.

Such apathy will persist as long as MP's are paid in a way that buys them off to defend or play down the woes of the system, regardless of what their previous political leanings were.

NICK VINEHILL, Snettisham, Norfolk

**Would you credit it?**

Dear Editors,  
In your reply to my last letter (*Socialist Standard*, May 2008), you deny that banks create money by lending. This flies in the face of the facts – see any book on economics! How else do you explain the huge increase in the money supply over recent decades?

Yes, they do have to balance their books - so when they make a loan they account the money put into the borrower's account as a liability, and balance their books by entering the debt taken on as an asset. If the loan is not repaid, and has to be 'written off', then their books do not balance - hence their present woes.

You really ought to study the system. The fiction that they only lend money deposited with them is promoted to confuse the general public about this matter.

(At the end of the last World War, the government still did create almost half of our money – the notes and coins – and spent it into circulation; but with the decline in use of these,

it now only provides about 3%, the rest being created by banks and other 'financial institutions'.)

BRIAN LESLIE (by email)

Reply:

We have been studying the system for over 100 years and it is because of this that we know that banks are financial intermediaries who channel and distribute purchasing power rather than 'create' it. The idea that they can create vast multiples of credit from a given deposit base is a total fiction – it is theoretically incorrect and empirically unsupportable.

It was a view that gained credence because of the 1931 MacMillan Committee Report into Finance and Industry that was written in large part by John Maynard Keynes. You may be interested to know that a significant minority of the Committee at the time opposed the view promoted by Keynes and several of those who went along with it did not understand or realise the implications of what they had signed up to – and we know this because some of our members at the time (including a member of the Editorial Committee of this magazine) were in correspondence with them about it.

Interestingly, in his most renowned work, *The General Theory of Employment, Interest and Money* (1936) Keynes effectively abandoned the view he had promoted on the MacMillan Committee just a few years previously, stating that "the notion that the creation of credit by the banking system allows investment to take place to which 'no genuine saving' corresponds can only be the result of isolating one of the consequences of the increased bank-credit to the exclusion of others".

Indeed, what the simplistic model used in the Report had assumed was that banks kept a certain 'cash ratio' back for customers to access as a proportion of whatever is deposited with the bank (10 percent was assumed at the time though these days this would be far less). They then assumed that the whole of a new deposit by a customer could be held in cash to underpin the creation of credit nine times its value (i.e. operating with a 10 percent cash reserve an initial £1,000 deposit would enable the creation of £9,000 worth of credit). Bizarrely, it also then assumed that this cash was never called upon in practice. In other words, for the model to hold, they correctly assumed that banks kept cash in reserve for customer use, but then assumed that nobody ever withdrew any of it!

Very few economics textbooks today repeat this nonsense. Instead, they typically promote the version put forward by Paul Samuelson among others which explicitly rejects the approach used by the MacMillan

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# Sliding Into The Abyss: The Gaza Ghetto

*"In my childhood I suffered fear, hunger and humiliation when I passed from the Warsaw Ghetto through labour camps to Buchenwald. I hear too many familiar sounds today... I hear about "closed areas" and I remember ghettos and camps. I hear "two-legged beasts" and I remember Untermenschen. I hear about tightening the siege, clearing the area, pounding the city into submission, and I remember suffering, destruction, death, blood and murder... Too many things in Israel remind me of too many things from my childhood." Shlomo Shmelzman (Ha'aretz, 11 August 1982)*

In March a coalition of humanitarian and human rights organizations reported that the situation of Palestinians in the Gaza Strip was "worse now than it has ever been since the start of Israeli military occupation in 1967" ([www.oxfam.org.uk](http://www.oxfam.org.uk)).

## Under siege

Since June 2007 the strip has been under near-total siege – fenced and walled in on land, the five border crossings mostly closed, the shoreline patrolled by the Israeli navy. Together with the sanctions imposed by the United States and the European Union, the siege has progressively paralyzed public utilities and economic activity.

Without fuel to generate electricity, wells no longer pump water for drinking or irrigation and sewage is no longer treated. Bakeries have run out of flour. Gunboats sink any fishing boats that are still able to put to sea. The Israeli army conducts repeated cross-border raids with tanks, bulldozers and helicopters, demolishing houses, razing crops, shooting and abducting civilians (Dr. Elias Akleh, "Gaza's Imminent Explosion" at [mwcnews.net/content/view/23006/26](http://mwcnews.net/content/view/23006/26)).

The untreated sewage is dumped into the sea. The smell and the mosquitoes and other insects it attracts make life very unpleasant for people living near the shore. Another threat to health arises from the use of cooking oil as a substitute fuel in vehicles: its combustion releases carcinogenic hydrocarbons into the air.

## Lack of food or lack of money?

As unemployment approaches 50 percent and food prices rise rapidly, the proportion of families dependent

on food aid has reached 80 percent. On April 24, UNRWA (the UN Relief and Works Agency for Palestine Refugees in the Near East) announced that due to lack of fuel food aid is no longer being distributed.

The problem, as Erik Johnson explains, "is not yet a lack of food, but of money to buy it" ("A Visit to Gaza" at [www.roadjunky.com/article/1612](http://www.roadjunky.com/article/1612)). True, with no fertilizer or seeds being imported, there is no *new* planting, so the outlook for the future is grim. But there is fresh



Gaza airport

produce of the kind that is usually exported but cannot be exported now because of the siege. The trouble is that local residents do not have enough money to buy it all. So much of it – if the money system is allowed to function in its normally perverse manner – will go to waste in the midst of growing starvation.

## Ghettos: Europe, South Africa, Palestine

Observers have called the Gaza Strip "the world's largest open-air prison" (360 square kilometres), a cage, a concentration camp, now even a death camp. But a more accurate term for it, as well as for certain areas administered by the Palestinian Authority on the West Bank, is a *ghetto*. As in the Jewish ghettos of Nazi-occupied or late medieval Europe (the first was established in Venice in 1516), the inhabitants of the Palestinian ghettos are confined to closed areas but not directly governed by the dominant power. They have their own semi-autonomous though dependent institutions. This usage requires only expanding the concept to cover rural and mixed rural-urban as well as urban ghettos.

Another parallel that many draw is with the Bantustans of apartheid

South Africa. While officially Israel indignantly rejects the comparison with apartheid, former Italian premier Massimo D'Alema revealed that Israeli PM Sharon had stated at a private meeting that he took the Bantustans as his model ([www.informationclearinghouse.info/article19256.htm](http://www.informationclearinghouse.info/article19256.htm)). There is no conflict between the two parallels, as the Bantustan too may be regarded as a form of ghetto.

Besides its basic political function of confining and controlling a stigmatized group, a ghetto may perform economic functions. It may provide capitalists with a captive and therefore cheap labour force. This used to be an important function of the Palestinian ghettos. But as "closure" has tightened they have lost this function. Palestinians have been replaced in menial jobs by workers from Romania, Thailand, the Philippines, and West Africa. The number of unemployed among Israelis has also increased (to about 200,000). So Palestinian ghetto workers are increasingly superfluous to the labour needs of Israel's capitalist economy. This gives even more cause for concern about their fate.

## Torment by sonic boom

One of the worst miseries inflicted on the hapless residents of the Gaza Ghetto is sonic booming. The Israeli Air Force flies U.S. F-16 fighter planes low and fast over the ghetto, generally every hour or two from midnight to dawn, deliberately creating sonic booms. The noise and the shockwaves prevent people sleeping, shake them up inside, make their pulses race, ears ring and noses bleed, cause miscarriages, crack walls, and smash windows. Children, especially, are terrified and traumatized: they suffer panic and anxiety attacks, have trouble breathing, wet their beds, lose appetite and concentration. Many are thrown off their beds, sometimes resulting in broken limbs.

The sonic booming began in October 2005, after the Jewish settlements were evacuated from Gaza. Since then it has been periodically suspended but always renewed. An anonymous IDF source described its purpose as "trying to send a message, to break civilian support for armed groups." And yet the first wave of booming was followed by



the victory of Hamas in the Palestine Legislative Council elections of January 2006. (The US had ordered free elections, but neglected to give clear instructions on who to vote for. In view of the harsh punishment for voting incorrectly, that was most unfair.)

### Stupid monkeys or malevolent humans?

A key test of intelligence in monkeys is whether the monkey goes on using a means that has repeatedly failed to achieve its purpose. By this criterion, Israeli generals and politicians appear to be very stupid, even for monkeys. But perhaps they are not so stupid. Perhaps their true purpose is something else.

In the opinion of Professor Ur Shlonsky, that purpose is to "terrorise" the Palestinians and make

"daily life ... unbearable" for them in order to "encourage emigration and weaken resistance to future expulsions" ("Zionist Ideology, the Non-Jews and the State of Israel," University of Geneva, 10 February 2002).

Some do emigrate, but for the great majority that is not a viable option. As for expulsion, how will the Palestinians of Gaza be expelled? Will they be pushed into the Sinai desert? Will Egypt be compelled to accept them? It seems more likely that in the absence of strong countervailing pressure they will simply be abandoned to perish where they are, of disease, starvation and thirst – a direct consequence of Israeli, American and European policy.

**STEFAN**

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### THE WASTEFUL SOCIETY

“World military spending grew 45 percent in the past decade, with the United States accounting for nearly half of all expenditure, the Stockholm International Peace Research Institute (SIPRI) said Monday. Military spending grew six percent last year alone, according to SIPRI’s annual report. In 2007, 1,339 billion dollars (851 billion euros) was spent on arms and other military expenditure, corresponding to 2.5 percent of global gross domestic product, or GDP – or 202 dollars for each of the world’s 6.6 billion people. The United States spends by far the most towards military aims, dishing out 547 billion dollars last year, or 45 percent of global expenditure. (*Yahoo News*, 9 June)

### THE SCIENCE OF DENIAL

“The Bush administration has worked overtime to manipulate or conceal scientific evidence — and muzzled at least one prominent scientist — to justify its failure to address climate change. Its motives were transparent: the less people understood about the causes and consequences of global warming, the less they were likely to demand action from their leaders. And its strategy has been far too successful. Seven years later, Congress is only beginning to confront the challenge of global warming. The last week has brought further confirmation of the administration’s cynicism. An internal investigation by NASA’s inspector general concluded that political appointees in the agency’s public affairs office had tried to restrict reporters’ access to its leading climate scientist, Dr. James Hansen. He has warned about climate change for 20 years and has openly criticized the administration’s refusal to tackle the issue head-on.” (*New York Times*, 4 June)

### JAILHOUSE BLUES

“The United States has 2.3 million people behind bars, more than any other country in the world and more than ever before in its history, Human Rights Watch said Friday.” The number represents an incarceration rate of 762 per 100,000 residents, compared to 152 per 100,000 in Britain, 108 in Canada, and 91 in France, HRW said in a statement commenting on Justice Department figures also released Friday. (*Yahoo News*, 6 June)

### PAY KILLERS MORE SAY THE CITY

“Now working in the City, Mr Galloway is also involved in campaigning against the limitations of Armed Forces Compensation Scheme. He hopes that by speaking out he can highlight the plight of men and women accustomed to risking their lives. “Everyone always wants a pay rise. But soldiers really do need to feel appreciated,” he said.” (*BBC News*, 5 June)



## Contact Details

### UK BRANCHES & CONTACTS

#### LONDON

**Central London branch.** 2nd Weds. 6.30pm. The Shakespeare’s Head, 64-68 Kingsway, Holborn. (Nearest tube: Holborn.) Tel: Tristan 0207 6223811  
**Enfield and Haringey branch.** 2nd & 4th Monday. 8pm. Angel Community Centre, Raynham Rd, N18. Corres: 17 Dorset Road, N22 7SL. email: julianvein@blueyonder.co.uk

**South London branch.** 1st Tues. 7.00pm. Head Office. 52 Clapham High St, SW4 7UN. Tel: 020 7622 3811  
**West London branch.** 1st & 3rd Tues. 8pm. Chiswick Town Hall, Heathfield Terrace (Corner Sutton Court Rd), W4. Corres: 51 Gayford Road, London W12 9BY

**Pimlico.** C. Trinder, 24 Greenwood Ct, 155 Cambridge Street, SW1 4VQ. Tel: 020 7834 8186

#### MIDLANDS

**West Midlands branch.** Meets every two months on a Sunday afternoon (see meetings page for details). Tel: Tony Gluck 01242 235615

#### NORTHEAST

**Northeast branch.** Contact: Brian Barry, 86 Edgmond Ct, Ryhope, Sunderland SR2 0DY. Tel: 0191 521 0690. E-mail 3491@bbarry.f2s.com

#### NORTHWEST

**Lancaster branch.** P. Shannon, 10 Green Street, Lancaster LA1 1DZ. Tel: 01524 382380  
**Manchester branch.** Paul Bennett, 6 Burleigh Mews, Hardy Lane, M21 7LB. Tel: 0161 860 7189  
**Bolton.** Tel: H. McLaughlin.01204 844589

**Cumbria.** Brendan Cummings, 19 Queen St, Millom, Cumbria LA18 4BG  
**Carlisle:** Robert Whitfield. E-mail: rewcb13@yahoo.co.uk tel: 07906 373975

**Rochdale.** Tel: R. Chadwick. 01706 522365

**Southeast Manchester.** Enquiries: Blanche Preston, 68 Fountains Road, M32 9PH

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**Skipton.** R Cooper, 1 Caxton Garth, Threshfield, Skipton BD23 5EZ. Tel: 01756 752621

#### SOUTH/SOUTHEAST/SOUTHWEST

**South West branch.** Meets every two months on a Saturday afternoon (see meetings page for details). Ray Carr, Flat 1, 99 Princess Road, Branksome, Poole BH12 1BQ. Tel: 01202 257556.

**Bristol.** Shane Roberts, 86 High Street, Bristol BS5 6DN. Tel: 0117 9511199

**Canterbury.** Rob Cox, 4 Stanhope Road, Deal, Kent, CT14 6AB

**Luton.** Nick White, 59 Heywood Drive, LU2 7LP

**Redruth.** Harry Sowden, 5 Clarence Villas, Redruth, Cornwall, TR15 1PB. Tel: 01209 219293

#### EAST ANGLIA

**East Anglia branch** meets every two months on a Saturday afternoon (see meetings page for details). David Porter, Eastholme, Bush Drive, Eccles-on-Sea, NR12 0SF. Tel: 01692 582533. Richard Headicar, 42 Woodcote, Firs Rd, Hethersett, NR9 3JD. Tel: 01603 814343.

Richard Layton, 23 Nottingham Rd, Clacton, CO15 5PG. Tel: 01255 814047.

**Cambridge.** Andrew Westley, 10 Marksby Close, Duxford, Cambridge CB2 4RS. Tel: 07890343044

#### NORTHERN IRELAND

**Newtownabbey:** Nigel McCullough. Tel: 028 90852062

#### SCOTLAND

**Edinburgh branch.** 1st Thur. 8-9pm. The Quaker Hall, Victoria Terrace (above Victoria Street), Edinburgh.

J. Moir. Tel: 0131 440 0995 JIMMY@jmoir29.freereserve.co.uk Branch website: http://geocities.com/edinburghbranch/

**Glasgow branch.** 3rd Wednesday of each month at 8pm in Community Central Halls, 304 Maryhill Road, Glasgow. Richard Donnelly, 112 Napierhall Street, Glasgow G20 6HT. Tel: 0141 5794109. E-mail: richard.donnelly1@ntlworld.com

**Ayrshire:** D. Trainer, 21 Manse Street, Salcoats, KA21 5AA. Tel: 01294 469994. E-mail: derricktrainer@freeuk.com

**Dundee.** Ian Ratcliffe, 16 Birkhall Ave, Wormit, Newport-on-Tay, DD6 8PX. Tel: 01328 541643

**West Lothian.** 2nd and 4th Weds in month, 7.30-9.30. Lanthorn Community Centre, Kennilworth Rise, Dedridge, Livingston. Corres: Matt Culbert, 53 Falcon Brae, Ladywell, Livingston, West Lothian, EH5 6UW. Tel: 01506 462359 E-mail: matt@wsmweb.fsnet.co.uk

#### WALES

**Swansea branch.** 2nd Mon, 7.30pm, Unitarian Church, High Street. Corres: Geoffrey Williams, 19 Baptist Well Street, Waun Wen, Swansea SA1 6FB.

Tel: 01792 643624

**Cardiff and District.** John James, 67 Romilly Park Road, Barry CF62 6RR. Tel: 01446 405636

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**Swaziland.** Mandla Ntshakala, PO Box 981, Manzini.

**Zambia.** Marxian Education Group, PO Box 22265, Kitwe.

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### COMPANION PARTIES

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##### World Socialist Party of Australia.

P. O. Box 1266 North Richmond 3121, Victoria, Australia.. Email: commonownership@yahoo.com.au  
**Socialist Party of Canada/Parti Socialiste du Canada.** Box 4280, Victoria B.C. V8X 3X8 Canada. E-mail: SPC@iname.com

##### World Socialist Party (New Zealand)

P.O. Box 1929, Auckland, NI, New Zealand.

##### World Socialist Party of the United States

P.O. Box 440247, Boston, MA 02144 USA. E-mail: wspboston@covad.net

# Suffer the little children – under New Labour

*Despite the promises child poverty is  
still widespread under Labour*



*More... children in poverty*

**B**eginning a letter to Labour Party Prime Minister Harold Wilson on 22 December 1965, AF Philip, Chairman of the newly-formed Child Poverty Action Group wrote: “There is evidence that at least half a million children in this country are in homes where there is hardship due to poverty.” He ended his plea on behalf of Britain’s deprived minors thus: “We earnestly beg you to see that steps are taken at the earliest possible moment to help these families.”

So confident that child poverty would be quickly eradicated by the amazing magical wand that Wilson often wielded, Labour suggested the CPAG would be obsolete within a year, the problem it was set up to help eradicate a thing of the past.

In 1997, when the Labour Party took political power from the Tories, Britain had the highest rate of

child poverty in the industrialised world – ostensibly the result of 18 years of Conservative attempts to make capitalism work in Britain, via Friedmanite policies. Prime Minister Tony Blair castigated the Tories for their past treatment of Britain’s poorest families and promised to make ending child poverty a ‘New Labour’ priority.

In March 1999, Blair famously remarked: “Our historic aim will be for ours to be the first generation to end child poverty forever, and it will take a generation. It is a twenty year mission, but I believe it can be done.” He went on to commit his government to a series of targets: New, caring Labour would reduce child poverty by a quarter by 2004–2005, halving it by 2010

Fast forward forty-plus years and the Child Poverty Action Group is amazingly still in existence,

despite Harold Wilson having optimistically predicted its death four decades earlier, and we find Blair, despite no dent at all having been made in child poverty figures since Labour had taken power, confidently replying to a letter from the CPAG on 20th January 2006:

“I can promise you that we share your ambition to make child poverty history in our country. It is why we have publicly said we want to halve child poverty by 2010 and eradicate it completely by 2020.”

What was nauseating about this is that here was Blair is telling the CPAG, who in 1965 complained that there were officially half-a-million children in poverty, that by 2010 he will halve child poverty – in other words, slash the number of impoverished children from 3.4 million– the figure for child poverty reported that year - to 1.7 million. So over 40 years after Labour said they would end child poverty, here is ‘New’ Labour setting a figure which was three times the actual 1965 child poverty figure as an achievable target!! Well, at least Blair was cautious in saying child poverty would be eradicated within 20 years – Wilson, after all, promised a year! Moreover, this was Blair writing a year after Labour had failed to keep their promise of reducing child poverty by a quarter by 2005.

That same week, in early 2006, the United Nations would report that children growing up in the United Kingdom suffer higher deprivation, poorer relationships with their parents and are exposed to more risks from alcohol, drugs and unsafe sex than those in any other wealthy country in the world. The report compiled by Unicef said that the UK was bottom of the league of 21 economically advanced countries, trailing the United States which came second to last.

Worse was to come on 10 June

“Children growing up in the United Kingdom suffer higher deprivation, poorer relationships with their parents and are exposed to more risks from alcohol, drugs and unsafe sex than those in any other wealthy country in the world.”

this year when the government reluctantly released a plethora of figures in a 200-page report known as the Households Below Average Income statistics – and that was before Scotland’s situation was documented. The Scottish figures aside, the report revealed that there are up to 6.4 million children and pensioners in Britain below the poverty line.

The statistics were originally scheduled for release around the time of the 10p tax debacle and before to the Crewe and Nantwich by-election, but it seemed there was only too much bad news the public could take and perhaps Labour now realised there will never be a good day in the foreseeable length left of this parliament on which to bury the proverbial bad news.

Commenting on the latest figures, the Institute for Fiscal Studies (IFS) noted that inequality in Britain was equal to its highest level since figures were available in 1961. They reveal that across the UK, the number of children in ‘relative’ poverty rose by an average 100,000 year on year to 2.9 million (or 3.9 million after their family housing costs are taken into account), 2006/7 was the second year in a row that child poverty had drastically shot upwards.

As in 2006, with the Unicef lambasting Britain’s record on the treatment of children, and at a time it was revealed there had been no impact on the reduction of child poverty in Britain, so too now do we find Britain’s treatment of its minors coming under scrutiny in the week that the new child poverty figures were released.

A report to the UN Committee on the Rights of the Child from the four UK children’s commissioners, on 9 June, painted a harrowing picture of life for Britain’s kids.

Sir Al Aynsley-Green, England’s children’s commissioner, said: “Poverty is, in our view, the single most pernicious influence that is blighting the lives and prospects of our young people. We are one

of the richest countries in the world. Yet Unicef has found that we have some of the highest levels of poverty. Poverty underpins most of the other social issues we are concerned with.”

The report demanded that the Convention on the Rights



*Wilson: Poverty would be eradicated in a year*

of the Child to be incorporated into UK law so that children’s rights are recognised and legally binding, observing how children’s rights have deteriorated in many regards since the last time the UN committee reported on the Government’s track record.

Kathleen Marshall, the commissioner for children in Scotland, demanded the UK fully implements the UNCRC, saying: “We have highlighted areas that remain a concern, including significant differences in juvenile justice in some parts of the UK and the public’s attitudes towards children and young people.”

The commissioners argued for “urgent reforms” noting that that the age of criminal responsibility is among the lowest in Europe: eight

in Scotland and ten in England, Wales and Northern Ireland. Neither, did they feel, was custody being used as the very last resort, predominantly in England and Wales, where there are presently 2,837 children in custody,

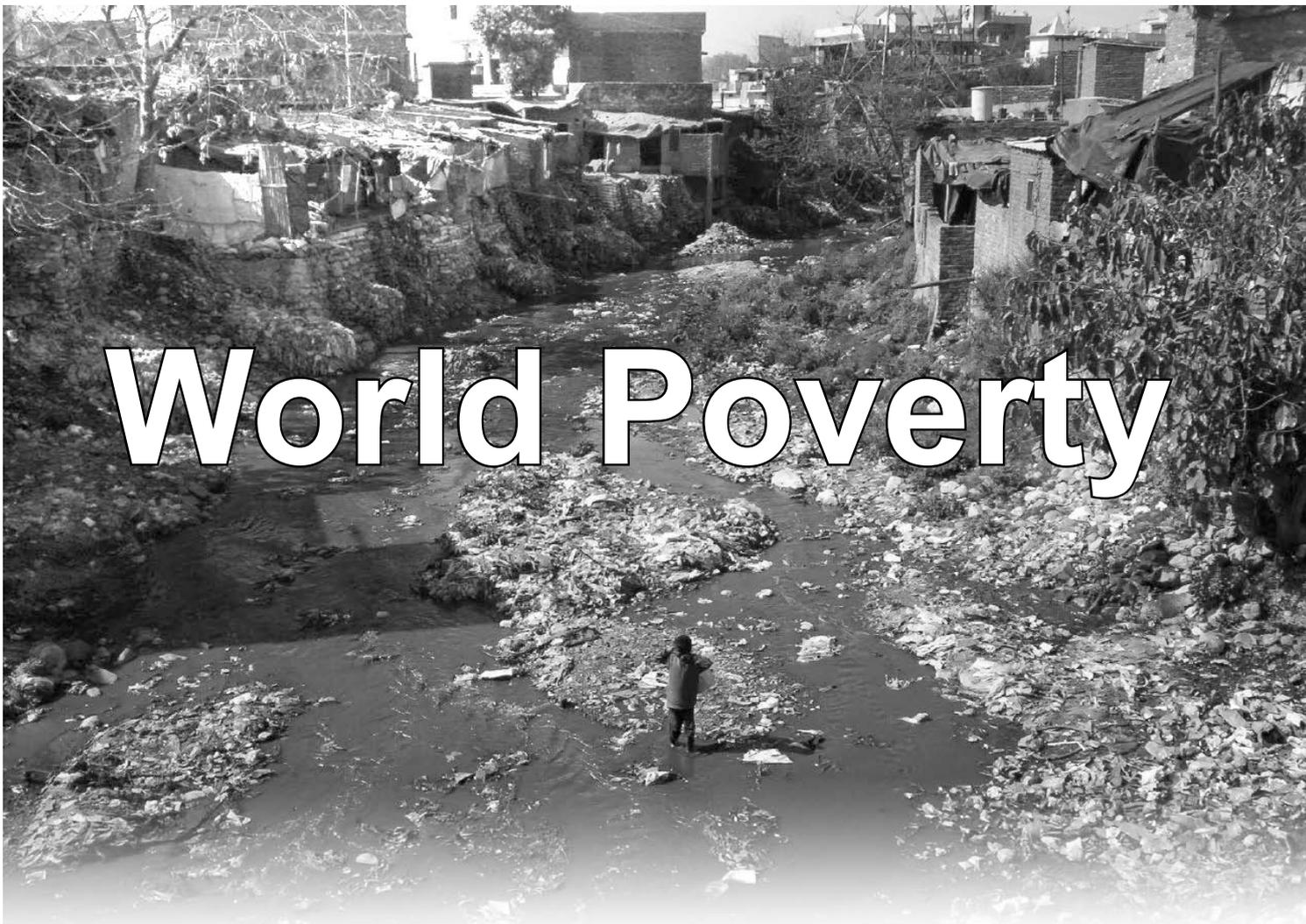
Frances Cook, director of the Howard League for Penal Reform, was one of many already aware that the governments hankering after more juvenile justice contradicted the reported drop in juvenile crime and urged that the use of physical restraint on children be banned.

With Labour keen to be seen “tough on crime and tough on the causes of crime”, though few in government will openly admit that poverty causes crime, ever ready to ride the waves of moral panic, it is no more likely that we’ll see cops giving ‘hoodies’ and infantile chavs a friendly pat on the head than we’ll see the total eradication of child poverty in Britain by 2020.

Rather than distributing wealth and claiming to have, as its priority, the eradication of child poverty, improving the education and prospects of our children, Labour in fact redistributes poverty like no other government in the industrialised world.

Of course, come election time, Brown and co will make the same staid old pronouncements on their commitment to eradicate child poverty, hoping working class historical amnesia will carry them through to a fourth victory, confident their lies and betrayals and rampant hypocrisy will be concealed by an excess of promises for the future and pathetic excuses for past failings. Meanwhile, their Tory and Lib-Dem detractors, ever critical of New Labour’s record on children will be presenting us with their own visions of smiley face capitalism in which the profit-driven market system will be magically made cognizant of the needs of children.

**JOHN BISSETT**



# World Poverty

## Why it will never be eliminated from the capitalist system

Everyone has a notion of what global poverty is. Many tut-tut and wish someone would do something about it. Some give funds, a little or a great deal, in the hope of relieving some of the worst effects here or there. Governments and global institutions spend vast sums of money on getting together regularly in luxury hotels to discuss, repeatedly, what could/should be done, where and how it should be done and how much in money terms each of them will *pledge* for the current initiative. The bottom line – how much of these pledges the donors actually divest themselves of compared with the self-seeking public pronouncements they make about their grand schemes – reveals huge discrepancies.

Apart from concerns of *absolute* poverty of billions living on less than one or two dollars a day there are also plenty living in relative poverty who know only too well the feeling of sinking deeper and deeper in the last two or three decades into unmanageable debt through falling incomes (in real terms), through job-loss and no hope of replacement, through long-term illness or injury, through losing their homes from natural disaster, conflict

or falling house prices and foreclosures, through unfavourable global tendencies, through simply always having more months than money. Awareness of global poverty, whether relative or absolute, has probably never had as high a profile as currently but much of the data compiled by such institutions as the World Bank and available in publications geared to promoting an unquestioning belief in the continuation of the economic norms of the capitalist system convey information slanted to support particular agenda. That schemes are afoot to tackle and abolish the worst ravages of poverty is an illusion manufactured to veil the truth.

In an article in *Dissent* winter 2008, "Growth and Inequality" Thomas Pogge (of the Centre for Applied Philosophy and Public Ethics at the Australian National University and soon to be in the Philosophy Department of Yale University) debunks the myth, promulgated by the *Economist*, the World Bank and others who subscribe to this unfounded belief, that "growth is good" for all across the spectrum. Statistics can be and are manipulated and displayed to back up a pre-chosen outcome. Pogge shows example after example of how this is done. The cherry-picking that follows is designed to present a part of what he reveals about growing inequality without misrepresenting his main thrust. An early example compares figures from the World Bank tabulating the Gross National Income of the high-income

countries alongside *the rest of the world*, with his own figures extrapolated from the World Bank's data placing the Gross National Income of the richest countries alongside the GNI only of *the poorest countries* (each group constituting 10 percent of the world's population). The difference between the two comparisons is striking. Over a 25 year period, 1980-2005, in the World Bank's table, the high income countries had between 15.8 and 23.2 (fluctuating up and down slightly in different years) times more than the rest of the world; however, in the same period in Pogge's figures derived from the World Bank's World Development Reports, he shows the difference between richest and poorest increasing from 60:1 to 122:1. In an example from the *Economist* whose author sets out to prove that faster growth is more beneficial for the more populous poor countries (e.g. China and India) than the less populous ones Pogge explains that the *Economist's* author is erroneously comparing Gross Domestic Product rather than Gross National Product/Gross National Income, thus inflating the figures and grossly misleading the readers about the true state of income of the world's poorest. (Gross Domestic Product includes the earnings made by foreigners which is leaving the country and also includes earnings that residents derive from abroad – hardly relevant in an assessment of the wealth of the poor).

*Within* countries the variations in



income inequality generally happen to be greater in developing countries rather than in wealthier countries. It is shown that "substantial improvements in the position of the poor are possible at tiny opportunity cost to the rich" e.g. Bolivia's richest 10 percent have almost \$13,000 per capita whilst the poorest 10 percent have \$77. Shifting \$200 from each of the rich to the poor would make an enormous difference to the poor raising their average income from 2.8 percent to 10 percent of average income whilst the rich would hardly notice the difference. A study by the Asian Development Bank in 2007 concluded that China's economy is actually 40 percent smaller than previously thought. Purchasing power had been grossly overestimated and therefore the number of Chinese living on less than a dollar a day is three times more than previously thought, at 300 million. The same study also shows that the numbers in India on less than a dollar a day are double those thought – 800 million. Similar discrepancies occurred for those living on \$2 a day. These are huge errors in the World Bank's figures and this shows only two countries. As for the true worldwide figure we are left to make our own conclusions. One conclusion Pogge comes to is that growth conceived from the standpoint of the poorer population segments would achieve far better results in avoiding poverty on the one hand and would reduce environmental degradation on the other.

Global, i.e.

international, inequalities prove to be even wider than intra-national ones. Figures for 2000 show the personal wealth of the bottom 20 percent to be 0.12 percent, and that of the bottom 40 percent to be 0.62 percent in contrast to 39.9 percent being held by the top 1 percent of world population and 70.6 percent by the top 5 percent. Fascinating as the figures are, the reality is that to *double* the wealth of the bottom 40 percent of world population only 1.55 percent of the top 1 percent would need to be transferred. And to double the wealth of the *bottom 80 percent* would still only take 15.3 percent of the top 1 percent or 8.7 percent of the top 5 percent. This is not to suggest that such a redistribution of wealth should take place or even that it would much improve the standing of the impoverished in the short or long term but it is another simple demonstration of the sheer scale of the gulf between rich and poor and a reminder of the huge numbers of populations on the 'wrong' side of the equation because the current

system requires the imbalance in order to function.

With regard to attempts at eliminating poverty; first, at the 1996 World Food Summit in Rome, 186 governments pledged to achieve food security for all and to halve the present level of hunger no later than 2015; second, at the U.N. in 2000, 192 governments came together to "proclaim the Millennium Development Goals" – the *commitment* to halve world poverty by 2015 referred to by Pogge as "the grandest global initiative." The sleight of hand from 1996 to 2000 is one example Pogge reveals as to how these governments (Britain included) simply pay lip service to the goals they set. Apart from the U.S. immediately disavowing the 1996 'agreement' suggesting that a fundamental right to be free from hunger is a goal to be aspired to and realised progressively but not one to give rise to any international obligations, the 192 governments *committed* to the Millennium Development Goals changed the goalposts by subtly changing the wording from halving the *number* to halving the *proportion*, in one word vastly reducing the target. The 1996 promise was to reduce the extremely poor from 1,087.8 million to 543.9 million by 2015. The MDG in 2000 promised a 17 percent reduction from 1,089.6 million in 2000 to 905.2 million in 2015. In real terms at least 361.3 million have been 'lost' in the revamping of the figures from number to proportion – the 361,300,000+ still

being people remember, and extremely hungry, vulnerable people at that. In addition, as each year goes by more millions are included in reports as being chronically undernourished. "Creative accounting" Thomas Pogge maintains, "is sustaining in affluent countries the belief that global poverty is disappearing and therefore does not require our attention." His disgust is palpable; "thus far official concerns about poverty and inequality are mostly rhetorical."

Aside from the obvious fact that extreme poverty engenders widespread hunger, malnutrition, lack of clean water, death from easily preventable diseases, lack of access to healthcare, inadequate shelter, illiteracy and general lack of education, the poor also suffer from a plethora of other, less obvious inequalities. They have no influence in international decisions which affect their lives and livelihoods. They have no bargaining power. They have no lobbyists. They have no importance alongside foreign governments and corporations. They are there to be

ignored, discounted.

The marginalisation of masses of the global population is no accident, no simple mistake or miscalculation but an inevitable consequence of the deliberate policy of those who hold the power; those whose aim is to accumulate more and more of the world's land, resources, wealth of any kind or just money, because this is what the capitalist system from which they benefit requires of them; and deliberate policy, too, of those in governments who do their utmost to assist, sometimes in the hope of gaining a few steps on the ladder. There is no altruism here. Even accumulating and then giving away \$x billion to a 'worthy cause' will only address a fraction of the problem for a short time (e.g. \$50 billion between 500 million people is \$100 each) and if, of the world's wealthiest 1 percent, more than a handful were giving away such sums the world's media would broadcast it large. No, there is no philanthropy on that scale. As the figures showed earlier a tiny proportion from the top 5 percent's vast wealth would make differences that would not go unnoticed. It is Thomas Pogge's opinion that "it is for the sake of trivial economic gains that national and global elites are keeping billions of human beings in life-threatening poverty;" his solution would be economic institutions and policies prepared to sacrifice "aggregate economic growth" as a "moral imperative."

The facts are out there. The national and global elites understand the facts only too well. When the facts show that there are no moral aspects being factored in it must be time for the common people to realize that they, too, are part of the problem for having continued to swallow the bait proffered. Not the 1 and 2 dollar a day billions, as stated earlier they have no bargaining power; they are, as yet, dispensable. But what of the huge middle and upper sections, the 55 percent between the elite 5 percent and the 40 percent at the bottom? The vast working class of the world, lied to over and again by their own governments and by governments collectively in their pompous commitments on our behalf, is a sleeping giant. When it awakens, thoroughly sick and tired, this giant will be a force to be reckoned with. We can't wait for a change of heart from the top. The top has no will to fix the system except to their own advantage and only a complete change will suffice. A world of free access for all and common ownership of the common wealth is the only way to eliminate poverty. The solution is in our hands.

**JANET SURMAN.**

**"39.9 percent of personal wealth is held by the top 1 percent of world population and 70.6 percent by the top 5 percent."**

# Tourism: can it be green?

*Commercial ecotourism doesn't spare the environment either.*

For those 'green consumers' who have adopted the principles of a green lifestyle eco-tourism fits neatly with the now familiar slogan to 'Think Globally – Act Locally' as a counter to environmental destruction. The adoption of a green lifestyle can include: buying only organic food; keeping a record of your carbon footprint; using bio-degradable products; ensuring your savings and pension fund is 'ethically' invested in bio-diversity products or sustainable projects; supporting 'fair trading'; participating in recycling schemes; be sparing on the use of plastic bags; and even endorsing the Body Shop empire. The solution is presented as an individual act rather than the collective action of individuals struggling for social change to put a stop to environmental destruction. Of course you can do all of these, but you shouldn't think that such activities will necessarily lessen the impact on the environment.

For instance, despite the claims of the eco-tourism operators that their priority is sustainability and biodiversity, the green consumer lifestyle facilitates the opening up of a new market where environmental concern is transformed into a commodity. When the market is presented as the saviour of the environment then green consumers, and eco-tourists in particular, need to be aware that they cannot disregard the logic of production for profit. Nevertheless, for socialists the idea of adopting a green lifestyle is not to be derided, because – despite these shortcomings – it is a tentative step towards working with nature, rather than against it.

By increasing our understanding of the interaction between the natural environment and the impact of human activity society will be in a better position to minimise the damage on natural resources, and be able to arrive at rational judgements on whether or not any interference in the natural environment is justified and warranted. But be warned that such environmental concerns are not on the capitalist agenda. For the priority under capitalism is to make a profit by exploiting the environment through market forces.

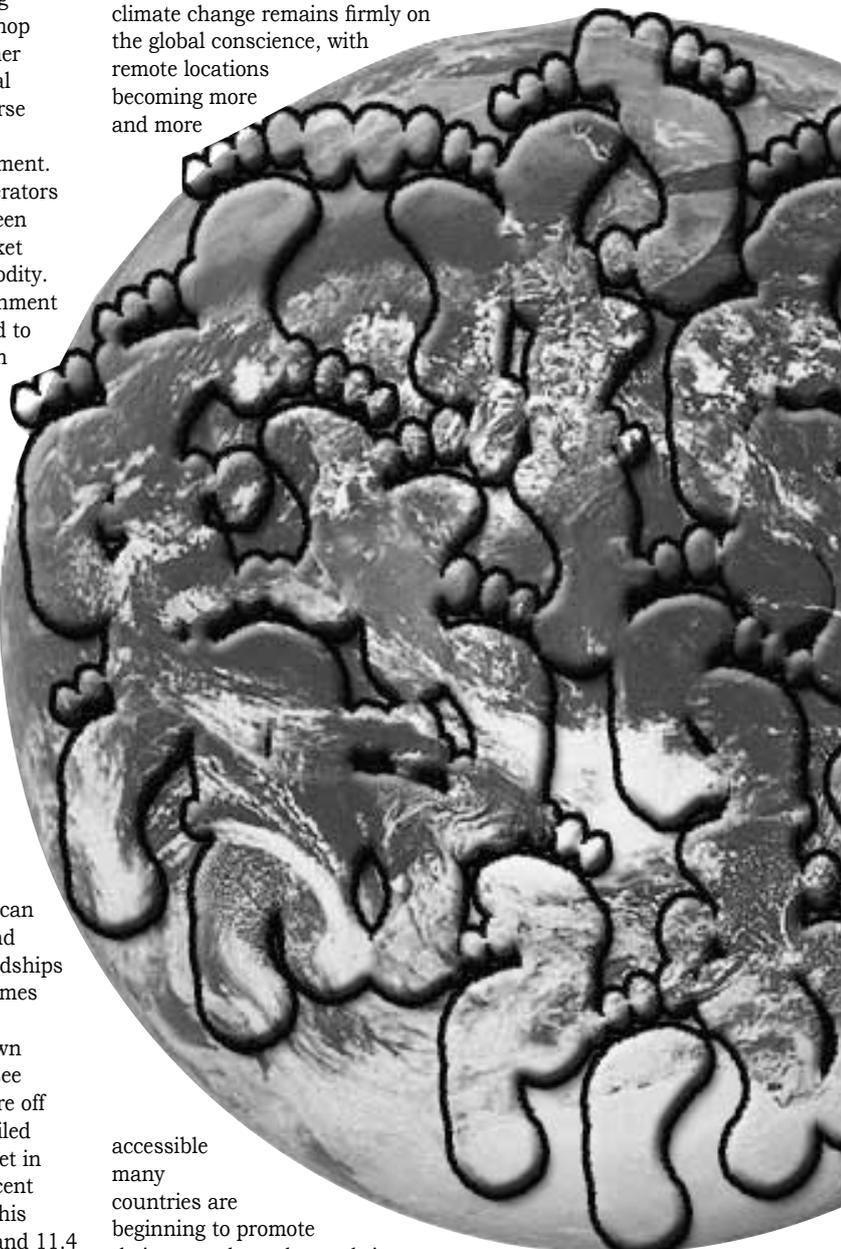
We travel for relaxation. We travel for adventure. We travel to escape the familiar and venture into the unknown. Tourism brings in money and creates employment: one in 16 jobs worldwide is directly or indirectly related to tourism. In Thailand, tourism is the leading source of foreign exchange. And although tourism can help to maintain a country's interest in its own cultural and artistic heritage and, at its best, can foster genuine friendships between different members of the human family this all comes with a price attached.

Increasingly, 'alternative travel' as eco-tourism is known in the tourist trade, is being marketed as the only way to see the world these days. And as more and more people venture off the beaten track to experience unique cultures and unspoiled nature, ecotourism is considered the fastest growing market in the tourism industry, with an annual growth rate of 5 percent worldwide. According to the World Tourism Organisation this represents 6 percent of the world gross domestic product and 11.4 percent of all consumer spending.

Whereas, previously, you enjoyed the values of the natural environment by joining the Ramblers or Youth Hostel Association, now its considered more adventurous (and expensive) to take part in white water rafting down remote rivers, or to go native in the Australian bush, stay with the indigenous people in the

Amazonian rainforest, enjoy the delights of the local wildlife and the taste of organic food at an eco-lodge in India. These eco-travellers are setting out on foot safaris in Africa, camping in the Mexican rainforest, and trekking to hill tribe villages in Thailand. You can also have a holiday in a tree-house in Costa Rica and enjoy the delights of a ropeway through the jungle canopy. And if none of these at to your taste what about some whale watching in Victoria B.C. where you can disrupt the breeding habits of the grey whale and walrus?

There are many more such holidays on offer and they are increasing by the day. At the last count taken in 2007 ten percent of the global travel market is now eco-tourism. And though the 21st century is considered an era of environmental sensitivity and climate change remains firmly on the global conscience, with remote locations becoming more and more



accessible many countries are beginning to promote their natural wonders to bring in the eco-minded tourist. But in doing so the market system is faced with a conundrum of trying to preserve natural resources and also trying to accommodate the vast numbers of tourists they will attract.

The ideal of eco-tourism, as defined by Martha Honey, the

executive director of the International Ecotourism Society, reads like a travel agents dream:

“Travel to fragile, pristine and usually protected areas that strives to be low impact and usually small scale. It helps educate travelers; provides funds for conservation; directly benefits the economic development and political empowerment of local communities; and fosters respect for different cultures and human rights.”

However, this ideal in many instances fails miserably to achieve its aim and in fact contributes to environmental destruction. For the reality is that in terms of human impact eco-tourists are no different – other than in scale – to the everyday tourist on a package holiday to the Costa Bravo. This is what an official for the World Wildlife Fund told Leo Hickman about on the impact of tourism in Thailand:

“The tsunami was nothing compared to the impact of tourism. It is a much larger, long-term problem. . . . I was born in 1972 and when I was eight or nine it was still largely virgin rainforest here on the island. By the late 1980s, though, it was mostly developed. We have now lost so much of the biodiversity and primary forest and the soil is destabilising in many places. The construction of hotels upstream is creating a lot of sediment in the water and this causes damage to the coral reefs when it washes out to sea. It also affects the mangroves on the east coast. A lot of our waste water – about 40 per cent – is still being pumped out to sea on the west coast where all the resort areas are.

Land is now so expensive here due to tourism; the cost of living is even higher than Bangkok – it has meant that many local people have been forced to sell off their ancestral home and have now lost their only real asset. There is even competition for schools here for the first time. And there is a lot of overfishing here; this is for export rather than for the tourists per se, but lobsters are now being brought in from Burma to meet the tourists’ appetite for these vulnerable creatures. The corals are also damaged by tourism. Snorkellers actually cause more damage than divers because they touch the coral more often....” (Leo Hickman, *The Final Call – In Search of the True Cost of our Holidays*, 2007).

In Costa Rica, whose parks are wildly popular with the millions of people who visit the country each year, the behaviour of some wild animals has been altered - some monkeys attack and bite tourists when not fed. Along the trail to the Mount Everest base camp in Nepal, deforestation is getting worse as locals cut down trees to heat meals and to provide hot showers for foreign eco-trekkers. And Mount Everest itself is becoming infamous for the amount of discarded rubbish left on the routes towards the summit. Some estimates put it at over 2000 tons which don’t include the remains of a helicopter. And in the lower regions of the Himalayan foothills the popularity of backpacking is not only causing serious soil erosion but water pollution.

And what has happened in Nepal is only one example where eco-tourism is becoming transformed into eco-vandalism through the insanity of the profit system. Another example is what is happening in Kerala in India which is marketed either as, ‘God’s own country’, or as, the ‘Gateway to Paradise’. Kerala is a unique water region famous for its lakes, rivers and back waters and distinct wildlife and fauna and is also an attractive stopover or base for the eco-tourists who visit the nearby National Reserve. However, what is not marketed by the Kerala Tourist Board is the lack of sewerage facilities and rubbish collection for its thousands upon thousands of houseboats and hotels and so called eco-lodges. Before Kerala became invaded by tourists the indigenous population ensured their impact on the natural environment was sustainable or recyclable. Now water

courses are becoming heavily polluted with sewerage and the plastic debris of a throwaway society.

Besides environmental damage there can be profound social and cultural consequences to travel as well. For example, what is occurring in Northern Thailand, home to many different ‘hill tribes,’ is a case in point. Uniquely individual in language, customs and dress, these semi-nomadic peoples share a history of ancestor worship and a close relationship with the land. However, with the introduction of eco-tourism they also share the experience of being in something akin to a human zoo. Hill tribe trekking operations sell ‘authentic visits’ to see ‘primitive peoples’. But what the eco-tourists are not told is that much of the so called culture on show has a tenuous relationship with the actual culture of the people they are visiting, for in actual fact the ‘traditional’ culture has been transformed into a commodity to meet the demands of the tourist market. In short the eco-tourist is being sold an illusion that the culture on display is ‘authentic’.

The ravages of eco-tourism and tourism in general are becoming so self-evident it raises the question what can we do to lessen the impact of human activity but nevertheless still enjoy a holiday – both at home and overseas? Firstly, it is essential to acknowledge that when market forces literally encourage an irrational human impact on the environment and natural resources, how can you also realistically expect those self-same forces to solve the environmental problems they created in the first place? Therefore, in the search for solutions it’s become vital that we look outside of the capitalist box where the social relationships of private ownership of the means of living constrain and restrict our constructive abilities to remedy environmental destruction.

In socialism where the principle of free access underpins the common ownership of the means of living our options and choices on travel and holidays would be extended and influenced by what positive contribution we can make to the country we are visiting. And with package holidays and mass tourism a thing of the past it is most likely holidays in socialism would not be restricted within a timescale of 10 to 14 days of hectic hedonism but transformed into an unique opportunity to stay in a particular location for as long as it takes to understand the history and

culture of that region. In effect the transformation in the social relationships from private property ownership to common ownership will radically alter our perception of travel.

Under such conditions eco-tourism will come into its own with visits to particular regions becoming combined with studies on the wildlife, fauna and local culture. On the other hand you may wish to take part in making housing improvements by demolishing shanty towns or transforming a former holiday hotel into flats for the local population. Alternatively you could help out in a health clinic, or even give a hand to clean up polluted waterways. In effect whatever your particular choice of holiday the aim will be to combine it with an understanding that the framework of socialism will assist everybody on the globe in meeting their needs for shelter, food, clothing, education and health. Indeed it’s time to start thinking of trashing capitalism not the planet.

**BRIAN JOHNSON**

**“It’s time to think of trashing capitalism, not the planet.”**

# Too little, too late

*That's the most that will ever be done under capitalism about the problems that global warming may bring.*

It's simply that the way the capitalist system works rules out the effective action at world level that is needed to begin tackling the problem. It even encourages economic activities that contribute to it.

Capitalism is based on production being controlled by profit-seeking enterprises which, supported by governments, compete on the market to buy resources and sell products. This competitive pursuit of profits is the essence of capitalism. It's what capitalism is all about and what prevents any effective action to deal with climate change.

## Fossil fuels

Nobody can deny that global warming is taking place. Nor that, if it continues unchecked, it would have disastrous consequences – such as rising sea-levels and increased desertification – through its effects on the climates of the different parts of the world. There can only be argument over what is causing it. Most scientists in the field take the view that it has mainly been caused by the increase in the greenhouse gas carbon dioxide in the atmosphere largely as a result of the burning of the fossil fuels, coal, oil and gas.

If this is the case, then one part of any solution has to be cut back on burning these fuels. But this is not happening. In fact, on a world scale, it's increasing. This is because this is currently the cheapest way of generating the energy to drive industry – and the

logic of capitalism compels the profit-seeking enterprises that control production to use the cheapest methods. If they don't, their competitors will.

There are other sources of energy, in particular hydroelectricity and nuclear power, and the various countries into which the world is divided rely to different degrees on burning fossil fuels. Which means that they would each be affected differently by having to reduce reliance on them. It is this that has prevented, is preventing and will prevent any effective international action to check the burning of coal, oil and gas. The 1997



Kyoto Treaty, which sought rather half-heartedly to do this, was not signed by the biggest emitter of carbon dioxide (the United States) and deliberately excluded the second biggest (China).

These two states – whose rivalry is likely to mark the 21<sup>st</sup> century – will never agree to limit their burning of fossil fuels and put their enterprises at a competitive disadvantage with regard to enterprises operating from other states less dependent on them. No government of either country could afford to agree to this. And nobody can force them to.

## Market forces

There are those who, recognising that governments will never agree to do anything effective, argue that market forces will eventually bring about a decline in burning fossil fuels. Oil is supposed to be running out. As it does market forces will bring about a rise in its price and to alternative methods of generating energy – such as wind power, solar energy and other non-polluting, renewable sources – becoming relatively cheaper. Capitalist enterprises will therefore switch to these other sources. That's the theory and maybe in the long run it might work. But the long run could be a long time, by when it would be, as we said, too little too late.

But there are arguments about whether oil really is running out and, as its price rises, so it will become profitable to exploit less easily extracted and previously unprofitable sources, such as the oil under the deep sea. Already the states surrounding the Arctic Sea are manoeuvring to be in a good position to exploit the oil underneath it. The same applies to coal, of which everyone agrees there's enough to last for many centuries. New mines are already being opened in China.

So, within the framework of capitalism, intergovernmental co-operation and leaving it to market forces will both prove to be ineffective. Are we then doomed to suffer the consequences of global warming? Is there then no solution?

## The right framework

There will be a solution and, given the right framework, humanity will find it. We already know that any solution will have to involve finding replacement sources of energy to burning of fossil fuels. What is needed is a framework which will allow rather than impede the implementation of this and the other measures. The capitalist system does not, and cannot, provide such a framework. It must go before anything lasting and effective can be done.

What is the alternative framework? First, the competitive struggle for profits as the basis for production must be ended. This requires that the Earth's natural and industrial resources become the common heritage of all humanity. On this basis, and on this basis alone, can an effective programme to deal with the problem be drawn up and implemented, because production would then be geared to serving human interests and no longer to make a profit for competing enterprises.

There will be those who say that we haven't the time to wait for the coming into being of this, in their view, unlikely or long-distant framework, and that we must therefore do something now. In this age of apathy and cynicism when any large-scale change is dismissed, this may seem a plausible argument but it begs the question. It assumes that a solution can be implemented within capitalism. But if it can't (as we maintain), then concentrating on something now rather than on changing the basis of society and production will be a waste of valuable time while the situation gets worse.

**ADAM BUICK**

# Capitalism versus nature

*Capitalism is bound to come into conflict with nature. It cannot go green because it cannot change its spots.*

It is by no means unknown for a society to collapse for ecological reasons, which is to say, because it did not treat its environment with care. By 'collapse' here is meant a drastic reduction in living standards and population, not that everybody who lives in a certain place dies. One example would be Easter Island in the Pacific, where the population had fallen to just a few thousand by the time it was discovered by Europeans in the eighteenth century. Deforestation had led to soil erosion and a consequent cut in crop yields, so that the isolated island could no longer support the numbers it had previously. Another would be the Mayan civilisation of central America, which declined gradually through the ninth century, leaving great ruined temples and cities behind. Though it is more arguable in this case, the probable reason was a combination of drought and deforestation leading to a big drop in agricultural production.

The collapse of present-day society, then, might involve far fewer people surviving and at a far lower standard of living, but it would not result in the end of humanity and certainly not of the planet on which we live. Yet how likely is it that there will be a societal collapse caused by climate change or other ecological factors?

In answering this question, we need to look not mainly at technical questions such as how energy is produced and how crops are grown, important though these of course are. Rather, we need to examine the economic basis of society and see the implications of the ways in which production as a whole is organised and of how priorities are considered.

For present-day society is capitalism, which means that it is based on ownership of the earth and the mines, factories, offices and so on by a small part of the population, leaving most people to rely on selling their labour power to an employer in return for a wage. Unless you're one of the small minority of owners, you cannot live under capitalism without working for a wage, or living with someone who does so. Moreover, production takes place because of the need of the owners to make a profit, and they have no choice but to strive to maintain and increase their position of power and wealth. Since production is guided by the profit motive, it inevitably comes into conflict with the rest of nature.

As a small example, many high-street shops leave their doors open because it looks more inviting to potential customers, even though it increases their heating bills and the amount of energy consumed. An instance on a grander scale was the recent decision by Shell to withdraw from developing an offshore wind farm in the Thames estuary. The sizeable initial investment needed and rising costs — including the impact of raw material prices on the production of the turbines themselves — mean that oil is currently more profitable than wind. Shell noted that reviewing existing projects and focussing on efficiency were simply normal business practice, and sadly that's just what they are: ecological concerns take very much a back seat.

Perhaps the worst single occasion of capitalism's priorities coming into conflict with the health of the planet and its people is the explosion at the Union Carbide factory in Bhopal, India in 1984. This saw toxic gas released on a wide scale, with up to eight thousand people dying immediately and many more in the aftermath, to say nothing of those made seriously ill. In *The Enemy of Nature*, Joel Kovel looks at the background to this disaster.

The factory was losing money, so Union Carbide took various steps to reduce costs. Among other things, valves were not repaired, alarms were not maintained, and in general safety installations were inadequate. It may not have been 'an accident waiting to happen' exactly, but pursuing profit increased immeasurably the chances of an explosion taking place.

Equally, deforestation in the Amazon is caused primarily not by subsistence cultivators but by commercial interests clearing land for pasture. Cattle ranches occupy vast areas of cleared land and result in huge profits for the owners. The devaluation of its currency, the real, made Brazilian beef more competitive on the world market and increased the profits of the ranchers. The loss of animal and plant species and of renewable timber resources are simply not part of the profit-and-loss calculations.

Moreover, writers on energy constantly refer to economic considerations in discussing whether their technological proposals are viable. James Lovelock, for instance, regards renewable energy as 'inefficient and expensive', hence his support for nuclear power. The Severn Barrage, meanwhile, is 'an attractive business proposition'. In discussing ways to combat global warming, George Monbiot says he is looking for 'the cheapest way to cut carbon emissions'.

It must be admitted that there are counter-arguments to the effect that capitalism and the profit motive can after all solve ecological problems. Companies which are more efficient in terms of energy use than their competitors will have lower costs and so are likely to have higher profits. Thus simple economic arithmetic will lead to more sensible uses of energy. And more generally, there is profit to be made in industries which are ecologically-oriented, from the manufacture of reusable energy sources to biofuel companies and even the humble bicycle repair shop. It might be argued, too, that international measures have been and can be taken to solve the worst environmental problems, from the banning of the pesticide DDT in the 1970s to the more recent Montreal Protocol that reduced the use of CFCs.

However, energy production and global warming are far different, being integrated as closely as they could be in capitalist production in general. Combatting them would not be a mere matter of disrupting the manufacture of aerosols or weedkillers, but of changing something which is part and parcel of the capitalist system and on which all companies depend. No company will take action which endangers their profits, just as no government will pass legislation that puts the capitalists whose interests they represent at a disadvantage. Capitalism is about competition and profit-making, and this is something which can never be done away with as long as it lasts.

Capitalism, then, is bound to come into conflict with nature. It cannot go green because it simply cannot change its spots. Jonathan Porritt once reflected in an interesting way on what a green society would be like. Among other things, it would involve production for use and work as an end in itself. He's not a socialist, but in speculating on the meaning of greenness he did in effect realise that a society which lived as far as possible in harmony nature would be a socialist one, and that such a possibility cannot be realised under capitalism.

**PAUL BENNETT**



## Cooking the Books 1

### Passing on costs

In May the index of the factory gate price of manufactured goods rose by 1.6 percent. As this was the biggest monthly rise since March 1981, the media began to talk of "a summer of inflation" (*Times*, 10 June). Since they mistakenly regard any price rise, however caused, as inflation what they meant was that a spate of price rises could

be expected this summer which will affect not just those who buy producer goods but the rest of us too who buy consumer goods.

The manufacturers are arguing that they have to increase their prices because their costs have risen. It is true that their costs, particularly energy, have risen but manufacturers cannot increase their prices just because they have to pay more for their raw materials or energy (or, for that matter, wages). Prices are not determined by what the manufacturers would like but by what the market for their product will bear.

All firms aim to make as much profit as possible but will be satisfied if they can cover their costs and make the going rate of profit. This is the normal situation and is brought about by competition. If a firm tries to make a bigger profit by increasing its price above cost plus normal profit it won't succeed. Its product won't sell as those who use it will turn to other, cheaper suppliers.

This does not mean that they can never raise prices, or rather that the market will never allow them to do so. It is official government policy to inflate the currency so that the general price level rises at around 2 percent a year. So, other things being equal, firms can safely increase their price by this amount. As everybody will be doing it, it is something the market can bear.

Sometimes, due to an unexpected fall or interruption of supply, suppliers can increase their price to take advantage of this. This is the operation of the law of supply and demand: there are more paying demanders than suppliers so the price goes up. But this will only be temporary. Supplies will eventually be restored, even if by new suppliers being attracted by the higher profits, and prices (and profits) will fall again.

So, cost increases do not automatically lead to price increases (and this applies to wage increases as well as to other costs). This will only happen if the market will bear it. If the market won't then the capitalist firm, whether manufacturing or retailing, cannot pass the increased cost on to consumers. They have to "absorb" it, as reduced profits.

The figures for factory gate prices from the Office for National Statistics illustrate this well. They show that the index of "input prices" (i.e. costs) of manufactured goods has been rising faster than that for "output prices". While the index for these latter rose by 1.6 percent in May that for input prices rose by 3.8 percent. In the year ending May 2008 the index of input prices rose by a record 27.9 percent but the index for output prices rose by only 8.9 percent. ([www.statistics.gov.uk/pdfdir/ppibrief0608.pdf](http://www.statistics.gov.uk/pdfdir/ppibrief0608.pdf))

Clearly, to maintain their profits, manufacturers would have liked to raise the price at which they sold their products as fast as their costs. The fact that they didn't is sufficient proof that they couldn't. But there are limits to how far their profits can be squeezed. As Gary Duncan, economics editor of the *Times* pointed out:

"The double whammy of stalled spending by struggling households alongside rising costs for every kind of business means that companies' sales and profits are going to be under growing strain. This will spell cutbacks and layoffs. This raises the spectre that the economy could slide into a vicious downward spiral".

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# Capitalism: no deal

*Under capitalism most people must be losers.*



Daytime telly is a form of wallpaper: meaningless moving pictures to fill the time between adverts selling insurance or offering to unlock the equity in your home. The prime example of this form is the endless *Deal or no Deal*, fronted by the great survivor of light entertainment, Noel Edmonds. Ridiculous though the show is, it serves as an unwitting allegory of capitalism.

The premise is that 22 boxes containing a card each detailing a monetary sum between 1p and £250,000 are distributed among the players. One player is selected, and they will win the money represented in their box. The complication is that before they do that, they have to open everyone else's box, and at various stages a character called "the fat banker" will ring a phone and offer to buy the player's box.

The game is obviously entirely random – once the boxes are distributed, there is nothing more the player can do – at most, if they play it right, they can negotiate a good deal with the bank; but even that is down to the luck of which boxes are eliminated (the more lower score boxes are eliminated, the higher the banker's offers). To emphasise this mechanistic process, if a player accepts the offer from the bank, they are asked to keep on playing as they would have done, to see what they could have been offered, and see whether they could have won more. Players are shown what money could have been theirs, and encouraged to believe that

they have lost that money they never had.

If this sounds dull (and it is) the players are encouraged to pad the show out by devising complicated patterns of selecting boxes to eliminate. Even more, they are encouraged to give each other pep talks and egg each other on to think positively. Obliquely, this is associated with Edmonds' own advocacy of "cosmic ordering", by which you ask the universe for something and it gets delivered. All of which serves to pad out what is essentially a fairground game of chance into an hour of television.

So, just like capitalism, the wealth – in the boxes – is distributed randomly and unfairly, with only one player having more wealth than the rest put together in their box. Like a market, players have to try and sell their box without knowing what other boxes are out there, but they are encouraged to try and reach for the maximum prize. The players are tantalised and mesmerised by the prospect of £250,000, and very often go on to lose because the contents of their box, as eventually opened, are less than they were previously offered.

Like capitalism, the game disguises its true inhuman mechanics through a mixture of hope and delusion. The slim chance that one person can win is enough to entice the players to keep going, and to keep believing in their cranky positive thinking systems.

The fact is, in capitalism, the

fact of birth sets the opportunities available, and is as random as the distribution of boxes. Of course, a few people do manage to climb out of their situation – but it helps if a decent sum was dealt in the first place, and the way they play the game depends as much on luck as it does on their own skill; but the idea that they are self made, and got where they are today entirely through merit is entirely believed by the people who too wish to make the big win like they have. Just as many lose the game, entirely through no fault of their own, but are left with the lingering memory of what the banker said they were worth, and what they have lost.

It is just such thinking that the Tory Party rely upon. Until recently, they have been trailing massively in the polls. The good betting was that at the next election, the most they could hope for was a hung parliament (possibly with themselves as the biggest party). After all, the electoral system is currently against them, they need more votes absolutely to win enough seats to have an overall majority than the Labour party needs.

After years of assiduously refusing to give the Tories any leverage on tax, Labour slipped up, and abolished the 10p basic rate of income tax they had introduced – effectively raising the rate of tax on the lowest earners. That some of that was off-set by rises in the minimum wage, and (less obviously) by the increase in statutory holiday entitlement from 20 to

24 days. Such mathematical factors, though, weigh very little against the conscious fact that people will see the deductions on their payslip increasing in size, and they can be told that it is the government snatching their money away.

This is grist to the Tory mill – they were able to return to their old refrain of being for cutting taxes, and telling people how the highway robbers of Labour were taking their hard earned money and squandering it. Suddenly, they were able to spring into a massive lead in the polls, and romp to a massive victory in the Crewe and Nantwich by-election. A victory so massive, that were the swing to hold to the next general election, the Tories would be guaranteed a massive overall win. Suddenly, the hug a hoody and cod greenery were cast off, as the Tories found that their old dog whistle was working once more, and the promise of cuts and cuts and cuts of taxes became the effective way to make friends and influence voters.

Simultaneously, it shattered Labour's capacity to claim to be on the side of the poor – appearing to throw the burden of a tax cut on the poorest in the land. After all, it was to fund a cut in the 22 percent band that the 10 percent was abolished – Labour couldn't even point to a reform that the tax increase paid for. So, of course, the leftist rivals of Labour (and the party's own left wing)

managed to jump on the bandwagon and launch an attack on the tax cut, which benefited the Tories by playing into their game. Labour have paid the price for claiming to be able to run the game capitalism better than their Tory rivals.

The secret of the Tories success is that they can simultaneously feed off hope and despair. The hope that one day, with a bit of hard work, you too can make it if you're left to your own devices. The despair that you're being robbed by the government through taxes and that your money is being given to those who are living the life of Riley while you slog away. This is the political equivalent of cosmic ordering, of positive thinking. You have a chance – it doesn't matter how the boxes have been dealt, if you play the game right, you will make it in the end. The same thoughts animate the hopes of all those who pay the prole tax to phone into TV game shows, or buy national lottery tickets, for their big break out of their rut.

Of course, what people don't see is that they've been robbed before the tax man even arrives. Those who work for a wage or a salary are being taken for the value of their unpaid labour that their employer extracts from them through the sleight of hand that is the wages system. Just as the sleight of hand in *Deal or no Deal* is that the production company, Endemol, make many times more than they give away in prize money,

and indeed, wouldn't even run the game unless they did so. Recognising that, though, would require shattering the illusion of the game.

Seeing that the distribution of wealth means that there must be losers, that those who win got there by luck, that those who lose got there by luck, destroys the game itself. Destroy the cosmic ordering and you remove the incentive to keep playing the game. That the game of capitalism is itself pernicious and destructive demands that it be removed outright, not played as best you can. If a game is inherently unfair, no tweaking of the rules, no aspirations, no change of player is going to alter that.

It is socialists' job to arm our fellow workers with such knowledge and be a voice to cancel out the obscurantists calls for "thinking wealth" or other such mind candy that is the modern opiate of the masses. Latching onto tax campaigns, whether to relieve the poor or tax the rich, means keeping truck with the rules of capital – the game in which the winners are fixed before hand. So, when the fat banker asks us, "Capitalism: deal or no deal?" No deal! We say.

**PIK SMEET**



## Cooking the Books 2

### Profits before homes

"One of Britain's biggest brick makers is to close two of its largest factories", reported the *Times* (9 June). A few days later the same paper was reporting, as an example of what is happening all over the country in the building trade, that "Heatco Midlands has laid off its apprentices and told its employees that it cannot afford to pay them for a full

week's work because building work has dried up in the space of a month" (12 June).

Why? Why are brickworks being closed? Why are building workers being laid off or put on short-time? It is certainly not because the need for new or refurbished houses has been met. According to Shelter, "England is suffering a massive housing crisis. There simply aren't enough decent, affordable homes." Here are some of the figures they provide to back up this statement ([http://england.shelter.org.uk/housing\\_issues/the\\_housing\\_crisis#0](http://england.shelter.org.uk/housing_issues/the_housing_crisis#0)):

- 8.1 million homes in England fail to meet the Government's Decent Homes Standard.
- more than one million children in England live in bad housing.
- in 2006/07, 554,000 households in England were overcrowded.
- in 2007, almost 100,000 households were found to be homeless by local authorities - almost twice as many as in 1997.
- at the end of December 2007, 79,500 households were living in temporary accommodation arranged by local authorities. Nearly 60,000 of these households had dependent children.
- Nearly 1.7 million households are currently on local

authority housing waiting lists.

So, the need for more houses and better housing is still there. The problem is that under capitalism houses are not built with the primary aim of providing somewhere for people to live. They are built to be sold on a market with a view to profit. And, at the moment, there's a slump in what is openly called "the housing market". Which is expected to last for years; at least that's what the speculators think. On the futures market, "traders are betting that house prices will fall 50 per cent in four years and they do not expect prices to recover until 2017" (*Times*, 12 June).

Wienerberger's chief executive, Wolfgang Reithofer, was perfectly frank about why the two factories were being closed: "It is a question of finance and this has impact. It will impact the strategy of housebuilders. They will not start new projects or will delay some other project."

He thinks that demand will eventually recover but by "demand" he doesn't mean the needs identified by Shelter but only paying demand, what the economists cynically call "effective" demand. The demand of the millions of people suffering from bad housing doesn't count – isn't effective – because it's not backed up by money. This, in accordance with the harsh economic law of capitalism of "can't pay, can't have".

The building industry has set up a charity to help the homeless called, ominously, "Crash" ([www.crash.org.uk](http://www.crash.org.uk)). This handing out of a few pennies to charities for the homeless while cutting back on housebuilding is just adding insult to injury.

Not that the solution to the housing crisis is to give people more money to spend on housing. That's not going to happen anyway. The solution is simple: build houses just for people to live in. But that's not going to happen until and unless we move on to a society where things will be produced precisely to satisfy people's needs instead of, as under capitalism, to make a profit and leave people homeless or in bad housing if they can't pay.

Oil and the Rest

Greg Palast: *Armed Madhouse*. Penguin £8.99.

There are three main themes in this book: the relation of oil to the US invasion of Iraq, the plight of American workers, and the way in which US elections are manipulated. Despite its American emphasis, it's well worth a read.

It is hardly original to claim that the Iraqi invasion was due to US concerns over oil supplies. Palast, however, goes much further than this and argues that there were two conflicting views within the American ruling class. The neo-conservatives wanted to sell Iraq's oil fields to various private companies, leading to a massive increase in production. This flooding of the market would undermine OPEC, which operates by imposing production limits, and so bring Saudi Arabia to its knees. In contrast, the big American oil companies opposed a sell-off and wanted the oil to be owned by the Iraqi state. That would make it straightforward to restrict production and keep prices high, thus boosting their profits and the value of their own reserves. The invasion, then, would not be about gaining access to Iraqi oil but about controlling the world price of oil (which was difficult with the unpredictable Saddam in power). Palast argues that Big Oil and their State Department allies eventually won the day — the price of oil now would seem to back this up.

Domestically, American capitalism is becoming more and more unequal. One percent of US households own 53 percent of all shares in the stock market. Median wages have gone down by 4 percent under Bush, but the bottom fifth of earners have lost no less than 20 percent of their income. Between 2000 and 2006 output per worker in America went up by nearly one fifth, but workers get less and less of what they produce. Nearly three million are no longer entitled to overtime at time-and-a-half after working forty hours a week. Modern-day capitalism needs a certain number of highly-educated workers, but the rest need to be identified early so that little money is wasted on 'educating' them.

Lastly, attacks on the electoral system go well beyond the 'hanging chads' of the 2000 presidential election. Palast presents evidence that both then and in 2004 many votes were simply not counted or wrongly rejected as spoiled. Electronic voting machines often don't work properly, and they exclude the possibility of recounts. Voting machines were removed from many areas likely to vote Democrat, leading to huge queues at voting stations. And many potential voters have been unable to register,

perhaps because they are wrongly claimed to have a criminal record or have no authentic ID. Less than half of Americans earning below \$15,000 a year are now eligible to vote, and generally poor, black and Hispanic would-be voters are given a hard time in both registering to vote and having their vote recorded.

It might be interesting to reflect on whether these last points have any implications for the idea of using the electoral system to demonstrate the existence of overwhelming support for Socialism when the time comes.

PB

Disaster capitalism

*The Shock Doctrine. The Rise of Disaster Capitalism.* By Naomi Klein. Allen Lane. Paperback. £8.99.



The author of *No Logo* has written another book strongly criticising features of capitalism while still arguing for reform

of the system rather than for its replacement. In her earlier book Naomi Klein (above) concentrated on the spread of globalisation. In *The Shock Doctrine* she aims to show that disaster capitalism treats natural and man-made disasters as exciting market opportunities.

She illustrates the main theme and associated sub-themes of the book by events in various countries over the last few decades.

In the USA the attack on the Twin Towers and the Pentagon that came to be known as 9/11 resulted in some 3,000 deaths. It also led to Bush's War on Terror, featuring big strides in privatisation, notably of the security industry. 9/11 exposed the security failures resulting from outsourcing government functions to profit-driven corporations: "the Bush team devised a new role for government, one in which the role of the state was not to provide security but to produce it at market prices."

After the New Orleans flood disaster in 2005 the public school system was almost completely replaced by privately-run charter schools. The teachers' union was shredded, the teachers were fired, and only some were rehired at reduced salaries. "Katrina was not unforeseeable. It was the result of a political structure that subcontracts its responsibility to private contractors."

In Chile in 1973 General Pinochet seized power by a coup d'état against

the previously elected regime which was called "socialist" but was really welfare-state capitalism. Before the coup Chile's US-trained economists had tried to introduce a policy of privatisation, deregulation and cuts to social spending peacefully. When that policy was democratically rejected the ruling class resorted to the use of force. Pinochet's battle was one-sided: more than 3,200 disappeared or were executed, 80,000 were imprisoned and 200,000 fled the country. Government spending was cut by 25 percent, accompanied by a package of pro-business policies.

The Falklands war in 1982 was fought between Britain and Argentina over possession of some tiny islands off the Atlantic coast. It cost several hundred military lives. It also served to boost the reputation of Mrs Thatcher as the Iron Lady. She went into Churchillian battle mode: after defeating "the enemy without" the Argentine forces) she turned her attention to what she called "the enemy within" — the trade union movement and particularly the National Union of Mineworkers. Between 1984 and 1988 the Thatcher government privatised, among others, British Telecom, Gas, Airways, Airport Authority and Steel.

Klein takes 57 pages and quotes over 200 sources to analyse the complex, chaotic and profit-driven situation in Iraq. Here are some highlights:

"Develop the private sector, starting with the elimination of subsidies... investors could take 100 percent of the profits they made in Iraq out of the country, they would not be required to reinvest, and they would not be taxed... [the Iraq experiment] transformed the invasion, occupation and reconstruction into an exciting, fully privatized new market... BearingPoint, an offshoot of the major international accounting and consulting firm KPMG, was paid \$240 million to build a 'market-driven system' in Iraq." (pp342-8)

In 2005 a hugely destructive tsunami caused much loss of life, suffering and hardship for many people, especially in Sri Lanka. When the emergency subsidised and fishing families returned to where their homes once stood, they were greeted by police who forbade them to rebuild. Hotels were encouraged to expand onto the valuable ocean-front where fishing people had lived and worked. An \$80 million redevelopment project was to be financed by aid money raised in the names of the victims of the tsunami. Loans from the World Bank and IMF were offered in exchange for agreements to open the economy to privatisation and public-private partnerships.

SRP

Workers against the

## Bolsheviks

***The Russian Revolution in Retreat, 1920-24. Soviet workers and the new communist elite.* By Simon Pirani, Routledge, 2008.**

One of the consequences of the fall of state capitalism in the USSR at the beginning of the 90s has been the opening up of the archives of the old regime, including those of its secret police. This book is a fascinating study, based on the minutes of meetings of soviets and factory committees as well as police reports, of the fight put up by factory workers in Moscow in the period 1920-24 to defend their interests under, and at times against, the Bolshevik government. Pirani also describes the beginnings of the emergence of members of the Bolshevik Party as a new, privileged elite.

In 1920 and 1921 during the civil war and its immediate aftermath, conditions in Russia were dire. Workers were paid in kind, but the rations often arrived late and were sometimes reduced. This led to protests and strikes, which the Bolshevik government was prepared to accommodate as long as these were purely economic and did not challenge their rule. The government was particularly edgy in 1921 at the time of the Kronstadt Revolt, whose demands for free elections to the soviets and a relaxation of the ban on private trading, had the sympathy of many workers. In fact, in the still not entirely unfree elections, to the local soviets that year members of other parties (Mensheviks, Socialist-Revolutionaries, anarchists) and non-party militants made gains at the expense of the Bolsheviks. Pirani concentrates on these "non-partyists" who seemed to have been factory militants who wanted to concentrate on economic issues, but with an acute understanding of the balance of forces and what could be extracted from the government.

In 1923 the government cracked down on the other parties, including their factory activists, and stopped them carrying out any open activity. Pirani notes that "no non-communist political organization worked openly in Moscow again until the end of the Soviet period". The non-partyists survived a little longer while the Bolsheviks tried to co-opt them into their party. What political opposition there was was confined to dissident Bolsheviks, inside and outside the party, some of whom adopted a pro-working class stand over wages and conditions, but eventually they too were silenced and many of them joined the members of the other parties in the labour camps of Central Asia and Siberia.

Lenin's attitude was typical of the one he had displayed twenty years

earlier in his notorious pamphlet *What Is To Be Done?*: that workers were not to be trusted to know their own best interest; judging this had to be left to an intellectual elite organised as a vanguard party. Pirani summarises part of Lenin's speech to the 11<sup>th</sup> Bolshevik Party Congress in 1921:

"Lenin argued that the Russian working class could not be regarded as properly proletarian. 'Often when people say 'workers', they think that that means the factory proletariat. It certainly doesn't', he said. The working class that Marx had written about did not exist in Russia, Lenin claimed. 'Wherever you look, those in the factories are not the proletariat, but casual elements of all kinds.'"

Pirani comments that "the practical consequence of this was that political decision-making had to be concentrated in the party". This distinction between the actual working class (who cannot be trusted) and the "proletariat" (organised in a vanguard party who know best) has been inherited by all Leninist groups ever since and used to justify the dictatorship of the party over the working class.

Pirani's book should be read by those who think, or who want to refute, that the state in Russia under the Bolsheviks could ever have been described as "workers". The workers there always had to try to defend their wages and conditions against it, even in the time of Lenin and Trotsky.

ALB

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## Meetings

### South West Branch

Saturday, **12th July**, 2pm - 5pm at the Village Pub in Salisbury, near Salisbury Railway Station. We are permitted to bring food to share in the pub's function room downstairs. Everyone very welcome. Real ale is available.

Then the following weekend, the 19th and 20th July, Tolpuddle Rally is on. A stall has to be set up by noon on Saturday, by 10am on the Sunday. Comrades will be able to meet up with the friendly South West Branch and obtain literature and promotional items, without the postage costs! Socialist literature and merchandise are available.

After the Tolpuddle Rally, there will be a social in Poole with veggie food, real ale and other refreshments. Please contact Comrade Veronica Clanchy if you are interested in coming to the social and have not done so already. Telephone 01202 569826.

### East Anglia

Saturday, **12th July**, 12 noon to 4pm.

12 noon: informal chat, and branch business

2pm to 4pm: "How can we Encourage the Growth of Socialist Ideas?"

Introduced by Alwyn Edgar.

Venue: The Conservatory, back room of the Rosary Tavern, Rosary Road, Norwich. All welcome.

### Summer School

Friday **18 July** to Sunday **20 July**

Fircroft College, Selly Oak, Birmingham

RELIGION

Friday evening: The Real Meaning of Religion - Sandy Easton

Saturday morning: End Times Beliefs - Mike Foster

Saturday afternoon: Is Socialism a Faith? - Howard Moss

Saturday evening: Islam, Politics and Revolution - Gwynn Thomas

Sunday morning: Evolution and the God Hypothesis - Adam Buick

Full attendance, including accommodation and all meals, costs £120. Half price concessions are available. For more information, including last-minute availability of places, contact Mike at [spgbschool@yahoo.co.uk](mailto:spgbschool@yahoo.co.uk)

### Manchester

Monday **28 July**, 8.30pm

Discussion on Morality

Unicorn, Church Street, City Centre

## Letters continued

Committee in favour of a multi-bank model. However, this model does not demonstrate anything more than that currency circulates around the banking system and can be used more than once in the process of customers' creating bank deposits – as opposed to banks somehow creating multiples of credit from these deposits (the July 1990 *Socialist Standard* dealt with this particular model in more detail).

If banks could create vast multiples of credit from their deposit base

then the recent problems of Northern Rock and others would never have occurred. In reality, their problems arose precisely *because* they wished to lend out more than had been deposited with them and to do this they had to borrow 'short' on the money markets to finance their long-term loans and mortgages. When inter-bank lending rates hit the roof, the game was up – and the Bank of England and the Treasury did not just tell them to go away and create some more multiples of credit from

their deposits.

Traditionally, banks have covered most of their loans through the generation of deposits by customers; Northern Rock was unique in that in its dash for growth it allowed its ratio of deposits to loans to go down to under a quarter, an unprecedented level in UK banking history (it was around £24 billion in deposits set against around £113 billion in loans and other assets at the time of its major crisis). The difference was not made up through 'credit creation' but simply by borrowing on the money markets at the prevailing inter-bank rates of interest, as can be seen from an examination of its balance sheet.

Similarly, the current £12 billion discounted 'rights issue' of new shares by the Royal Bank of Scotland is an attempt to shore up its asset base partly because of losses it has made on investment vehicles tied to the US sub-prime mortgage crisis. So again, much to the chagrin of their shareholders, there is no easy way out of this crisis for banks by attracting some more deposits and then creating vast multiples of credit from them to magically cover their losses.

–Editors

## Socialists and General de Gaulle



SOCIALISTS ARE OPPOSED to what de Gaulle stands for on principle, because he stands for French capitalism, and Socialists do not support any capitalist faction anywhere or at any time. But the Socialist principle on which we oppose de Gaulle just as imperatively lines us up against the French political parties that oppose de Gaulle, the so-called "Communists" and the minority of the French party misnamed Socialist (its majority supports de Gaulle).

The immediate issue which so bewildered de Gaulle's opponents of a few weeks ago that many of them ended by voting him into power, was the alleged "defence of democracy." Faced with a threat of civil war from the rebel generals and French settlers in Algeria and their sympathisers in France, they chose what they thought the lesser evil, making de Gaulle head of the government in the hope that he could and would control the generals. The French Communist Party, which defends the Russian dictatorship and still applauds the bloody suppression of Hungarian workers by Russian troops in 1956, came out hypocritically for the "defence of democracy" against the

"Fascist" de Gaulle. We need waste no words on them except to wonder whether their failure to back up their outcry against de Gaulle with something more than words may not have been due to a lurking fear—that perhaps de Gaulle may do a deal with the Russian government behind their backs.

But although the Communist Party did not change its ground while the crisis was on, the French Labourites, the so-called Socialist Party, made themselves ridiculous with a series of somersaults. Starting with a resolution not to support de Gaulle in any circumstances, they followed this with a decision to let the M.P.'s have a free hand either to follow their leader Mollet, who backed de Gaulle, or to vote against him; then another decision a few days later to let them abstain from voting on the question of handing over power to de Gaulle. With Mollet and others of their leaders in de Gaulle's government the party is split into nearly equal halves; with the likelihood that more will swing over to Mollet.

(From front page article by 'H', *Socialist Standard*, July, 1958)

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## Declaration of Principles

*This declaration is the basis of our organisation and, because it is also an important historical document dating from the formation of the party in 1904, its original language has been retained.*

### Object

**The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.**

### Declaration of Principles

The Socialist Party of Great Britain holds

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.)

by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom,

the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.



# Weasels at Westminster

James Purnell: 'ambitious, ruthless, calculating'

"Ambitious" is a chameleon word, adapting itself to demands and conditions. An ambitious doctor may nurture an obsession to cure ravaging diseases. An ambitious sociologist may set out doggedly to unravel misconceived theories about the causes of crime, depression, homelessness. But...an "ambitious" estate agent? An "ambitious" tabloid hack? An "ambitious" politician?

James Mark Dakin Purnell is the Labour MP for Stalybridge and Hyde. Succeeding to the seat in 2001, he was swept into the Commons by an electorate not then recovered from the hysteria of the 1997 slaughter of Tories and the raptures of Tonylove. Purnell's was a well-worn path to Westminster; a "first class" degree at Oxford (Balliol College) in Politics, Philosophy and Economics, an Islington councillor, part-time holiday researcher for Tony Blair and then, after a couple of intimidatingly titled jobs, the dizzy heights of speech-writer to Prime Minister Blair. Being by then known as a "media expert" could have done him no harm but some may have reflected that twenty years before he could, with the same type of background, have fitted comfortably into the pattern of those other Oxford Firsts who, weighing up their chances, opted to favour the Tories with their talents. In the 2005 election, as the experience of Labour government induced a more stark realism in the voters, Purnell's majority was reduced but still held firm at 8348 – although, as the Labour vote crumbles away, even his seat cannot be considered to be entirely safe. But Balliol graduates are renowned for their superiority so there is reason to believe that his survival and future have been carefully planned.

## The DWP

Firstly, there is his experience in government, from more junior jobs in Creative Industry and Tourism (in which he "liberalised" alcohol licensing laws) and Culture, Media and Sport (which enabled him to offer to bemused Labour delegates vacuous speeches which included both the words "culture" and "community" without acknowledging any historical dependence between them). And then, in January 2008, replacing the sacked Peter Hain in charge at the massive, challenging and unhealthy Department of Work and Pensions (DWP) – a promotion described by TV's Andrew Marr as "from threatening the BBC to threatening the unemployed". Purnell had in fact done a previous stint at the DWP, which had earned him a commendation in *Which* magazine as Consumer Champion of the Year – something the unemployed may soon wonder about. He was given the testing job of opening the recent Budget debate, although a measure of his standing in the party was that this was to conspicuously unpopulated Labour benches. And now he is being spoken of as a possible replacement for Gordon Brown as Labour Leader – which cannot be entirely because the MPs are desperate about their security.

Purnell's future may depend on his success or failure in carrying through what Labour's welfare guru Frank Field, among others, once called "thinking the unthinkable" – to so "reform" the benefits system as to virtually force the unemployed (including the incapacitated) back to work. Purnell is in no doubt about his contribution to this. In his interview with Andrew Marr he promised: "For people who can work, we're going to require them to look for work, we're going to get a million people off capacity benefit into work, 300,000 more lone parents into work...so it's a major reform of the system". This "major reform" is planned to include roping in all claimants of incapacity benefit, who will have to submit themselves to a rigorous assessment of whether their claim fits in with what the government thinks should be incapacity. If it doesn't fit in they will be provided with something menacingly called "extra support" to get them into work. And what if they still don't toe the line? Purnell replies: "For those who don't play by the rules, there will be clear consequences from their behaviour". Those who are not on Incapacity Benefit but simply unemployed will be tested for their suitability for training; if they refuse to attend for this they will also face clear consequences – a

reduction in their benefit.

On 28 February, presenting something going by the resounding name of a Commissioning Strategy, Purnell proudly announced his own contribution as a minister to the unemployed statistics – "headcount reductions" (more precisely known as sacking people) of DWP employees leading to "increased productivity" of 11 per cent (more precisely known as making those who are not sacked work harder). And he summed up "Beveridge would be familiar with our goals, but not the methods by which we deliver them". Beveridge is not, of course, available to comment on this piece of historical distortion.

## Deception

Purnell is not the first government minister, and he will not be the last, to blame the unemployed for being out of work and to ascribe unemployment to the eagerness of the workless to luxuriate on meagre state benefits instead of to the intractable vagaries of capitalism's economic system. He is not the first to try to bolster his own ambitions and to try to conceal his own impotence by diverting popular anxiety and prejudice about a problem onto handily identifiable scapegoats, if at the cost of driving them deeper into apathy and despair.

So how does his own behaviour compare to the standards he sets for others? In September 2007 it was arranged for the five local MPs to pose for a group photo at the construction at the new Tameside General Hospital. But only four turned up for the photo; Purnell was 20 minutes drive away when the shutters were clicking and by the time he arrived the others had left. So a separate photo of him was taken and digitally added to the group shot, which appeared in the hospital newsletter. But a vigilant local editor noticed the deception, which meant that Purnell had some explaining to do – at which his customary confidence seemed to have deserted him. Grilled by a news presenter on BBC North West he squirmed as he doggedly insisted that the whole matter was a "misunderstanding", the deception was done without his knowledge. However the interviewer just as doggedly reminded him that his own press office had said repeatedly that he had consented to the doctored photo. This was a trivial matter compared to other New Labour deceptions – some of which Purnell will have to promote as a loyal minister and MP – such as cash for honours, bribes to sell arms to the Saudis, Iraq's weapons of mass destruction due to take off in a few minutes. But it illuminates the obsessive trickery bound up with capitalism's politics and, for Purnell, must raise the question of how many other "misunderstandings" should he own up to?

## Weasels

Perhaps to avoid such distressful episodes in future Purnell has engaged an aide – Phill Collins, who is not the famed multi-millionaire warbler of pop songs but an aspirant who recently upset a local Labour Party by sulking when he was not joyfully selected to stand as their MP. But the prospects of a constructively harmonious partnership between Purnell and his adviser are not good for they seem to have crucial differences on important matters. Purnell rates Gordon Brown as a leader who "has the strategy and determination to be a great Prime Minister" while Collins thinks "Brown doesn't need a speech writer. He needs a magician". On the wider issue of whether Labour has a future Purnell sunnily informs us that it "is not a tired government. This is a government which is excited about the reforms that we are bringing in" but Collins thinks that "Labour's future, after three terms, looks bleak". This confusion is a matter for Purnell and Collins to reconcile with their claim to have a clear-headed, consistent remedy for capitalism's inhuman anarchy. Meanwhile, it will be instructive to keep an eye on these two Westminster weasels – ambitious, ruthless, calculating but not yet clever enough to avoid the pitfalls which expose them for what they are and the system they represent.

IVAN



# Voice from the Back

## An Investment Opportunity

Many people see the recent rise in foodstuff as an unmitigated disaster. Millions of poor

# \$tarvation Surpluses

people see it as a potential death sentence, but we live in capitalism and many capitalists see it as an investment opportunity to make huge profits. "Huge investment funds have already poured hundreds of billions of dollars into booming financial markets for commodities like wheat, corn and soybeans. But a few big private investors are starting to make bolder and longer-term bets that the world's need for food will greatly increase — by buying farmland, fertilizer, grain elevators and shipping equipment. One has bought several ethanol plants, Canadian farmland and enough storage space in the Midwest to hold millions of bushels of grain." (*New York Times*, 5 June)

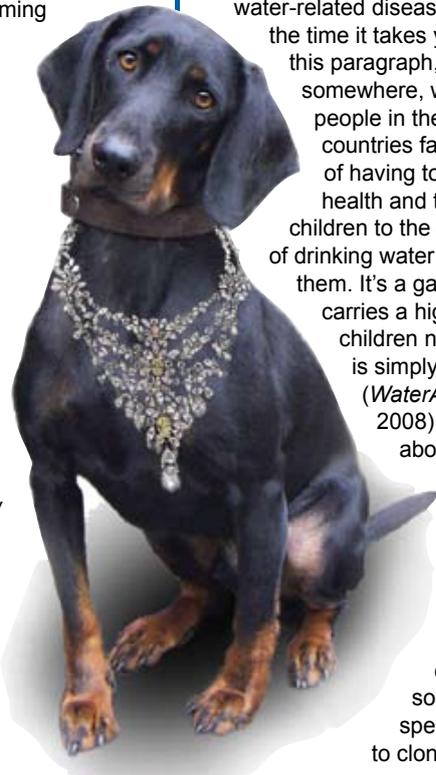
## Tory Turnaround

The recent increases in oil and food prices combined with the so-called "credit crunch" has led many economists to reconsider their viewpoints, but none more startlingly than that of the *Times* journalist and arch-conservative William Rees-Mogg. "All serious political analysis has a Marxist element. The core discovery

of Karl Marx as a political philosopher was the dominance of economic change in shaping the history of political society." (*Times*, 12 May)

## The Priorities Of Capitalism

"A California company will give five dog owners the chance to have a favourite pet genetically copied and brought back to life later this month. BioArts International has arranged an online auction to decide which dog lovers will qualify: at starting bids between \$100,000 (£51,000) and \$180,000." (*New Statesman*, 5 June) "Every 17 seconds, a child in the developing world dies from water-related diseases. In around the time it takes you to read this paragraph, someone, somewhere, will die. Everyday, people in the world's poorest countries face the dilemma of having to trust their health and that of their children to the consequences of drinking water that could kill them. It's a gamble that often carries a high price - seeing children needlessly dying is simply heartbreaking." (*WaterAid* leaflet, June 2008) It says a lot about the priorities of capitalism when WaterAid are asking for £2 a month to help save children and someone can spend £90,000 to clone a pet dog.



## This Frightening World

It is always difficult if not impossible to predict where the next international conflict will erupt inside capitalism, but this piece of sabre-rattling by a prominent Israeli

politician gives us the heebie-jeebies. "An Israeli attack on Iranian nuclear sites looks 'unavoidable' given the apparent failure of sanctions to deny Tehran technology with bomb-making potential, one of Prime Minister Ehud Olmert's deputies said on Friday. 'If Iran continues with its program for developing nuclear weapons, we will attack it. The sanctions are ineffective,' Transport Minister Shaul Mofaz told the mass-circulation *Yedioth Ahronoth* newspaper. 'Attacking Iran, in order to stop its nuclear plans, will be unavoidable,' said the former army chief who has also been defense minister." (*Yahoo News*, 6 June)

## A Murderous Society

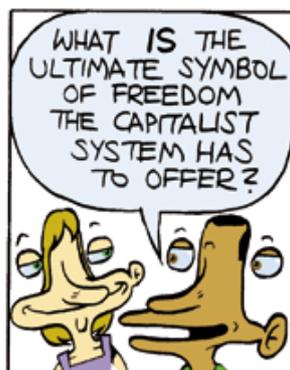
There are many examples of how capitalism turns human beings into monstrous creatures, but we doubt if a more extreme example than this could be found. "A woman beat her grandmother to death with a garden spade because she feared her inheritance would be spent on her residential care. Joanne Hussey, 33, has been jailed for a minimum of 20 years for the brutal attack on 77 year old Annie Garbutt. ...The jury was told that Mrs Garbutt had the onset of Alzheimer's disease and it had been recommended she be placed in a home. Her savings of around £250,000 would have been dipped into in order to pay for the cost of her care." (*Daily Telegraph*, 11 June)



Next government Help the Aged programme?

## Free Lunch

by Rigg



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## Trigger Unhappy



### Capitalism goes gunning for the NHS



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#### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 2 August** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.  
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## Introducing The Socialist Party

The Socialist Party is like no other political party in Britain. It is made up of people who have joined together because we want to get rid of the profit system and establish real socialism. Our aim is to persuade others to become socialist and act for themselves, organising democratically and without leaders, to bring about the kind of society that we are advocating in this journal. We are solely concerned with building a movement of socialists for socialism. We are not a reformist party with a programme of policies to patch up capitalism.

We use every possible opportunity to make new socialists. We publish pamphlets and books, as well as CDs, DVDs and various other informative material. We also give talks and take part in debates; attend rallies, meetings and demos; run educational conferences; host internet discussion forums, make films presenting our ideas, and contest elections when practical. Socialist literature is available in Arabic, Bengali, Dutch, Esperanto, French, German, Italian, Polish, Spanish, Swedish and Turkish as well as English.

The more of you who join the Socialist Party the more we will be able to get our ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

The Socialist Party is an organisation of equals. There is no leader and there are no followers. So, if you are going to join we want you to be sure that you agree fully with what we stand for and that we are satisfied that you understand the case for socialism.

## Editorial

### Is it the Big One?

THERE'S A JOKE amongst stock exchange gamblers about the analyst who predicted nine of the last three bear markets. The same could be said about some critics of capitalism who have been predicting the next Great Depression since 1945.

Capitalism is an uncontrollable system and another 1930s slump cannot be ruled out. But history never repeats itself exactly, not even as a farce (not that a repeat of the horrendous 1930s could be viewed as a farce). Every slump or recession is different because capitalism is anarchic and unpredictable. In fact, if it wasn't then capitalist governments might have a better chance of developing some policies to avoid them.

The socialist case against capitalism is not dependent on capitalism being in a slump. Even in times of "prosperity" capitalism does not, and cannot serve the interests of the majority who are obliged to sell themselves for a wage or a salary to get a living. Unemployment may be lower and real wages may be rising slowly, but the basic fact of profits being derived from the unpaid labour of those who work remains. And profit-seeking dominates decisions about what, where and how to produce. Priorities are distorted as profits always come before meeting needs.

Obviously more people are discontented in a slump than at other times but history does not provide any evidence that slump conditions are consistently better for getting across the socialist message. The priority for an unemployed person is a job or rather the money needed to buy things that goes with a job. Socialism could

indeed immediately solve this problem by ensuring that everyone's material needs were met, but socialism cannot be established until and unless a majority want it and are prepared to take the necessary political action to get it. Socialists, however, cannot produce this immediately by waving a wand. In the meantime unemployed people want a job and have been known to follow all sorts of demagogues who promise them this.

Socialists do not subscribe to the view "the worse, the better". Even so, slump conditions do expose the irrationality of capitalism. Closed factories alongside unemployment queues. People in bad housing alongside stockpiles of bricks. People in need of food alongside food mountains and, worse, food bonfires. In short, poverty amidst potential plenty.

But are we heading for another big slump? Nobody knows. Capitalist opinion is divided. Anatole Kaletsky, writing in the *Times* (17 July), reported that "according to the overwhelming majority of financial analysts in the City of London and Wall Street, the world is now in the worst economic crisis since the 1930s". He disagrees. He regards this merely as a panic reaction amongst bankers who are seeing their expected profits disappear.

Socialists don't know either but the very fact that another big slump cannot be ruled out confirms in itself that capitalism is an irrational and uncontrollable economic system. The sooner it is got rid of and replaced by a system under human control and geared to serving human needs the better.



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# Capitalism's Model Behaviour

The business of science, it might be said, is to distinguish what is knowable from what is not knowable. The first great flowering of modern scientific thinking, in the days of Newton, Leibniz and Descartes, established a revolutionary perspective of certainty and predictability on a world previously dominated by a largely religious or superstitious belief in nature's untameable randomness. Instead of being at the mercy of fate, humanity through science could be its master. Everything, in theory, was knowable. If the position, mass, velocity and direction of every particle could be known, so it was thought, then in principle the entire future of the cosmos could be extrapolated from this knowledge.

This faith in the power of science to unlock any secret seems touchingly naïve today, after the cold showers of quantum physics and chaos theory. But the war continues, between the certainty and uncertainty principles, between what science can do and what it can't. And inevitably, with possibly the biggest financial crash since the 1930's on the world's doorstep, some scientists are looking at the economy and asking the same big questions.

Do financial booms and busts have causes, and are those causes identifiable, and more crucially, predictable? Or is the economy essentially a chaos system, whose workings a computer the size of Jupiter could still not reliably forecast?

Sumit Paul-Choudhury argues (*New Scientist*, 21 June) that financial bubbles are not only unpredictable and unstoppable, but even useful and desirable. According to this theory, bubbles generate an enormous incentive to take reckless risks in developing new technologies or systems with important social benefits but low financial returns. When the bust comes, the reckless lose their shirts, but the social benefits remain for the rest of us. Thus, for example, the dot-com bubble and bust ruined investors but laid the foundations of the modern internet. The recent housing bubble stimulated the building of lots of houses, which will still be there when prices have crashed, and much more affordable in the future.

There is a lot one could say to this. Firstly, a financial bubble is by definition an inflation in credit out of all proportion to any parallel increase in production, and is in consequence the most inefficient and wasteful method of stimulating development. To say that some good comes out of such catastrophic events is not to say anything at all. Development would have happened anyway, and regularly does, without any inflationary cycle to push it along. Secondly, it is an ivory-tower argument which takes no account of the terrible toll such busts have, not on fatcat investors who can afford it, but on millions of workers who already live on the breadline and have no resources with which to withstand the depredations of global recession. Third, it is an example of 'spin', where an admission of lack of control is packaged with a sales-pitch, to make a virtue out of a necessity. It is like arguing that bubonic plague serves a useful purpose, because it stimulates change in society.

When divorced from this preposterous spin, the

admission that humans cannot control the economy walks a very dangerous edge. It is only a short step to the Marxian conclusion that the economy – capitalism – is an irrational system and should be abolished in favour of a more rational one. Aware of this, some scientists pursue the neo-Newtonian ideal of being able to predict the market. To this end, they offer us computer models.

What one has to say about computer models from the outset is that they can be a very powerful tool for understanding complex systems, provided that the parameters fed into the models are correct in the first place. The more complex the system, the more complex the parameters, and the less certainty over the initial algorithms. Climate modelling is a case in point. The best computers in the world can only predict the weather with any confidence up to three days in advance, after which the variables spiral exponentially out of control. Thus, attempts to predict the consequences of global warming vary widely.

The established way to test a model is to see how well its predictions accord with past documented events, in this case economic crises. Older models, which presupposed standard economic theories of rational trading and the law of value, that is, prices tending to gravitate towards their proper values, have had no success in predicting inflationary bubbles. Some success is now being claimed for models which recognise irrational elements such as trader fear and the herd instinct, and which are designed around artificially intelligent buyers and sellers who interact among themselves, just like real traders (*New Scientist*, 19 July). But these new models only deal in probabilities. They estimate that the probability of a bubble and bust event is a good deal more likely than older 'equilibrium economics' models suggested. But of course they can't say when. Worse, while the weakness of fixed parameter models is that the parameters may be wrong, the weakness of artificially intelligent models, computer models which can 'learn' and modify their own parameters, is that they may rapidly become as complex and opaque as the system they are trying to emulate. One may end up with a computer model which becomes as incomprehensible as its real life counterpart.

The observation has been made in this column before that a computer model of socialist production and distribution, while complex, could be a useful contribution to socialist thinking and would not have to factor in such unquantifiable elements as trader fear or speculator frenzy. Indeed the strength of the socialist model would be in its relative simplicity. Once total demand and total supply are known, a small standard deviation would suffice because in the real world, based not on floating prices but on fixed use-values and known energy

costs, production would proceed in a steady state. Only large scale catastrophic natural events, such as droughts, earthquakes, tsunamis or severe storms would cause any blip in the production process, but unless an event was so catastrophic that it affected global production, such as an unstoppable plague or an asteroid impact, the essentially steady and predictable production of socialist society would be able to absorb it. There's a Nobel prize waiting for the computer scientist who comes up with the first working model of socialist non-market economics. But of course, they'd only get their prize in socialism. And, one need hardly add, there wouldn't be any money attached.



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## Campaigners for humanitarian intervention: “useful idiots” of militarism

There is nothing new in governments claiming to be motivated by humanitarian concerns when they go to war. To take a couple of old examples: tsarist Russia supposedly fought the Ottoman Empire in order to rescue Armenians from massacre by the Turks, while British intervention following the German invasion of Belgium in 1914 was justified by lurid drawings of “Huns” skewering babies on their bayonets ([www.spartacus.schoolnet.co.uk/FWWatrocities.htm](http://www.spartacus.schoolnet.co.uk/FWWatrocities.htm)). The enemy atrocities might be real, as in the first example, or imaginary, as in the second, but in both cases the claim of humanitarian motivation was fraudulent. Governments decided for or against war on the basis of (sometimes erroneous) calculations of economic and strategic interest.

That remains true today. Never, however, has it been more important for governments to win public support for wars by claiming humanitarian motives. As in the past, some of the “facts” underlying the claims are fabricated. Thus, Tony Blair repeatedly claimed that 400,000 bodies had been found in Iraqi mass graves, although the number of corpses uncovered was only 5,000.

But again, the *claims* are false even when the facts are true. Often this is obvious because the atrocity occurred long before foreign governments expressed any outrage over it. Why bring the matter up just *now*? Britain and the US had no objection when Saddam used poison gas on Kurdish villages in 1988 because at that time he was their ally. The weeks preceding the dispatch of British troops to Afghanistan were marked by a media campaign against the oppression of women in that country, with even Cherie Blair roped in. The issue was then dropped as suddenly as it was raised.

### A public movement for humanitarian intervention

What is new is the emergence, within the broader human rights movement, of a loosely organized network that campaigns for military intervention wherever that seems to be the only effective means of halting or preventing genocidal atrocities against some ethnic group. Currently, for example, there is an international campaign for intervention in

Darfur (Sudan).

During my non-socialist period, I was involved for a while in one of the organizations that makes up this network: the Institute for the Study of Genocide (ISG). My research, publicized through the ISG, helped to bring the massacres of Bosnian Muslims by Serb militias to the attention of the US media and politicians – including, notably, Bill Clinton, who at that time was campaigning for president. Later Clinton did intervene militarily in Yugoslavia, though over Kosovo rather than Bosnia.

Unlike governments, anti-genocide activists like the ISG have quite genuine humanitarian motives. They recall how “the world sat by” and allowed the Armenian genocide and the Holocaust to proceed. (Though at war with Nazi Germany, the Allied command turned down pleas to bomb the railway lines leading to Auschwitz.) They are determined to establish humanitarian considerations as an integral part of policy making, so that “we” will not let such terrible things happen again.

Any decent person will sympathize with this line of thought. But there is a problem with it. Let us shift our focus from the moral imperative of effective action to the political forces capable of such action. Who is “the world”? Who is “we”? The only “we” capable of intervening is governments with their armed forces. But governments do not exist for humanitarian purposes. They are therefore loathe to intervene for humanitarian reasons, and it is close to impossible to compel them to do so.

### Pros and cons

From the point of view of governments, the existence of a public movement for humanitarian intervention has both pros and cons. It is irritating and embarrassing to have to face down emotional public demands to intervene in places where no important “national interests” are at stake – in Rwanda, for instance, or Darfur. On the other hand, when you are inclined to intervene anyway for *other*, more “important” reasons it is extremely convenient to have a public movement pressing for intervention. That makes it much easier to drum up public support for war, and at the same time you can enhance your democratic credentials by “responding to public opinion.”

In the case of Yugoslavia, the demand to intervene effectively over Bosnia was resisted, but the campaign in which I participated prepared the ground for intervention over Kosovo. The evidence now available suggests that in Kosovo, in contrast to Bosnia, there was never any real danger of genocide (as opposed to the usual ethnic cleansing). In Kosovo, however, and again in contrast to Bosnia, significant interests were at stake, such as a major oil pipeline and metal-mining complex (see April 2008 *Socialist Standard*).

### Illusory success

It may appear to campaigners for humanitarian intervention that they have a certain limited success. They “win some and lose some.” But if we look more deeply into the real interests involved we see that their success is largely illusory. It is by no means clear that their efforts have the net effect of reducing the amount of suffering in the world. In fact, by supporting and helping to legitimize brutal and devastating wars they may well increase the total of suffering.

The epithet “useful idiots” (or “useful fools”) was used to pillory Western pacifists who supposedly served the interests of the Soviet Union, though without intending to do so and for the best of all possible motives. Jean Bricmont borrows the expression for a different purpose, calling campaigners for humanitarian intervention the “useful idiots” of Western militarism and imperialism (*Humanitarian Imperialism: Using Human Rights to Sell War*, NY: Monthly Review Press, 2006). Again, this is not meant to cast any aspersions on their motives.

As socialists we would only question the stress on “Western.” In principle such people could equally well serve as useful idiots for non-Western (Russian, Chinese, Indian, etc.) militarism and imperialism, though in practice they are active mostly in Western countries.

Calls for humanitarian intervention only make sense in terms of a false conception of the nature and functions of government. They feed a delusion that obscures the reality of our capitalist world, thereby making it harder to overcome that reality.

STEFAN



# SIMON THE SOCIOBIOLOGIST



HMM! SHOWING DISREGARD FOR ONE'S OWN SAFETY BOOSTS STANDING AND RESPECT AMONG ONE'S PEERS, AND THUS INCREASES POTENTIAL ATTRACTIVENESS TO THE OPPOSITE SEX.



THE INHERENT RISK-TAKING, AGGRESSIVE NATURE OF THE YOUNG MALE CAN BE SOMEWHAT ALARMING TO SOCIETY AT LARGE, WITNESS THE CURRENT MEDIA ANXIETY. ALTHOUGH, AS YOUNG MEN, YOU DOUBTLESS ENJOY THE FEELING OF NOTORIETY IT GIVES YOU.



BUT I FEEL SOCIETY IS RATHER HYPOCRITICAL. WE HAVE NO COMPUSSIONS ABOUT CHANNELING THIS INNATE AGGRESSIVE INSTINCT INTO SOMETHING DEEMED USEFUL BY PUTTING YOUNG MEN IN UNIFORM AND SENDING THEM OFF TO FIGHT OUR WARS.

INDEED THE MILITARY VALUES ARE HIGHLY ESTEEMED BY CONSERVATIVE MINDED COMMENTATORS WHO WOULD BE HORRIFIED BY THE TRIBALISM OF A FOOTBALL TERRACE...

... OR A STREET GANG FIGHTING IT OUT WITH A RIVAL GROUP.



AND WHAT IS THIS, OTHER THAN A KIND OF WARFARE? IT NICELY ILLUSTRATES OUR PROPENSITY FOR FORMING MUTUALLY ANTAGONISTIC TRIBES, THE MEMBERSHIP OF WHICH WE VALUE AS A BADGE OF IDENTITY.

INDEED, ONE SUSPECTS THAT IF MANKIND WAS EVER LIBERATED FROM THE TIES OF NATION STATE, RELIGION, RACE, WE WOULD SIMPLY INVENT NEW GROUPS, NEW DIVISIONS, RECOGNIZED, AND RESPECTED. NEW REASONS FOR CONFLICT.

THOUGH, AS WE WITNESS HERE, RITUAL STAND OFFS, LACKING ANY ACTUAL VIOLENCE, ARE QUITE OFTEN ENACTED. TERRITORIAL BOUNDARIES ARE DRAWN.



LOOKING AT THE ANIMAL KINGDOM, MALES DO SPEND A DEPRESSINGLY LARGE AMOUNT OF TIME AND ENERGY ENGAGING IN RITUALISTIC COMBAT TO ENABLE STATUS, RANK, OR ACCESS TO FEMALES TO BE GARNERED. RULED THUS BY PRIMITIVE COMPETITIVE FEELINGS, MUCH VALUABLE LIFE IS WASTED. TRAGIC!

SO PERHAPS WE SHOULD BE LESS JUDGEMENTAL, AND RATHER MORE SYMPATHETIC TOWARDS YOUNG MEN, ENSLAVED AS THEY ARE BY TESTOSTERONE DRIVEN PRIMAL URGES AND INSTINCTS!

YEAH, WHATEVER GRANDAD. NOW, LET'S HAVE YOUR WALLET!



# Pieces together

## ANOTHER LABOUR PARTY SUCCESS

"Britain was the world's biggest arms seller last year, accounting for a third of global arms exports, the Government's trade promotion organisation said. UK Trade and Investment (UKTI) said that arms exporters had added £9.7 billion in new business last year, giving them a larger share of global arms exports than the United States. "As demonstrated by this outstanding export performance, the UK has a first-class defence industry, with some of the world's most technologically sophisticated companies," Digby Jones, the Minister for Trade and Investment, said." (*Times*, 18 June)

## ANOTHER CAPITALIST NIGHTMARE

"British forces in Afghanistan have used one of the world's most deadly and controversial missiles to fight the Taliban. Apache attack helicopters have fired the thermobaric weapons against fighters in buildings and caves, to create a pressure wave which sucks the air out of victims, shreds their internal organs and crushes their bodies. The Ministry of Defence (MoD) has admitted to the use of the weapons, condemned by human rights groups as "brutal", on several occasions, including against a cave complex. The use of the Hellfire AGM-114N weapons has been deemed so successful they will now be fired from RAF Reaper unmanned drones controlled by "pilots" at Creech air force base in Nevada, an MoD spokesman added." (*Sunday Times*, 22 June)

## OIL AND WAR

"A group of American advisers led by a small State Department team played an integral part in drawing up contracts between the Iraqi government and

five major Western oil companies to develop some of the largest fields in Iraq, American officials say. The disclosure, coming on the eve of the contracts' announcement, is the first confirmation of direct involvement by the Bush administration in deals to open Iraq's oil to commercial development and is likely to stoke criticism. In their role as advisers to the Iraqi Oil Ministry, American government lawyers and private-sector consultants provided template contracts and detailed suggestions on drafting the contracts, advisers and a senior State Department official said." (*New York Times*, 30 June)



## Contact Details

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# Who pays for health care?

*This year is the 60<sup>th</sup> anniversary of the National Health Service. Workers like it, but capitalists don't, at least not any more. Why?*

That the NHS became old enough to claim its bus pass last month will be a source of pride to members of the Labour Party – something to hold in their hearts as the gloom gathers around their fading regency over Britain. 60 years of providing health care free at the point of use is something that socialists can acknowledge, albeit with qualification. Likewise, the continued existence of such a service sticks in the craw of the purist ideologues of capital, and serves as a constant irritant to the rapacious demand of capitalism for profits. That accounts for why the health service remains at the heart of the political battlefield.

For example, when the *Daily Telegraph* celebrated the fiftieth anniversary of the end of food rationing in 2004 they used it as an excuse to have a pop at the health service. After all, if rationing – which they claimed was, in effect, a National Food Service, was not needed, then why have a National Health Service? ([www.telegraph.co.uk/money/main.jhtml?xml=/money/2004/07/03/cmian03.xml](http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2004/07/03/cmian03.xml)). Socialists would, of course, argue the exact opposite – and that is what the Torygraph's hacks were exactly afraid of, the threat of the good example.

So afraid, that they try to turn it into the bad example. Following the most energetic proponents of capitalism, they maintain that state run services cannot be efficient. This is a line that ultimately stems from the Austrian economist Ludwig Von Mises, who argued that without markets in capital (i.e. productive goods) rational resource allocation could not be made. His latter-day

followers would argue that the NHS can only function because it can approximate the prices of its goods from general society; but, that in that approximation it still cannot achieve due efficiency.

Others follow the other Austrian economist Friedrich Hayek in asserting that without entrepreneurship, the managers of a state bureaucracy lack incentive and drive, and thus do not serve the customers (i.e. patients) as well they might. These folk would also argue that information does not flow freely within the NHS, and cannot effectively do so, for much the same reasons. They point to manipulation of statistics and fiddling to meet central government targets as proof of this.

It has been traditional to use waiting lists as proof of that inefficiency, and Labour has spent the last ten years desperately trying to prove those waiting lists can be eliminated. These, though, only exist because the NHS is a government bureaucracy that aims to treat everyone – were it a market led system, those lists would become invisible, as those who couldn't afford to pay would cease to present themselves, and the dreaded rationing would occur unseen. Indeed, that was the situation at the foundation of the NHS, where the war had seen the state discover just how unhealthy the population was when they were shanghaied into battle.

Another favoured trick has been to compare, say, the number of expensive scanners in the United States to those in the UK. Although the US does have higher numbers, much of that is driven by different medical priorities, and, more

importantly, different donor priorities. As much medicine in the US relies on charity (itself a sign that markets cannot provide the service required) their funding is subject to potlatching – spectacular donation one-upmanship in which big, shiny projects will be privileged over more mundane treatments.

Of course, the NHS has had serious funding/allocation problems. In its early days demand was much higher than anticipated, and so consequently it cost more. ([en.wikipedia.org/wiki/History\\_of\\_the\\_National\\_Health\\_Service](http://en.wikipedia.org/wiki/History_of_the_National_Health_Service)) Since the 1980's successive governments have tried to rectify its perceived shortcomings through creating pseudomarkets. The problem is, however, for the die-hard agents of capital, pseudo markets will never be good enough.

This can be seen from the more recent propaganda. Following a Office of National Statistics report in April this year the *Telegraph* proclaimed "NHS gets more money but productivity falls". They alleged that "billions of pounds of extra investment in the health service has led to a 10 per cent drop in productivity," because:

"Although more patients are being treated on the NHS with more operations being carried out, more drugs being prescribed and the population enjoying better health, the rise has failed to match the increase in investment, a report from the Office of National Statistics shows."

That is, although all of these manifest improvements were occurring, the *Telegraph* spun it as a decline in productivity which meant that "unless NHS productivity can be improved the principle of a health service funded out of general

## “NHS workers are compelled by the threat or prospect of poverty to play the market game as best they can.”

taxation may become unaffordable, experts warn.”(www.telegraph.co.uk/news/newsttopics/politics/health/1576999/NHS-gets-more-money-but-productivity-falls.html) All this because the ratio of money spent to the outputs achieved declined (or rather, the outputs did not rise as fast as the increased expenditure).

The cold, cold logic of capital: if the returns aren't good enough, if the money could be more profitably spent elsewhere, then it should be so. The actual concrete outcomes become a secondary consideration behind the magnitude of the capital involved. Another recent government report indicates how this might weigh on the capitalist mind. The report, the annual “Value added scoreboard” (www.innovation.gov.uk/value\_added/default.asp?page=76) looks at company accounts in the UK and across Europe to show which firms have added the most value to the economy. It defines value added as: Value Added = Sales less Costs of bought-in goods and services:

“Value Added can be calculated from a company's accounts by adding together operating profit, employee costs, depreciation and amortisation/impairment charges.”

That is, it does not measure value as a ratio of total capital invested, but as a fraction of year on year expenditure. For the government and for capitalists, it's a measure of how well firms are meeting peoples' desires (apparently). For socialists, this is a very good thing to measure, since, after all, this shows pretty accurately how much workers are exploited for – all that value added is our unpaid labour being realised – something like £646 billion in the top 800 companies. Of that, £3.5 billion is accounted for by “health care equipment and services.” Given that the NHS costs an annual £89.7 billion it's clear that were its services to be made commercially available, then the headline value added figure for the UK would rise, and health care as a sector would leap up in terms of the national league tables.

Capital with its incessant drive –

accumulate, accumulate – looks upon all that capital, all those potential profits, all that money pouring into the NHS and dreams of taking it for itself, of taking out its state rival and bringing the riches and all that potential surplus value into its own cold avaricious arms. It would also mean not having to pay the dreaded taxes that the government snatches.

Although socialists recognise the benefits the NHS brings to workers who otherwise would not have access to healthcare, they are far from the ardent uncritical supporters that the membership of the Labour Party tend to be. They see that although the NHS suggests possibilities for how a service free at the point of use and based on needs could be organised, fundamentally, it is not free from the market system and a long way from being the fount of joy Labour supporters proclaim it to be.

Although the NHS has to simulate markets internally (much as many big companies do) it actually exists within a market economy. It competes to buy drugs, materials and even staff. When the *Telegraph* bewails that much of the money poured into the NHS over the last ten years went into wages and salaries, it is commiserating over its own basic principle: that people should try to enrich themselves and get the most for their skills and abilities that they can. NHS workers are compelled by the threat or prospect of poverty to play the market game as best they can.

Likewise, it must buy hospitals and premises from commercial builders and landowners. It has to pay the form of rent known as a patent to the drugs manufacturers. And it has to have the payroll clerks, the accountants, the procurement officers, the lawyers and the whole array of staff specifically to manage all of this market activity, adding greatly to its cost.

Further, technical innovation comes with a market drive. As the BBC points out in a special report for the anniversary, “all the new machines and robots that are becoming available for health care cost a

fortune, can the NHS afford to keep up with innovation?” (news.bbc.co.uk/1/hi/health/7477627.stm). As with any other industry, capitalism is constantly revolutionising the process of healthcare. More and better results can be achieved with more and better machinery – that is with ever greater capital investment. Personal healthcare has always been relatively labour intensive, and it would be politically inconvenient to try and rationalise staff costs the way that an ordinary capitalist firm would – with wage cuts and redundancies.

This interweaving with the market system also nullifies some of the wilder claims that the NHS is a massive benefit to the working class – many capitalist states manage to exist without such a system. Health costs are, for the most part, not optional, you either need treatment or you don't (though the poor are long adept at putting up with ailments it's too dear for them to pay to relieve). By hook or by crook, if the employers want to have a workforce fit to perform their role, it's going to have to pay for health care. This can either be done through wages directly, or as a workplace benefit or through the state. If provided as a state or private benefit, it simply has the effect of lessening the upwards pressure of wages by workers who need to pay for their and their loved one's treatment. If it was paid directly through wages, employers would have to risk paying those sums to workers who might never need health treatment: i.e. they'd be paying them (in the employers' eyes) too much.

Let's be clear, this is an automatic effect of the wages system. The proponents of the NHS are sincere (for the most part) in believing that it brings a massive benefit to society. Certainly, it helps the Labour Party by being a threatened cherished item to rally their supporters around and with which to beat the Tories. The wages system, though, which will only return to the workers the price the market will bear for sustaining their ability to work can snatch with one hand what the state gives with another. Our health

and well being only matters so far as it enables employers to use us for profit, as can be seen in those parts of the world where surplus population is left to rot.

The health service, also fails to address that other feature of the market system: inequality. The figures are quite starkly clear. For example, in the London Borough of Camden - home to some of the most deprived parts of the country - the difference in life expectancy can be a decade. A man living in Belsize ward can expect to live to be 80.2 years old, while less than a mile away in Kilburn the life expectancy is 69.9 years. ([www.camdenpct.nhs.uk/pages/go.asp?PageID=621](http://www.camdenpct.nhs.uk/pages/go.asp?PageID=621)). Just a mile or two more away in Somers Town (the ward which includes Kings Cross station, and St. Pancras International - with the longest Champagne bar in the world) death rates are 35 percent higher than the national average. ([www.thecnj.co.uk/camden/2008/010308/health010308.html](http://www.thecnj.co.uk/camden/2008/010308/health010308.html))

This is part of a worsening trend:

"During the period 1972-6, the gap in life expectancy between social classes I and V was 5.4 years for men and 4.8 years for women. By the time New Labour succeeded the Tories in government, these gaps had risen to 9.4 years and 6.3 years respectively." (See tables 1 and 3 in: 'Life expectancy by social class', UK Government Statistics. ([www.ukwatch.net/article/more\\_like\\_arbitrary\\_execution\\_0](http://www.ukwatch.net/article/more_like_arbitrary_execution_0))

"Kill, kill, kill, killing the poor", as the Dead Kennedys sang. It is clear that the effects of poverty, and the associated lifestyle are deleterious to health, and that simply having the services available of the NHS isn't sufficient to stop the theft of years from the working and unemployed poor.

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## Sinned against not sinners



### Cooking the Books 1

"PAY RISES DON'T CAUSE INFLATION - AN INCONVENIENT TRUTH FOR DARLING" was the headline in the *Daily Telegraph* of a recent article by the unspeakable Simon Heffer (25 June, [www.telegraph.co.uk/opinion/main.jhtml?xml=/opinion/2008/06/25/do2503.xml](http://www.telegraph.co.uk/opinion/main.jhtml?xml=/opinion/2008/06/25/do2503.xml)). He was criticising the increasingly strident calls by the Chancellor of the Exchequer for pay restraint so as not to fuel inflation. Heffer's

argument was that as rising prices have been caused by the government allowing too much money to get into circulation they can't be stopped by holding back wages.

We have to admit that he is basically right. Insofar as rising prices in Britain are not due to other factors such as rising world oil and food prices (since rising prices and inflation are not the same), if the government overissues the currency, i.e. puts more into circulation than enough to make payments, pay taxes, settle debts, etc, then all prices will tend to rise. As wages are a price - the price of a person's ability to work, or what Marx called their labour power - they too will rise. So to blame inflation on wage increases is wrong.

So, sometimes a nasty person can be right. Heffer reminds us that another obnoxious character, Enoch Powell, was saying this about inflation in the 1960s. He quotes something Powell said about the wage restraint policy of the Wilson Labour government. Powell was

even clearer in a speech he made on 20 November 1970 about the similar policy of the Heath Tory government:

"Wage claims, wage awards, strikes, do not cause rising prices, inflation, for one simple but sufficient reason - they cannot. There never was a strike yet which caused inflation, and there never will be. The most powerful unions, or groups of unions, which was ever invented is powerless to cause prices generally to rise ... in the matter of inflation, the unions and their members are sinned against, not sinning. In the matter of inflation, the unions and their members are as innocent as lambs, pure white as the driven snow".

We couldn't agree more and said so at the time. There is, however, a point of difference. Heffer (and Powell himself sometimes) suggests that it is government spending as such that causes inflation (Heffer is a mad marketer who wants to reduce government spending and interference so as to let the market rip). But this is not necessarily the case. If it is financed by overissuing the currency, government spending will have this effect, but inflation is not due to the particular way the excess money is spent (in this case by the government to finance its spending) but to the fact that it has been issued in excess.

Darling may be cleverer than Heffer gives him credit for. The job of all governments is to preside over the operation of the profit system and to try to ensure that profits are protected and maximised. So they are always against pay increases, irrespective of whether or not prices are increasing. Darling may just be using the current spurt in prices as a pretext to reiterate what is a permanent policy of all governments.

# The Selfish Capitalism hypothesis

Oliver James doesn't like "Selfish Capitalism" and wants to return to the "Unselfish Capitalism" he imagines once existed.



Oliver James

A catchy phrase is always a useful way to draw the reader to a book, and Oliver James, a well known media psychologist (the one with the chunky sweater and scarf) has coined a couple in his latest book *The Selfish Capitalist* (Vermillion, 2008, £14.99).

In 1976 Richard Dawkins gave us *The Selfish Gene*, and the two books are not unrelated. The notion of selfish gene seemed to capture the ethos of the rise of the New Right ideologues, following the end of the post-war Butskillite consensus.

Welfare capitalism was on the retreat and the young guns of the "night-watchman state" and libertarian capitalism were the ideological vanguard for the restructuring of the relationship between capitalism and the working class. It is this phase of a resurgent capitalism that James examines calls Selfish Capitalism.

It is the psychological consequences of these thirty years of Selfish capitalism that

James examines in this book. It is an enjoyable read, and it brings together some useful material, but its economic and political foundations are suspect.

The core of James's position is that in the English-speaking nations there has been a more rapid increase in the prevalence of emotional distress since the 1970s compared with the 1945-1980 period and when compared with the relatively "Unselfish Capitalist" nations of mainland Europe and Japan.

In setting out this hypothesis, James spends the first chapter on "The Fundamental Causes of Emotional Distress". Dismissing both evolutionary and other biological factors as the only or the most significant factor in the production of emotional distress, James, quite rightly I believe, states that:

"When you survey the literature on the causes of emotional distress, it is abundantly clear that most cases, perhaps the vast majority of them, are responses to

environmental factors."

For James, the most important of these environmental factors are early childhood experiences, especially those involving sexual and physical abuse, neglect, divorce, financial difficulties, late adoption and insecure attachment. However, he does not go so far as to say that experiences subsequent to our sixth birthday are not influential, but that they combine with these earlier experiences.

These later experiences are tied in with a combination of an individual's social class, gender, age, ethnicity and where they live. Thus, rates of depression, anxiety, alcohol and other substance abuse, and schizophrenia are significantly higher for someone who is poor, female young, immigrant and lives in a city.

James's brief outline of these points is a preamble to his more important discussion of differences in emotional distress between nations. Basing his interpretation on an ongoing World Health Organization (WHO) survey of 15 nations, he shows that in the USA 26.4 percent of the population suffered a period of mental distress in the previous 12 months, compared with 14.9 percent for the Netherlands and 4.3 percent for Shanghai (there were no figures available for the UK).

The next step in his argument is to compare levels of emotional distress between industrially developed nations; it is at this point that his notions of Selfish and Unselfish Capitalism come into play. Whilst these nations have comparable levels of industrialisation and urbanisation, the levels of distress are higher in one group compared with another. For example, from the WHO survey, the USA and New Zealand have an average of 23 percent of the population experiencing emotional distress, compared with an average of 11.5 percent for six western European nations and Japan. James's explanation for this difference is that the English-

speaking nations have undergone a shift, since the 1970s, in their economic and political policies from an Unselfish capitalism to a Selfish one, whereas western Europe and Japan have persisted with the Unselfish Capitalist model.

In addition to these fundamental causes of distress, James proposes that a major cause of distress in the developed nations is what he refers to as “materialism”. This he defines as “placing a high value on money, possessions, appearances and fame”. According to James, there is a distinction to be made between “survival” and “relative” materialism. In conditions of absolute poverty, where an individual’s basic needs are not met, or are uncertain, then survival materialism can contribute to their well-being. However, once these basic needs have been met, then any increase in an individual’s level of materialism, to relative materialism, does not lead to an improvement of their well-being.

Basing his views on a wide range of research, he states that “those with relative materialism are significantly more likely to be emotionally distressed than ones who are unmaterialistic” (p.45). Such views on the apparent paradox that increases in material wealth and possessions do not result in increases in well-being or lower rates of distress have been recently the subject of a number of books such as *The Paradox of Choice: Why More is Less* (Schwartz, 2004), and are summed up in the title of an article by the psychologist Mihaly Csikszentmihalyi “If We Are So Rich, Why Aren’t We Happy?” (*American Psychologist*, 1999).

Recognising the earlier work of Erich Fromm (although this is limited to his views on consumerism), James points out that such a culture of celebrity, bling, Ten Years Younger, It Could Be You, “you’re fired!” etc. is based on creating high levels of insecurity, low self-esteem and dissatisfaction about the self in order then to sell the commodities that will ease these feelings. Such a need structure is produced from very early on, and vigorously maintained and expanded not only by the institutions of advertising and the mass media, but also by the family and schooling. It is this continuous assault on the self and the impossible nature of the ideals set, that results in the increase in emotional distress. Overall, this discussion of relative materialism provides some useful ammunition for an attack on the vacuous consumerism which characterises present-day capitalism.

Up to this point, James’s argument has been compatible with a socialist critique of capitalist culture, with its relentless desire to create facile needs and the commodities to fulfil them—although not quite, as a satisfied individual is a customer lost. However, from now on James’s arguments start to be less soundly based from the socialist point of view. It is here that he makes his crucial distinction between Selfish and Unselfish Capitalism, and begins his defence of the latter. The early promise of an attack on capitalism as such turns into a far from novel, indeed geriatric, defence of reformist capitalism, albeit with a therapeutic twist.

James’s argument is that in the English-speaking nations over the last thirty years such a “materialist” culture has been produced by the adoption of Selfish Capitalist policies. Mainland Europe and Japan, however, maintained their post-war Unselfish Capitalist regimes. In James’s view Selfish Capitalism has four defining features:

- (1) “the success of a company is judged largely by its current share price, rather than by its underlying strength or its contribution to the economy”;
- (2) “a strong drive to privatise collective goods such as

water, gas and electrical utilities”;

- (3) “minimal regulation of financial services and labour markets, including the introduction of working practices that strongly favour employers and disfavour trade unions, making it easier to hire and fire. Alongside this, taxes are not concerned with the redistribution of wealth, making it easier for corporations and the rich to avoid them, and to use tax havens within the law”;

- (4) “the conviction that consumption and market forces can meet human needs of almost any kind”.

In contrast to this, he defines Unselfish Capitalism as “a capitalism which limits personal profits and fosters personal well-being”. To illustrate the differences between the two, he states that the USA is the epitome of Selfish Capitalism and Denmark that of Unselfish Capitalism.

How you define things often sets the limits of what follows. James has limited his basic definitions to the market level, rather than at the foundation of the relations of production. He is concerned more with how the spoils of the exploitation process are divided rather than with the conditions of this process. He does not bother to highlight the essential features of capitalism, but instead focuses on the management of this process by either Keynesian or non-interventionist means. This is why his main emphasis is on the political level rather than of the economic one. There is no discussion of capitalism as a society of generalised commodity production organised around private ownership of the means of production and the exploitation of the working class, of production for profit and other essential features of capitalism.

Rather, private ownership (by private capitalist companies or the state) and working for a wage are an unquestioned given, and emphasis is on a particular choice between the many different forms which capital can take. No doubt these various forms have important differences from each other, and the effects these have on the working class are worth discussing—and James does provide some useful material—but to restrict one’s vision to varieties of capitalism (under the guise of being “realistic”) is to be captured by the fetishism of commodities. Capitalism is not an eternal, natural system, but a material human creation: we create it, we break it.

I am sure that James considers himself some sort of socialist; after all he does rage against Thatcher, Blair, Reagan, third-wayism and other enemies of the left and Old Labour. But, like them, his analysis remains on the surface of capitalism and does not penetrate to the anatomy of capitalism. As he himself puts it:

“The solution is simple. Instead of continuing with Selfish Capitalism, our politicians must start the work of persuading us to adopt the Unselfish variety”.

James’s argument is not so much wrong as not just radical enough. It is not a matter of which form of wage-slavery is preferable, but of struggling for the abolition of wage-slavery in itself.

There is no Unselfish Capitalism. By its very nature, capitalism is voracious, looking for every chance it can to drain what it can out of the working class, but always aware that it mustn’t kill its source of unpaid surplus value. Indeed, it must sometimes make its host fatter in order to realise its own value. It appears as if the worker is healthier, but it is a health in the interest of the parasite and not the host. As Marx wrote: “Capital is dead labour which, vampire like, lives by sucking living labour, and lives the more, the more labour it sucks” (*Capital*, Vol 1, ch. 10, section 1).

**ED BLEWITT**

# The End of the Market

## Is there an alternative to the market and what is it?

The market may be taken as a generic term to include markets of all kinds: places (not necessarily physical) in which goods, services and people are bought and sold, offered for sale, rejected or bargained over. Markets imply a medium of exchange, usually money in some form, although barter is a form of exchange without money.

The market system is one way of regulating relations between producers and consumers and between owners of capital and labour. There are in fact three ways of regulating relations between producers and consumers: by the 'free' market, by the unfree or controlled market and by no market. These represent market capitalism, state-controlled or 'command economy' capitalism, and socialism respectively.

No society has been or is 100 percent free-market capitalist. Every human activity and item of wealth would have to be marketed to make it so. No society has been or is 100 percent state-controlled capitalism. Some private enterprise or free marketing was always allowed or even encouraged in so-called communist countries. The principle of 'no market' means simple giving and taking based on understanding, reasonableness and trust. It is present in some activities and some goods and services in all societies, in domestic and voluntary work, for example. But nowhere (except in small communities) have productive and social relations been dominated by the non-market principles of common ownership and free access. In other words, since the first form of property was introduced in ancient civilisations, some form of class society based on some form of possession and market transactions has always been dominant.

The history of the market would make a fascinating

subject for research, but there is no space to go into it here. However, a few words about the relative strength of free-market capitalism and state capitalism during the 20th century may be useful.

State capitalism probably reached its high point with the establishment of the Soviet Union in 1917. Fraudulently using the labels of socialism and communism, the leaders of the Communist Party put as much economic activity as possible, including markets, under the control of the state. Eventually, the controlled, centrally organised, 'command economy' form of capitalism proved less efficient than the 'mixed economy' form, and now the former Soviet Union countries are as free-market capitalist as most other parts of the world.

In post-war Britain there was a similar reaction against free-market capitalism. Beveridge reorganised poverty in the welfare state. The original National Health Service enabled people to get glasses and false teeth free at the point of consumption. This was hailed as socialism, but again it was a fraud. The best that can be said of such measures is that they were the result of a feeling among supporters of capitalism that it could in some respects be better run by the state intervening on behalf of all capitalists rather than letting uncontrolled market forces produce too much inequality and discontent.

Today free-market capitalism is in the ascendancy around the world, despite all its crises. Not everything is privately owned and bought and sold in a market, but more and more industries and services are being privatised. As compared with a century, or even a decade, ago, what might be called the market for markets has grown enormously. To take just a few examples, labour markets for parliamentary lobbyists, spin doctors and corporate headhunters have developed. Bankruptcy specialists and leisure consultancies are flourishing. Sperm is marketed on the internet. In the information market, business skills video providers rub shoulders with computer dating

**“The principle of ‘no market’ is present in in all societies, in domestic and voluntary work.”**



agencies and weather forecasting bureaux. Genetic testing at a hefty price will tell customers who is the real father of their child. In Japan if your child is short of a grandparent you can go into the market and hire one.

Of course, market penetration, as it is called, is never complete. Much human activity is still outside the market. However, it is not too cynical to say that if a way could be found to bottle the air we breathe, such a market would be created. Domestic work, voluntary work, and serious leisure are largely, but not wholly, outside the market. We still have to buy household cleaning items, but we don't usually charge for doing the washing up. About one in six people in Britain – more in America – give up some of their spare time to help others voluntarily (though some employees do paid work for voluntary organisations). Serious leisure – regularly getting together with others to pursue common interests for pleasure – is mostly a non-market activity (though some participants have to buy things from the market to pursue their serious leisure).

What are the good things and the bad things about the market system? The good things are said to centre around being able to exchange things, stimulate competition, and produce new goods and services. It is claimed that without a means of exchange, expressing the price at which goods and services are bought and sold, no one would be able to exchange what they had for something they needed. Obviously, within capitalism this is true: without a labour market (free or controlled) no one would be able to sell their labour power and 'make a living'. But this is only because both capitalists and workers accept that labour is a commodity to be bought by the capitalist class or the state and sold by the worker. If, instead of being in the hands of a small minority, the means of wealth production were common property, then that 'advantage' of having a market would disappear. We wouldn't need to sell our labour power to live, and it wouldn't be possible for capitalists to buy it and live on the surplus value it creates.

A second supposed advantage of the market system is that it stimulates competition, especially if it is 'free market'. This means that buyers shop around for what they want (or are persuaded to want) at the cheapest price, while sellers hold out for the highest price. This may sound a good idea if you are deciding which supermarket to shop at for the best bargain, but it's not so good if you are competing to sell yourself on the labour market. You may get a slightly better wage or salary if you join a union, but there is no guarantee you won't be 'priced out of the market', i.e., sacked and unable to compete successfully for another job.

A third stated advantage of the market system is that a market can be created for almost anything - in theory for everything. Is this such an advantage? As compared with feudalism and early capitalism, late capitalism offers those with money a myriad things to buy – unnecessary things, ludicrous things and sometimes harmful things. A fourth television set for the bathroom, a fashion haircut for the dog, a state-of-the-art security system or weapon to protect yourself against robbers. The worst obscenity is the indifference to real poverty and suffering that the market-mediated pursuit of trivia brings: people worry if they miss an episode of their favourite 'soap' while millions in the world starve.

Now for the bad things about the market system. I have already touched on some of these when questioning the good things. The labour market is unlike all other markets in two respects. The owners of labour power have to sell something that is capable of producing more than its own cost. And, by having to sell themselves rather than something they possess, they are at the mercy of the buyer, who can dictate, with the help of the

state, not only the terms of the transaction but whether it takes place at all.

Competition is an essential feature of the market system. It rewards winners and penalises losers. Socialists may disagree about whether all competition will disappear in a socialist world (I would personally argue that playing games and sports where there are inconsequential winners and losers can develop skills and be good fun). But the kind of cut-throat competition engendered by capitalism cannot be justified. Making excuses for the excesses of the competitive market system is a kind of Nuremberg defence: 'I was only carrying out orders given by my customers'. The invisible hand of the market can be a cruel hand, destroying and damaging its victim losers, while enabling its 'top' winners to live selfish, pointless and distorted lives.

The waste involved in the market system is tremendous. Think of all the useless and harmful jobs (often dignified by the title of profession or career) that are created. People working in banking, insurance and financial services produce nothing of real value, nothing that a society based on production for need and free access couldn't happily do without. Commercial advertising uses up far more human and material resources than required to inform people of what is available. The worst example of waste is war and preparation for war. A mind-boggling \$1,000,000,000,000 is spent each year on this around the world. Countless deaths and injuries have been caused by weapons used to defend and acquire markets and associated spheres of influence in which the workers of the world have no real interest.

To turn now to the marketless, moneyless world that will replace the capitalist market system. First, the absence of money, though it is certainly a feature of socialist society, is not a defining characteristic of that society. The absence of money is a negative idea. Money will not be needed as a means of earning a living or registering the ownership of capital (incidentally, money may well survive but only in inconsequential money games or historical re-enactments).

The positive definition of socialism is a society in which the means of wealth production and distribution will be commonly owned and democratically controlled in the interest of the whole community. It will only be possible when a majority of people (workers) understand, want and work for such a revolutionary change. They will work, not in a labour market, but to produce goods and services that they and their fellow human beings need.

Marx once said that he didn't want to write recipes for future cookshops. We can agree with him that we shouldn't try to draw up blueprints for the details of how to run a socialist world of the future. The people at the time will decide those details. But we ought to be interested in principles, in the ingredients to be used and the social relations to be entered into in future cookshops and other places.

A socialist world will only be possible by people behaving in pro-social ways. We do not ask for a fundamental change in human nature. None is needed. Even today, with the market system dominant and people encouraged to look after themselves first, most men and women behave pro-socially when they see someone in need of help. Market forces are forces alien to the best in human nature (human behaviour would be a better term). The building of the world socialist movement is a task for those not passively submitting to the discipline of the market but able and willing to help create something better for themselves and their fellow humans.

**STAN PARKER**



# Beyond capitalism – making everyone count

*Under capitalism most people don't get the chance to develop their capacities.*

**T**he current organisation of the world, capitalism, is such that exclusivity governs all areas of life. Inherent in the system is the principle that there shall be winners and losers, employed and unemployed, rich and poor, haves and have-nots. The polarities of capitalism drive a minority to 'the top', the vast majority to 'the bottom' with a swirling mass somewhere in the middle endeavouring to stay as near the top of that mass as they are able. Life like this is a non-stop competition to hold place or to progress and definitely to prevent regression. The individuals working to maintain their own and their families' existence are not responsible for this polarity but they very likely either accept it, buy into it or feel that they have no influence over it and so remain passive about it.

To take education in a reasonably prosperous country as one example: the system may stipulate universal, free education for eleven years with additional options for those who judged to merit them. Whilst initially appearing to be a fair and impartial situation with equal opportunities for all, in reality the parents' economic situation has an enormous impact on the quality and level of education their children will receive. Income determines the areas in which families can afford to live.

Low income families tend to live in more run-down areas with fewer facilities available in the schools and communities. Generally students of schools in these areas don't 'perform' well according to published league tables of levels of attainment and examination results. As a consequence the expectations of students at these schools tend to be reduced, it may be more difficult to recruit quality staff and so the cycle continues.

Higher income families tend to live in more spacious accommodation, tend to be more participatory in activities that support the schools and the community and tend to involve their children in a variety of extra-curricular activities. These

more affluent areas produce schools which perform better in the league tables, have more students gaining places for higher education and are comprised of families which have sufficient income and motivation to support those who could be seen as potential wage-earners for an additional four or more years.

Those with significant income often choose the option of private, fee-paying education with the expectation of smaller classes and better examination results giving better and wider choices of higher education. It's likely that at all demographic levels parents will espouse their wish for their children to do well, even if the expectations of outcome at the opposite ends of the divide are as different as their incomes. Expectations and aspirations are mostly adapted to what are seen as realistic according to the circumstances. These artificial restrictions which have people believing that there can only be so many winners, and therefore many losers, are divisive to society.

This means that by default many students are receiving less than the best education. Many students who would thrive and do very well in a different, more favourable environment have a much reduced chance of achieving their potential. If the options and opportunities aren't available to all at a similar level then society can be seen to be restricting the individual growth of its members, denying them reaching their full potential. And by doing this it is potentially restricting the growth in all areas of human endeavour, restricting the achievements of humanity collectively.

As each individual becomes more valuable to themselves through self-development so, too, are they capable of being more valuable to others and to society in general. To deny anyone the opportunity to achieve may deny all the opportunities that their achievement may have presented them. A society which encourages all its members to achieve their full potential, with self-determined goals, is a society



mature enough to celebrate *all* its individual and combined talents.

Communities, societies are collections of individuals; the world itself is an agglomeration of societies which have more in common with each other than they have differences. Fundamental values, social values are generally shared within localities, values of family and community which bind people together. Economic and political considerations in the current world set-up are aspects which people necessarily seek to utilize to benefit themselves and their own within their own codes of morality. Community values can be more important to members of those communities than are the values espoused by political parties which are perceived as being handed down, prescriptive and distant from reality. Community values are their own. Individual communities *know* they understand their own needs, requirements and agenda better than do the planners in faraway offices. In so many situations the interests of governments, whose policies are removed from the realities on the ground, do not coincide with the interests of citizens.

One very apparent phenomenon in this 'age of globalisation' is the growing homogeneity of groups or sections of people as they become more and more assimilated into the world order. With increasing frequency more and more people are doing, reading, hearing and listening to the same things, having their hopes and fears directed to the same objects. Although this could be useful in terms of raising awareness of the whole world and its affairs questions abound regarding the value to individuals in being subsumed by the power of the capitalist market and its trans-national corporation's brands. Reducing all (all who can pay) to the same pattern of mediocrity is a long way from offering all the opportunity of self-realization. 'Dumbing down' of citizens by whatever means is the antithesis of self-realization. In no way will 'dumbing down' help to realize parents' aspirations for their children or any individual's aspirations for themselves. A 'dumbed down' citizenry may be more pliable and easy to control but will not further the development of humanity.

### **An illusion of choice**

In many areas affecting their lives people realize that there is no real choice, only an illusion of choice, a choice between unwanted, unwelcome options presented as the only alternatives. Throughout the ages humanity has sought and achieved advancement motivated by desire, passion and a will to produce something better, to succeed in their aspirations. If not to succumb to the tendency of appearing to be stamped out of a series of similar moulds humans will continue to endeavour to claim more involvement and more choice in increasing numbers of spheres.

Lack of meaningful choice in national elections and the realization that politicians of all persuasions are failing to represent voters has resulted in steadily declining numbers presenting themselves at polling booths. The last general election in the UK saw a very low turn-out and recorded the lowest percentage of the electorate's votes for the winning party in many a long year. It is the system itself, not just a particular party, that is out of favour with the electorate. In the present electoral system not voting is both making a choice and not making a choice. If the alternatives on offer are unacceptable then no valid choice has been offered and the process can only be perceived as a sham. Voters, non-voters and reluctant voters all require different alternatives from those on offer.

When the majority does not recognize the authenticity of the government and what it stands for in supposedly representing them (which they don't, as revealed by election statistics, i.e. more people don't vote for the winning party

than do vote for it), when they don't hold the same opinions and sets of values, it is quite clear that the system is not of the people. Many voters feel a fundamental compulsion to exercise their 'democratic' right but even a mandatory voting system wouldn't ameliorate the problems of the electorate having little they can positively support. The system goes against the majority of its electorate and cannot be said to be representative. The interests of governments don't coincide with the interests of citizens. Policies are removed from the realities on the ground. In the world at large there is an increasing tendency of governments to strengthen their powers over the individual thus weakening the power of the individual voice and collectively weakening the electorate. This situation is directly opposed to that of individuals being free to seek self-determination and places them firmly outside the bounds of participatory democracy.

One of the greatest challenges presented by a majority who agree that the system is not serving their interests is that the general public is overly complacent and has become accustomed to following diktats with rumblings and grumblings in place of searching questioning and although they agree on this fundamental aspect they have difficulty in coming to terms with the idea of a totally new paradigm (socialism) and are reluctant to investigate or even contemplate the unknown, preferring to live with the devil they know, even though their perception of socialism is probably based on negative misconceptions and prejudice. The arguments against doing something radical about a system that is doubtless failing the vast majority are seldom based on considered evidence but more likely on conventional wisdom, a.k.a. received opinion or on prejudice which is simply opinion without foundation. It is normal to feel challenged when one's opinion is put under scrutiny especially if it is apparent that the opinion has no substance.

Received opinion may have some validity, it may have its foundations in truth but as often as not it is part truth and part fabrication or exaggeration. Sometimes it is accepted as truth because it has been handed down by others considered to be more knowledgeable, experts or those who work in a particular field, in which case their credentials, their evidence and their agenda (he who pays the piper calls the tune) need to be scrutinized before accepting their word. Credentials can be granted (and accepted) mistakenly. A well-known figure may be knowledgeable in their particular field or a celebrity may be very popular in the entertainment sphere or sports arena, however this doesn't validate their opinions per se. What needs to be scrutinized are the motivating factors behind their opinions and the sources of their information.

To create more opportunities, options and advantages for ourselves and our children the general populace has to be actively involved in all processes, not compelled to be passive onlookers. People will only get more of what they want by being more involved. This entails all individuals having total access to and involvement in all areas which impact upon their lives including the freedom to participate, in the knowledge that their voices will be heard. For that we need to go beyond capitalism.

The highest human achievements can only be realized when, first, all basic needs have been met and, second, the individual has the freedom to pursue their objectives without hindrance or restriction from any source. As for the first, basic needs such as sufficient food, uncontaminated water, adequate shelter and access to education and health care services are an option denied at the moment to the majority of humanity and the dignity of the second is the prerogative of a tiny minority.

**JANET SURMAN**

# Cloudy view from the summit

Last month's G8 Summit in the far north of Japan was typical of meetings of the heads of state these days. Held in a remote location, well out of sight and sound of protest marches, and protected by an army of police, the meeting was carefully choreographed to convey an impression of competence and confidence—but in the end only exposed the impotence of government leaders in the face of grave problems arising from their beloved social system.

The two problems that were the focus of attention at this year's summit were climate change and price rises. Newspaper headlines quoted the vow of the heads of state to tackle both of these problems, yet the articles underneath admitted that this is much easier said than done.

One obvious reason why the various leaders are finding it difficult to solve such problems is that there is no clear consensus among them regarding the actions to take, which reflects the different and often directly opposed interests and standpoints of their respective nations.

For instance, not only are there differences between "rich" and "poor" nations regarding how to counter

global warming, and the role that each nation must play, there are stark differences in the standpoints of the G8 nations regarding this issue, not to mention the political divisions *within* each nation.

Those same sorts of national and domestic differences came to the surface with regards to the rising food and fuel prices. Not surprisingly, each government has sought to frame the problem in a manner that lays the maximum blame on others. The root cause of the price rise has thus been identified, respectively, as the result of rising consumption in China and India, insufficient production by OPEC nations, or the flood of speculation on the commodities markets and declining dollar.

That is not to suggest, however, that such problems could be solved if only there was a clear consensus among the leaders and sufficient political will. The deeper issue is that the heads of state (with the backing, however tepid, of their electorate) have set out to solve problems that stem directly from the social system (= capitalism) that they are paid to serve and protect. (And it is worth emphasizing that their role is indeed as *servants*, rather than masters, of this system.) In other words, the

reason that our self-styled "leaders" are unable to arrive at solutions is not that they are shortsighted, selfish and stupid—although more than a few fit that description—but that they are naturally reluctant to pursue the root causes of problems if it calls into question the capitalist system.

It does not take much digging, incidentally, to unearth the direct relation between a system of production for profit and a whole range of problems. This is particularly clear in the case of environmental problems. Capitalism is all about capital accumulation and the insatiable pursuit of profit is naturally accompanied by tremendous waste and destruction. If there are profits to be gained, capitalists are not too bothered by the long-term, or even short-term, consequences for other people or future generations. Political leaders lecture about the need to address environmental problems, while turning a blind eye to the role played by this rapacious system of profit chasing.

In the case of rising prices as well, it is rather absurd for politicians to bemoan the problem without fundamentally calling into question a system that revolves around

prices and money. Granted, as long as the prices are “reasonable,” many people find this social system unobjectionable, or even natural. But a quick look at economic history reveals that inflation is a not uncommon side-effect of the money-centred capitalist system and that governments have had little success in bringing inflation under control once it picks up speed.

It is not surprising that inflation can be impossible to control, because commodity prices are not under our conscious human control to begin with. Simply put, prices are determined by the market. It is true that a business can set prices at whatever level it wants, but if that level is too far above or below that of their competitors the business runs the risk of losing sales or profit. Ultimately, therefore, businesses will tend to set the prices of their products according to the cost of production plus the average rate of profit. And, on a more essential level, these “production prices” are themselves ultimately determined

by the amount of labour (or “socially necessary abstract human labour”) expended to produce the commodities.

In short, the very existence of prices reflects the fact, pointed out by Marx, that we live in “a state of society, in which the process of production has the mastery over man, instead of being controlled by him” (*Capital* vol. 1). When prices are high, the absurdity of this anarchic social system comes into clearer view, but even in “normal” times our lives remain prey to forces outside of our control. The “solution” to the problem, at least as far as workers are concerned, is not to bring prices back to some acceptable level (assuming that were indeed possible), but to progress beyond this social system where production is just a means of generating profit and distribution is mediated by money.

If the businesses that carry out production are not free to ignore “market forces” and arbitrarily set prices, then it is foolish to imagine that national governments somehow

possess the magical power to bring prices under control. To remain in power, heads of state need to convince the public that they are in control of the economic situation, or can at least curb the worst excesses of capitalism. In fact, their “control” over the direction of the capitalist economy resembles that exercised by a rodeo rider over an angry bull during those four seconds before he is tossed from the saddle into the dirt.

The powerlessness of world leaders was highlighted by a comment made during the G8 Summit by a Japanese government source who told Reuters that “there is a limit to what governments can do now” to stem the rising prices. The fact that this bland and exceedingly obvious statement was made on “condition of anonymity” speaks to the insecurity of world leaders who are desperate to pass themselves off as superheroes.

**MICHAEL SCHAUERTE**



## The world could produce more food

“OF COURSE WE CAN FEED THE WORLD – JUST LOOK AT ALL THE UNUSED SPACE” was the headline of a recent “opinion” article by Ross Clark in the *Times* (26 June, [www.timesonline.co.uk/tol/comment/columnists/guest\\_contributors/article4214797.ece](http://www.timesonline.co.uk/tol/comment/columnists/guest_contributors/article4214797.ece)).

Clark, a supporter of the market (who thinks that any opponent of the “free” market is a “Marxist”), argues that food production has fallen, so causing the present shortages, because in previous decades it had been overproduced. It is of course obscene to talk of “too much” food being produced when there are millions in the world who are starving, but he means “too much” in relation to paying demand. Even so, his explanation exposes the irrational way in which the capitalist system works.

According to him:

“The reason for the fall in cereal production over 15 years has not been soil degradation or climate change: while crops yields are not increasing as fast as they were doing in the 1960s, they have still risen by 1-2 per cent per annum over the past 15 years. Rather, the decrease in production has been a straightforward response to overproduction. Remember the grain mountains of the 1980s? They resulted in a collapse in prices that in turn persuaded grain producers to contract their operation. Now that prices are rising again the opposite has happened: the FAO estimates that this year’s wheat harvest will rise by 13 per cent as a result of extra planting, putting downward pressure on prices next year.”

He points out that today:

“the background to rising food prices is the shrinkage of global agriculture over the past decade and a half. Globally, less food is being produced on even less land than was the case in the early 1990s. Take the US, which according to the FAO was producing 1,210kg of cereals

per person per year between 1990 and 1992 and 1,104 kg between 2001 and 2003. Or Canada, at one time the ‘world’s bread basket’, where cereal production fell from 1,905 kg per person per year in 1990-92 to 1,384 kg in 2001-03.”

Given the current strong paying demand for food, the 1990s levels may well be reached again but this would satisfy only paying demand. What about those who can’t pay?

Though it is far from his intention, Clark provides information which shows that enough food could be produced to satisfy their food needs too. Of course it won’t be, and never will be, under the capitalist market system which he supports. But it could be in a socialist world where production would no longer be limited to what can be sold.

Clark writes:

“the total landmass cultivated for arable crops in 2006, according Food and Agriculture Organisation of the United Nations (FAO), was 1.402 billion hectares - or 14 million sq km. In other words, all the world’s cereals and vegetables are grown on an area equivalent to the USA and half of Canada. A further 34 million sq km - equivalent to the rest of North America, South America and two thirds of Australia - is given over to grazing, much of it extensive, unimproved grassland. The rest of the world - equivalent to the whole of Europe, Asia, Africa, Indonesia plus a third of Australia - is not used for food production in any way. Some of this land, of course, is desert, mountain or rainforest, which either cannot be used for agriculture at all or would require irrigation, engineering or clearance. But a vast amount of it could quite easily be converted into agriculture, but has until now not been needed.”

What does he mean “has not been needed”? Of course it’s been needed! What Clark means again is that it has not been needed to meet paying demand. Socialists say that it is needed to end world hunger but will only be able to be used for this when once the resources of the Earth have become the common heritage of all humanity. That’s the only basis on which these currently unused resources can be used to meet the food needs of everyone, not just of those who can afford to pay.

### Sick Society

**Stan Cox: *Sick Planet: Corporate Food and Medicine*. Pluto Press £14.99.**

This book examines the impact on workers, consumers and the whole planet of the production of medicines, food and various chemicals. Cox's scientific expertise makes it more than just another volume about the destruction of the environment. (For more information, see <http://www.sickplanetbook.com/>.)

India is a major manufacturer of bulk drugs (raw materials for various pills and tablets), mainly for export. One consequence is that factories producing these bulk drugs pollute their local environment, leading to greater ill-health among residents. One study found that cancer rates were eleven times higher in villages near such factories than those further away. Perhaps this is a global version of a tendency that Cox notes for the US: the most heavily polluting factories are found in the poorest areas, where inhabitants and local government will be more concerned with supposed economic benefits than with environmental damage.

The dominance of factory-style methods in animal rearing makes it far more likely that food will be poisoned in some way. For instance, meat is often contaminated with faeces when it leaves the slaughterhouse. The rearing of poultry has become a vast labour-intensive machine, with repetitive strain injury being prevalent among workers who perform the same small series of actions hour after hour. Cox quotes a neurosurgeon who attempts to repair some of the damage done to these employees: "They become washed out of their humanity. Lives and families are devastated. If the company can demoralize, harass or degrade an injured worker, they will do it."

In addition to pollution resulting from the production of medicines and food, there are plenty of other ways in which our environment is poisoned. For instance, Teflon makes saucepans easier to clean, but when heated it can give off perfluorochemicals (PFCs). These have entered the bloodstreams of humans and animals in many parts of the world, and are likely to stay around for a very long time, yet their safety is at the very least controversial.

In his final chapter, Cox looks at why production of items that seem to be useful is so often bad for us.

Referring to Marx's *Capital*, he argues that capitalism without growth is impossible, so it's the capitalist need for profit that is responsible for the poisoning of the planet and its people. It is hard to see much merit in his proposal that we should develop small organisations that will form part of an unspecified system that will succeed capitalism. But it's harder to disagree with his conclusion that we cannot have both capitalism and a liveable planet.

**PB**

### Gray Matter

**John Gray: *Black Mass: Apocalyptic Religion and the Death of Utopia*. Penguin £8.99.**

Gray's main argument is that unrealistic political aims should be abandoned and replaced by goals which are truly achievable. It is probably difficult to disagree with this as a general principle, but of course it all depends on what is regarded as realistic and unrealistic.

Quite a bit of Gray's discussion is aimed at the impossibility of establishing a Socialist society. While Marx was an unrivalled analyst of capitalism, he says, his view of the future society was impractical. Central planning is bound to fail, since nobody can know enough to plan a modern economy; but this will be based on the misconception that there is an office somewhere that decides how many widgets will be produced and where. Other claims fare no better: it's just not true that Lenin's *State and Revolution* is rooted in Marx's writings on the dictatorship of the proletariat. Lenin twisted Marx's idea of a transitional form of state into a vicious repressive regime that ruled over workers. Gray's view that Marx and Engels saw terror as part of the revolution is based on remarks made in a talk in 1850, rather than on any of their mature works. In any case, it deals with how workers should act if bourgeois democrats came to power (specifically in Germany) rather than with the aftermath of a Socialist revolution (the text is at <http://www.marxists.org/archive/marx/works/1847/communist-league/1850-ad1.htm>).

Furthermore, Gray claims that no trace has ever been found of 'primitive communism' (which is not true either — see the *Socialist Standard* for December 2006, on life before the Neolithic Revolution). A Socialist society is allegedly impossible because it

would pursue harmony and so clash with 'the diversity of human values', since apparently a moneyless society would be a vision of hell to some people. To which we can only say that capitalists who yearn for a world where they are billionaires will just have to lump it in Socialism.

And what of the realism that ought to replace all this supposed utopianism? According to Gray, 'The root of realist thinking is Machiavelli's insight that governments exist, and must achieve all of their goals in a world of ceaseless conflict that is never far from a state of war'. The heart of realism is 'its assertion of the innate defects of human beings'. In other words, we should accept capitalism with its violence and poverty, since people are too fierce and unreasonable to live in harmony. But the true realistic approach is to see through the pretensions of capitalism and its supporters and take the view that a society based on cooperation is a practical possibility.

**PB**

### Descriptive economics

***Economics for Everyone*. By Jim Stanford. Pluto Press.**

This is a very readable description (rather than analysis) of how capitalism works, at least in the form we know it at the moment. At first sight, Stanford's definition of capitalism seems alright:

"There are two key features that make an economy capitalist.

1. Most production of goods and services is undertaken by privately-owned companies, which produce and sell their output in hopes of making a profit. This is called *production for profit*.

2. Most work in the economy is performed by people who do not own their company or their output, but are hired by someone else in return for a money wage or salary. This is called *wage labour*."

Production for profit and wage labour are indeed defining features of capitalism, but elsewhere Stanford makes it clear that he thinks that it is not production for profit as such that defines capitalism but only production for *private* profit. "One defining feature of capitalism", he writes later, "is that most production is undertaken to generate private profit".

But this is to ignore the experience of the former USSR and of nationalised industries in the West,

where the economy was still based on wage labour but where those who controlled the State or who ran the state-owned industries still undertook production to generate a profit extracted from the labour of the wage and salary workers. He has made the same mistake here as the old Labour Party thinkers who identified capitalism only with private enterprise capitalism, completely ignoring state capitalism (which in fact there were in effect advocating).

Because his approach is purely descriptive, Stanford dismisses Marx's labour theory of value on the grounds that it can't be observed directly. It is true that the market price of goods is not a direct reflection of the amount of what Marx called "socially necessary labour-time" incorporated in them, but is fixed by enterprises adding the going rate of profit to the costs of producing them. But the going rate of profit can only be adequately explained on the basis of the labour theory of value (as an averaging amongst capitals of the total surplus value produced).

Stanford accepts – because it's obvious – that wealth can be produced only by work on nature-given material, but because his approach is purely descriptive he has to explain profits as a sort of ransom extracted from workers by private capitalist firms by virtue of them having private property rights over means of production. This is one way of putting it but, without a theory of value as well as a theory of price, there is no way of establishing the amount and limit of profits. In fact, Stanford says that if the "perfect competition" of the economics textbooks existed it would reduce profits to zero as goods would sell just at their cost price. Marx's labour theory of value explains why this wouldn't happen and why the price of goods would still contain some surplus value.

Stanford is also wrong about banks. He seems to think that they simply create credit as they wish, to lend to private industry and to individuals. Banks do indeed lend money and they do have a choice of who to lend to and when and this does have economic consequences, but they can only lend what has been deposited with them or what they have borrowed from other banks and financial institutions. They do just recycle spare money.

Stanford, an economist working for the Canadian Auto Workers union, writes as an open reformist who would like to see capitalism reformed so as to be what it is like in the Scandinavian countries. Although

this is disappointing, it is heartening to see criticism of capitalism surfacing again and being given serious consideration.

**ALB**

**Reclaiming Marx's "Capital." By Andrew Kliman. Lexington Books, 2007**

After Karl Marx's *Capital* was published it has come in for criticism from a particular direction. In Volume One of *Capital* (1867), Marx argued that the value of commodities (goods and services produced for sale and profit) are determined by socially necessary labour-time. Profit comes from unpaid surplus labour appropriated as surplus value. In Volume Three of *Capital* (1894), Marx explained that commodities tend to sell at prices of production, which is the price sufficient to yield the average rate of profit on capital advanced, and commodities actually sell at market prices which fluctuate around prices of production (assuming no monopolies). Marx indicated in Volume One that in a later book he would show the difference between value and price, as his analysis moved from the abstract to the determinate. And we now know, though Kliman does not mention this, that the notes which comprise Volume Three and edited for publication by Engels after Marx's death were written before the manuscript of Volume One.

However, many economists (including some who claim to be Marxist) maintain that prices cannot be derived from values in the way Marx described. In economics this is known as "the transformation problem", but it has implications for other aspects of Marx's theory of value. What are the objections? The critics start by making a couple of assumptions about Marx's theory. Firstly, it is assumed that value and price *must* be two separate systems. Secondly, it is assumed that inputs into production and the outputs that subsequently emerge *must* be valued simultaneously, and the input and output prices *must* be equal. When these assumptions are made, so the critics claim, Marx's theory of value becomes "internally inconsistent" and breaks down.

However, these assumptions are mistaken. In Marx's theory, value and price are interdependent; profit exists when, but only when, surplus labour has been performed. The assumption that value and price must be two separate systems implies that

there can be profit without surplus labour, which is a major misinterpretation of Marx's theory. And the assumption concerning simultaneous valuation and the equal prices of inputs and outputs flatly contradicts the main principle upon which Marx's value theory is founded, that value is determined by labour-time. It is because valuation necessarily involves labour-time that input and output prices can differ. Kliman shows that the "internal inconsistencies" appear when the theory is viewed as a simultaneous valuation and disappear when not viewed as a simultaneous valuation. In short, the critics have badly misunderstood Marx's theory of value.

**LEW**

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## OBITUARY

### Les Cox

We regret to have to report the death in June of our comrade Les Cox at the age of 81. Les joined the old Fulham branch of the Socialist Party in 1948, after a short spell in the Young Communist League, and was subsequently a member of the Paddington, Westminster and, latterly, West London branches. He was a well-known member of the Executive Committee

for many years as well as filling other Party posts such as Trustee and being on the Standing Orders Committee. He was a candidate for the Party in elections in London on a number of occasions and an effective and engaging Party speaker over several decades, including at Speakers' Corner, Hyde Park. Influenced by logical positivism, when questioned about religion he refused to mention the word "god" on the grounds that as it didn't refer to anything it was mean-

ingless. In debates within the Party he always took a tolerant position, except with regard to infringements of democracy.

Les also did maintenance work at our head office, including the installation of the fascia (with brass screws). He had left school at the age of 14 and was trained as a carpenter. As a conscientious objector to national service after the war, he was exempted as long as he continued to work in this trade as it was regarded as essential to post-war reconstruction. Later he had to seek a lighter job and went to work at the head office of ICI near where he lived, first as a lift attendant but eventually – ironically for a socialist – as a clerk in the department keeping a record of the shareholders.

Les lived and worked all his life in the area on both sides of Chelsea Bridge in London and was involved in the local working class community there, being an active member of the tenants association on the council estate where he lived. He refused to buy his council house.

A Party member spoke at his non-religious funeral at Mortlake crematorium.

## Depression



It is a long time since the last great trade depression. Younger people will have little or no clear recollection of it. It occurred between 1929 and 1939, coming to an end after the outbreak of the Second World War. The period was known as the Hungry Thirties. At that time there was something like a million unemployed in Canada, three million in Britain, six million in Germany, eleven million in the United States. In 1934 it was reported that there were between 80,000,000 and 100,000,000 unemployed at that time throughout the world. Even Russia, where unemployment was claimed by its supporters to have lately been abolished, was affected by the depression and had to cope with growing numbers of unemployed. And wherever it existed, unemployment, then as now, deprived its victims of the sources of life other than the limited means made available through charitable groups and government agencies.

The world's warehouses were filled with goods, the world's workers were in want and the states-

men were helpless. Bennett, of Canada, who rose to power in 1930 promising to end the depression, was ushered out of power in 1935, leaving 1,341,000 of the electorate on relief. Roosevelt of the United States called to his service the greater part of the alphabet and won the hearts of the American people – but failed to end the breadlines. Hitler of Germany blamed the evils suffered by his countrymen on the victors of the First World War and he fed the German workers' national pride, red banners and brown shirts – to go with their black bread and sausages. The Labour Party of Britain, which came on the scene to bring shelter to the underdog from the storms and stresses of modern life, became, after a quarter century, without accomplishment, an unheroic victim of the 1930's, broken by a Labour Government measure designed to worsen the living conditions of large numbers of workers.

(from a leaflet published by the Socialist Party of Canada reprinted in the *Socialist Standard*, August 1959).

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## Declaration of Principles

*This declaration is the basis of our organisation and, because it is also an important historical document dating from the formation of the party in 1904, its original language has been retained.*

### Object

**The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.**

### Declaration of Principles

The Socialist Party of Great Britain holds

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.)

by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom,

the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.



## David Davis Freedom's Champion?

"We never really trusted him... He will be forgotten very quickly"

Nobody was much surprised when David Davis emerged as one of the two candidates in the final vote for the Tory leadership in 2005. He seemed to be pretty well everything the Tories were looking for, after the disasters of Hague, Duncan Smith and Howard – a tough-talking, broken-nosed ex state schoolboy brought up by a single parent against Cameron and his smooth faced, airy platitudes which resisted any efforts to unravel them into making sense but which were offered in impeccable ex-Eton vowels. If Davis was suitably abrasive on the preoccupying issues of the day – crime, immigration, Iraq – well he was, after all, a member of the SAS. Grass roots Tories were expected to be eagerly seduced by this militant of patriotism. There are, of course, far more people who claim to have been in the SAS than were ever accommodated in that elite; they can often be found in the public bar as closing time draws near, eking out their emptying glass with their miserable fantasies. Davis was the real thing, although as an SAS Reservist he was trained to kill with his bare hands but available to do this only at week-ends. An uncorroborated story testified to the level of his ability on the battlefield, of an occasion when Davis and his men were on manoeuvres and he was ordered to lay out an ambush for an "enemy" unit. However he deployed his men in such a way that they would have been firing at each other; had it been in a real war with real bullets they might have wiped each other out. So perhaps tactics are not one of Davis' strong points; after all he was soundly out-manoeuvred by Cameron's cleverly designed "call me Dave" campaign for the leadership and now, after a few years of sulking and chuntering, he committed what may be a fatal mistake by resigning his seat in Parliament to contest it again on the matter of the 42 Days Detention law in the Counter Terrorism Bill.

### Magna Carta

Now that, as expected, Davis has been returned to Parliament by the voters of Haltemprice and Howden (who may have been bewildered to find themselves cast in role of standing up for centuries of something called British freedom) there will be a searching assessment of his place, and future, in the Conservative Party. At the time of his resignation, launching what he hoped would be an irresistible "Davis For Freedom" campaign (there was also a planned "Celebrities for Davis" operation), he spoke out against a clutch of intrusions – Identity Cards, CCTV Cameras, Official Databases – through which the state keeps an eye on the people and he contrasted these against rights such as *Habeas Corpus*, which are supposed to prevent anyone being imprisoned indefinitely without knowing the charges against them, originated in *Magna Carta*. This preoccupation with individual human rights, extending to Davis working closely with Shami Chakrabarti, chair of the pressure group Liberty, gave rise to some irritation among Davis' party colleagues: one Shadow Cabinet Minister complained that he "seemed to take more notice of what Shami Chakrabarti thought the Conservative Party should be doing than he did of the party leader's views".

There was also some surprise in circles which were more comfortable with Davis' reputation for opposition to such issues as the repeal of Section 28 and gay couples adopting children. Davis himself, in an interview with the *Morning Star* (yes, an interview with the *Morn-*

*ing Star*) agreed that "There'll be plenty of things in my policy brief, ideas that your readers will not agree with – my views on immigration and asylum, my views on penal policy, my views on economic policy". And along with the support for him there was some very sharp, very pointed, opposition. Among the kinder comments from his allies was "It is madness. He must have had a rush of blood to the head"; and from those who took a harsher view: "We never really trusted him and now we don't have to worry any more about massaging his giant ego. He will be forgotten very quickly". All of this was apart from the suggestions that Davis himself should fork out the £80,000 cost of the by-election.

### Supporters

Apart from Chakrabarti, Davis was supported by what might be described as an incongruous bunch. Prominent among the MPs was Bob Marshall-Andrews, slipping effortlessly into yet another rebellion against the party leadership. From the Tory benches John Redwood, an exalted Fellow of All Souls, may have been looking to expunge some embarrassing memories of his time as a minister And we should not omit Roger Gale, Tory MP for Thanet, former disc jockey on a pirate radio station and a supporter of the death penalty for fatal knife attacks, even if this "would mean repeal of the Human Rights Act but I have no problem with that" – which was less than a ringing declaration of respect for the kinds of human rights which David Davis was supposed to be defending.

Inevitably there was Tony Benn, enjoying a retirement of darting from one dead-end protest to another after he had, as he put it, resigned from Parliament to get involved in politics. Just as inevitably, there was Bob Geldof, personifying an optimism for resuscitating a moribund career by doing Something Entirely Different. More dramatically Rachel North, who survived the July 7 bombs in London, supported Davis and denounced the Labour Party's failure to put up a candidate in the by-election as "disgraceful".

### Stunt

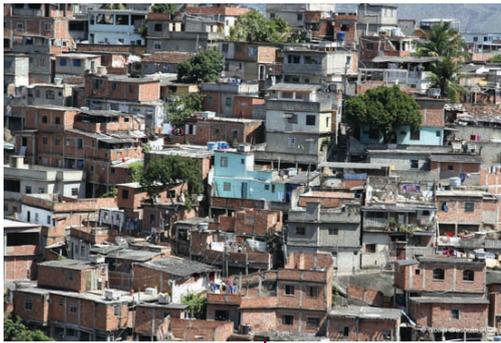
Instead the whole enterprise was condemned as a "stunt" – which seemed to have been borne out by the number of candidates for the by-election, some of them in comparison making the Monster Raving Looney Party seem sane and progressive (in fact their Mad Cow-Girl attracted 412 votes, seventh in the list of twenty-six). But Davis' critics were MPs, who are not inspired by, or even familiar with, the idea of resigning on a matter of principle. And what is abundantly clear from the history of their parties is that stunts are essential to their existence. Stunts inform their various programmes and promises, which vary widely between one election and the next and sometimes from week to week when they are in power. Stunts, for example, justified the invasion of Iraq, the incoherent fumbling with which this government is trying to tone down the effects of the present economic crisis, the vicious squabbling between political leaders whose public face is one of ecstatic unity. Apparently unaware of it, Davis has emphasised the awful reality of a society which nurtures the interests of a minority class through stunts – a cruel, massive deception of the rest.

IVAN

# Voice from the Back

## South Of The Border

From old Frank Sinatra songs to Hollywood movies about Rio beaches, with beautiful young men and women the image is projected about the



wonders of Brazil. The reality is less gorgeous. "A study by the government's Institute for Applied Economic Research showed that the richest 10 percent of Brazilians hold 75.4 percent of the wealth. Thanks to a regressive tax system, they only lose 22.7 percent of their incomes to tax, compared with 32.8 percent for the poorest 10 percent of Brazilians. In Rio, only a handful of slums out of more than 600 in the city are in line for improvements under the federal program, leaving many feeling left out." (*Yahoo News*, 8 July)

## An Ill Divided Society

We often hear of the plight of workers in various parts of the world who try to survive on less than \$1 a day but it is hardly of any consequence to most of the following group of rich parasites. "The combined wealth of the globe's millionaires grew to nearly \$41 trillion last year, an increase of 9 percent from a year before, Merrill Lynch & Co. and consulting firm Capgemini Group said Tuesday. That means their average wealth was more than \$4 million, the highest it's ever been. Home values were not included in asset totals." (*Yahoo News*, 24 June)

## Learning About Capitalism

Every child that is born has to be taught about the crazy system of ownership and poverty that is capitalism in order to survive in this dog eat dog society, but even supporters of this system with its

insatiable greed for profits would surely draw the line at the following piece of "shrewd" business strategy. "Thousands of children as young as 11 have been sent debit cards by Lloyds

TSB without their parents' consent. One 15-year-old reportedly used the card to buy cheap cigarettes, Viagra and fake adult identification on the internet." (*Times*, 5 July)

## The Mad House Of Capitalism

He is reputed to be the richest man in the world so the recent downturn on the world's stock exchanges has led to speculation that Warren Buffett may be ready to plunge into an increasingly bearish market. "During the great bear market of 1974, Warren Buffett was asked by a rather staid fellow how he felt. "Like an over-sexed guy in a whorehouse", he replied. "Now is the time to invest and get rich." (*Observer*, 6 July) Whether he in fact invests or not the richest man in the world, said to be worth \$35 billion, certainly has a rich use of the vernacular. As Bob Dylan once sang "Money doesn't talk - It swears!"

## How Capitalism Operates

We are constantly amazed at the current ignorance about how capitalism operates. Chancellors that claim they can get rid of slumps and booms, prime ministers who believe that a series of reforms will solve social problems, but this piece of nonsense takes a bit of beating. "Adam Sampson, chief executive of Shelter, said: 'Mortgage lenders

have made billions from first time home buyers and Shelter believes it's now the turn of those lenders to help them." (*Metro*, 10 July) What Mr Sampson does not seem to realise is that capitalists makes their fortunes from rent, interest and profit not from some benign urge to "help" borrowers! Perhaps it's "now the turn" of Mr Sampson to learn a little bit about the basics of capitalist society.

## Patriotism Goes Mega

Away back on the 7th April 1775 when Samuel Johnson wrote "Patriotism is the last refuge of a scoundrel", he couldn't have imagined how much modern capitalism would use patriotism to enslave the working class. "On the field before the All-Star Game, Major League Baseball plans to assemble the largest gathering of Hall of Fame players in baseball history. And as fans salute their heroes, the former players will join the crowd in saluting the American flag — one that is roughly 75 feet by 150 feet, as long as a 15-story building is tall, spread horizontally over the Yankee Stadium turf. That is a relatively small flag by big-event standards in American sports these days. But it will signal the latest can't-miss blend of sports and patriotism, a combination increasingly presenting itself through gigantic American flags, unfurled by dozens or hundreds of people in an attempt to elicit a sense of awe and nationalism in the surrounding crowd." (*New York Times*, 4 July)



## Free Lunch

by Rigg



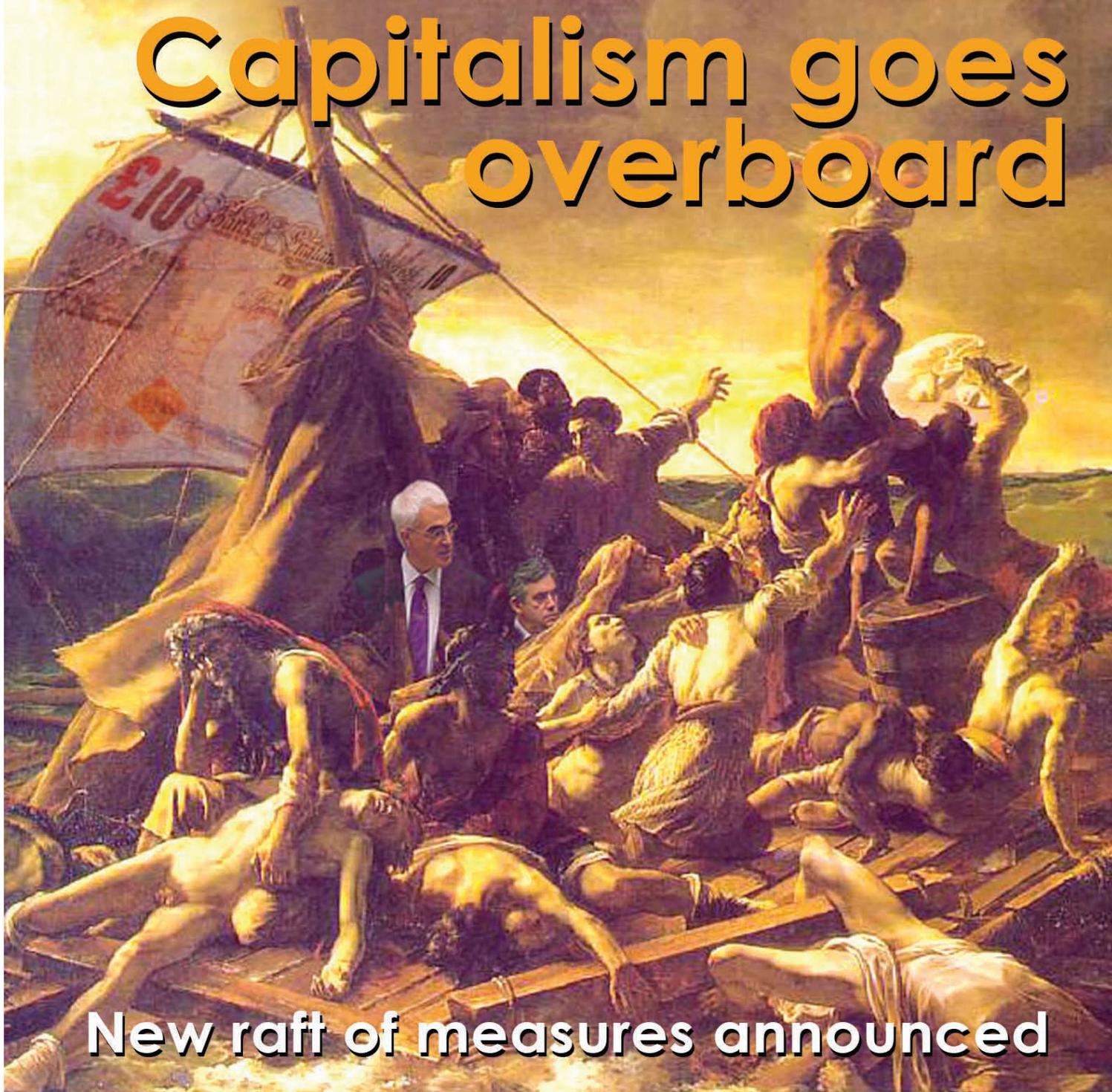
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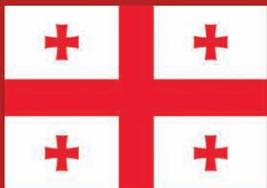
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Journal of The Socialist Party of Great Britain - Companion Party of the World Socialist Movement

## Capitalism goes overboard



### New raft of measures announced



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#### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 6 September** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.  
 tel: 020 7622 3811  
 e-mail: [spgb@worldsocialism.org](mailto:spgb@worldsocialism.org)

## Introducing The Socialist Party

The Socialist Party is like no other political party in Britain. It is made up of people who have joined together because we want to get rid of the profit system and establish real socialism. Our aim is to persuade others to become socialist and act for themselves, organising democratically and without leaders, to bring about the kind of society that we are advocating in this journal. We are solely concerned with building a movement of socialists for socialism. We are not a reformist party with a programme of policies to patch up capitalism.

We use every possible opportunity to make new socialists. We publish pamphlets and books, as well as CDs, DVDs and various other informative material. We also give talks and take part in debates; attend rallies, meetings and demos; run educational conferences; host internet discussion forums, make films presenting our ideas, and contest elections when practical. Socialist literature is available in Arabic, Bengali, Dutch, Esperanto, French, German, Italian, Polish, Spanish, Swedish and Turkish as well as English.

The more of you who join the Socialist Party the more we will be able to get our ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

The Socialist Party is an organisation of equals. There is no leader and there are no followers. So, if you are going to join we want you to be sure that you agree fully with what we stand for and that we are satisfied that you understand the case for socialism.

## Editorial

### The Cold War re-heats

ACCORDING TO Clausewitz, the oft-quoted 19th century general and military strategist, war is "the continuation of policy by other means." The recent brief – if brutal – conflict in the Caucasus is yet another example of the everyday nature of capitalism continuing by other means.

The conflict in South Ossetia and Abkhazia, which appears to have claimed thousands of lives has been a rare eruption, exposing the tectonic-like political and economic pressures shifting below the surface.

These recent events have been a wake-up call to those still deluded into thinking that the ending of the cold war (which was never an ideological battleground anyway) would mean an end to stand-offs between superpowers, with the ultimate potential for World War 3.

The Cold War has just been re-heated then: but this time round the battle-lines are clearly not drawn on grounds of some supposed ideological differences. There are no great ideological or moral issues at stake here. The protagonists (US and Russia) and their allies are simply rival capitalist economies, eager to secure strategic advantage, access to resources and regional influence.

In particular, in attempting to diversify its oil sourcing away from troublesome regions such as the Middle East, the US is relying on a new pipeline via Georgia which taps into relatively secure sources in Central Asia while avoiding Russian territory.

There are other considerations however. The failure of the centralised command economy version of capitalism as practised by the Soviet Union till its demise almost 20 years ago did not end the cold war, it merely changed the front.

As the economic and political basis for the Warsaw Pact crumbled, the regional military pact NATO (the North Atlantic Treaty Organisation) has been expanding far beyond its original "north Atlantic" scope, with the states of the former Soviet Union strategically-attractive targets of its recent recruitment drive, as it expands its sphere of influence.

Military conflict is an unavoidable consequence of the everyday conflict of property society. In capitalism all productive resources – most explicitly oil production and distribution – have to be owned and controlled by someone. Modern warfare – with all the waste, devastation and atrocities it brings in its wake – is a problem of capitalism. In contrast, in a moneyless, wageless, classless and stateless socialist society no-one will own any productive resource to the exclusion of anyone else. There will be no laws, rules or coercive forces to administer or police such monopolisation.

The World Socialist Movement is unique as a political movement in clearly and consistently expressing its opposition to war throughout the last hundred years. This is not selective: we oppose all wars, and have done so from World War 1 to Gulf War 2. Our opposition has a simple basis: war is fought over issues of interest to employers, landlords and bosses – the capitalist class, in short – while it is workers, in uniform or civilian clothing, who are the cannon-fodder. The overwhelming majority, the global working class – whether from Georgia (Caucasus) or Georgia (USA), have no interests at stake worth shedding a drop of blood over.

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# Machine, Heal Thyself

ISN'T IT annoying when you approach a red traffic light and have to sit there waiting for it to turn green, despite the fact that there are obviously no other cars or pedestrians coming from any direction? What if the traffic light itself was equipped with a bit of intelligence and could decide to turn green if it was safe, all the while talking to its friends across town, collectively regulating traffic flow according to prevailing conditions? Apart from the shortening of journey times and the saving in carbon emissions, it would be an example of something we are likely to see more and more in the future, the self-configuring network.

An engineered system implies by definition an engineer who entirely understands and controls that system, at least in its initial state. But relying on permanent factory settings in a dynamic system is almost never efficient, and today's production systems are so complex and involve so many parameters that engineers often have no idea what will happen if one detail is altered, or how best to solve a problem that arises. One approach to this problem of complexity is to get the system itself to devise its own solution.

## How to drive in a competitive (w}edge

In 2005 the Socialist Party produced a video entitled *Capitalism and Other Kid's Stuff*, in which the contention was made that if as an experiment you take a group of kindergarten kids and deprive all the children of their toys, giving everything to just one child, some very hostile and competitive behaviour will be the result.

Though this was more argument by analogy than rigorous scientific hypothesis, a recent study appears to have confirmed this proposition by performing exactly this experiment, with the predicted consequence (Who ever said that girls aren't competitive? *New Scientist*, June 28). A group of pre-school boys and girls were observed, first with enough toys to go round, then with all the toys taken away so that only one child

was left with any possessions. The objective of the experiment was to find out if girls would be as competitive as boys. The study showed that there was a marked increase in competitive behaviour in both gender groups, differing in expression between boys and girls yet equally aggressive in their own way. Boys tried to grab the toy, or chase the child with the toy, while girls punished the owner with more subtle ploys including social exclusion, whispering and hiding.

What is curious about this experiment is not so much the result but the interpretation placed on it. The study focussed entirely on the gender characteristics of competitive behaviour without appearing to consider what

crowd of people, an open doorway or a doorway with a large obstruction in front of it? Perhaps surprisingly, it is the doorway with the obstruction. It turns out by experiment that with an open doorway everyone rushes at it in a mad stampede, whereas an obstruction regulates the flow, leading to a more orderly and efficient passage for everyone. In a similar way, there is a perceived inverse ratio between motorway traffic density and speed of throughput, but this can be wrong. As density increases, drivers change lanes less often, and throughput thereby actually increases rather than decreases. The point of this is that intuition can take you the wrong way when devising organised systems.

In one car production system (*New Scientist*, Aug 9) efforts to assign assembly robots in the most efficient way failed, until the robots themselves were given the task of organising their own work via a bidding system. The result was an unpredictable and counter-intuitive ad-hoc schedule devised by the robots which was more efficient and saved \$1m per year.

There is an important principle here that socialists can use. One of the more ingenious arguments against socialist theory is that, without the mediating agency of money, a highly complex socialist production system would be hopelessly incomprehensible, involving so many parameters that no central plan or design could realistically manage it. Leaving aside the audacious hypocrisy of critics who are perfectly at home with the savage chaos of their own economic system, as well as their tendency to overstate the complications of a steady-state economy with no booms,

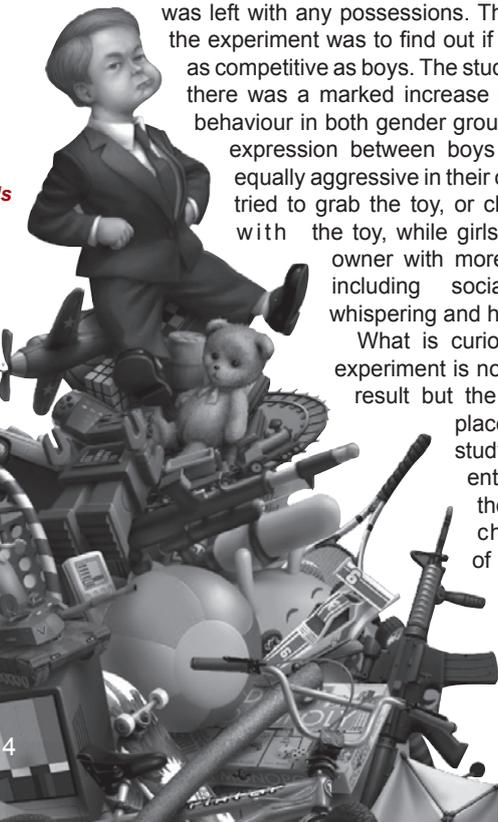
busts or advertiser-driven consumer faddism, such complexity as would exist does not really present us with a problem. Just like an intelligent traffic flow system, we could devise a 'smart' resource system, using throughput, usage and energy information to optimise itself, reconfiguring whenever necessary.

Thus, our answer to our critics' objection that we could never consciously regulate socialist production. We don't have to regulate it, so long as it regulates itself.

unusually mean things to them. In this view, the experimenters actually created the very behaviour they thought they were 'discovering'. What is missing is any account of the children's behaviour before the toys are removed, but one can reasonably assume a greater level of cooperative play. Socialists would draw a quite different conclusion from all this. Instead of showing that girls are as competitive as boys (and why wouldn't they be?), the study demonstrates effectively that private property is a hugely divisive social factor, even among four-year olds. The significance of this can scarcely be overstated. In the one interpretation, we are innately and always be competitive, implying the inevitability of social models built on that behaviour. In the other, such behaviour is provoked in us only when an outside agency actively dispossesses and disempowers us, implying the desirability of developing a social model which avoids doing this to us.



In reality the kids gave the owner a hard time



## Socialist Party Merchandise

### Teeshirts:

Blue with polar bear and 'If you were a polar bear, you'd be a socialist' plus party website address.

Yellow, with blue and green globe 'The world is a treasury for all' plus party web site address on.

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'Duet' Red and white with 'Only sheep need leaders' (pictured) and website on, with "Famine? War? Pollution? Capitalism is the Problem. World Socialism s the Solution" and party tel. number on.



### Pens:

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# War in Georgia

**T**he war in Georgia seems to be over. How it began is still not clear. The first major military action was Georgia's bombardment of Tskhinval, but some claim that this was itself a response to escalation in the low-intensity fighting in the villages of South Ossetia that has been going on for many years. In any case, the Georgian assault on South Ossetia gave Russia a golden opportunity to pursue its own goals under cover of humanitarian intervention (see last month's Material World).

In general, both sides have excelled in hypocrisy. Russia as the protector of small peoples – after Chechnya? The United States as the champion of national sovereignty against foreign aggression – after Iraq? And yet there are always people prepared to take such guff seriously, or pretend to.

## Three levels

The context of the war needs to be understood at three levels:

Level 1: the struggle within Georgia for control over territory, waged by ethnically based mini-states (Georgian, Abkhaz, Osset).

Level 2: the confrontation between Georgia and Russia.

Level 3: the renewed great power confrontation between Russia and the West, especially between Russia and the U.S.

The West in its propaganda stresses Level 2, casting Russia as aggressor and Georgia as victim while obscuring its own role. Russian propaganda stresses Level 1, casting Georgians as aggressors and Abkhaz and Ossets as victims, and also Level 3, casting the U.S. and its allies as aggressors and Russia as their victim.

Only by focusing on Level 3 can we grasp what the war is really about.

## Reclaiming a sphere of influence

The rulers of great powers often regard the areas immediately beyond their borders as their rightful "sphere of influence." Thus, the U.S. calls Central America and the Caribbean its "backyard," while Russia refers to other parts of the former USSR as its "near abroad." They are especially concerned to prevent military ties between outside powers and states in their sphere of influence. Recall the

Cuban missile crisis of 1962.

After a period of weakness, Russia is now reclaiming great power status and a sphere of influence. In the military field, the main goals are to prevent Georgia and Ukraine joining NATO and block the deployment of ABM systems in Poland and the Czech Republic. In addition, Russia will not allow post-Soviet states to cooperate with the U.S. in any attack on Iran.

The Russian operation has succeeded in keeping Georgia out of NATO for the foreseeable future: it has demonstrated the risks involved and several of the existing European member states are unwilling to take those risks. Another Russian goal – not yet achieved – is to oust Saakashvili, who is rightly viewed as an American client. (The "rose revolution" that brought him to power in 2003 was funded by the U.S. government, through such agencies as the National Endowment for Democracy.)

## Western ruling class deeply divided on Russia

It would be a mistake to interpret even the knee-jerk support of the American media for Georgia as indicative of unequivocal support. The U.S. and its allies (with Israel playing a major role) did create the conditions for war by encouraging their client and by arming and training his forces. However, it appears that Saakashvili started major hostilities on his own, without seeking prior approval from Bush, who was enjoying the Olympics at the time. This evidently caused some annoyance. The U.S. refused him the practical support on which he was counting. Like many ambitious but inexperienced politicians before him, he overplayed his hand.

We must bear in mind that the Western ruling class is deeply divided concerning policy toward Russia. Certain forces, especially in the U.S., are upset that Russia is no longer subservient to the West and regard it once more as an adversary. Other forces have a more realistic view of the shifting balance of world power, are wary of making too many enemies and fighting too many wars at once, and want to maintain a more cooperative relationship with Russia. These forces are particularly strong in West European countries that are dependent on Russian gas.

## Not worth war with Russia

The dominant view among our masters, fortunately, is that they have no interests at stake in Georgia worth the risk of war with Russia. They have only one really important economic interest in Georgia: the pipelines connecting the Caspian oil and gas fields with Turkey's Mediterranean coast (Baku – Ceyhan), which pass through the south of the country. Significantly, although Russia bombed many valuable assets in Georgia care was taken not to bomb these pipelines. Perhaps secret assurances were given that the pipelines would not be damaged.

The Russian rulers too have no really vital economic (as opposed to strategic) interest in Georgia. Abkhazia has long been their favorite vacation spot and still has considerable tourist potential. Western Georgia is a traditional source of tea, tobacco, walnuts and citrus fruit.

## Shared responsibility

Our hearts go out to the many thousands of ordinary working people who have borne the brunt of suffering in this war, as they do in every war – cowering terrified in basements as the shells burst above them, jumping to their death from burning buildings, trudging along the roads tired, hungry and thirsty in the summer heat ...

And yet we also have to say something that must sound heartless in the circumstances. The majority of these ordinary working people – of the adults among them – share responsibility for their current plight. Because it was they who demonstrated and voted for the politicians who ordered the shelling and the bombing. And most of them, it appears, are still ready to demonstrate and vote for the same politicians. Because they still believe that the location of state borders matters more, infinitely more than their own lives or the lives of their children. Because they still view as their enemy ordinary working people who happen to be of different descent and speak a different language. These delusions, for so long as they persist, guarantee that this will not be the last war.

**STEFAN**

# IRE OF THE IRATE ITINERANT



IT'S THE WAY THE BIG FISH SWALLOW THE LITTLE FISH, SO WE END UP WITH NOTHING BUT A HANDFUL OF CHAINSTORES, FRANCHISES, MAKING EVERY HIGH STREET IN BRITAIN LOOK EXACTLY THE SAME.



WE KNOW WHY THINGS ARE SO CHEAP. WE KNOW ABOUT THOSE SWEATSHOPS IN ASIA, WE KNOW ABOUT CHILD LABOUR, WE KNOW ABOUT EXPLOITATION ...



WHERE'S THE REAL COMPETITION THERE, WHERE'S THE CONSUMER CHOICE? OH YEAH, THINGS ARE CHEAPER, PERHAPS. AND WE ALL LOVE A BARGAIN, RIGHT? BUT... IT'S A SHAME THAT NIGGLING FEELING OF GUILT SPOILS IT...



AND, C'MON, THIS IS THE REAL WORLD, WE ALL KNOW ABOUT MONOPOLIES, CARTELS, EVEN OLIGOPOLIES. THEN THERE'S 'LOSS-LEADERS' IN THE SUPERMARKET, 'DUMPING' TO WRECK THE COMPETITION. IT GOES ON. WE ALL KNOW IT.



SHAME HE'S BEEN DRIVEN OUT OF BUSINESS BY THE OUT OF TOWN SUPERSTORE ...



BUT, WHAT ABOUT DEAR OLD ADAM SMITH'S 'INVISIBLE HAND'? REMEMBER, IT'S NOT THROUGH OUR BAKERS NATURAL ALTRUISM THAT WE OWE HIM OUR DAILY BREAD. APPARENTLY IT'S RATHER HIS 'ENLIGHTENED SELF INTEREST'. HMM. LET'S GO AND ASK HIM!..



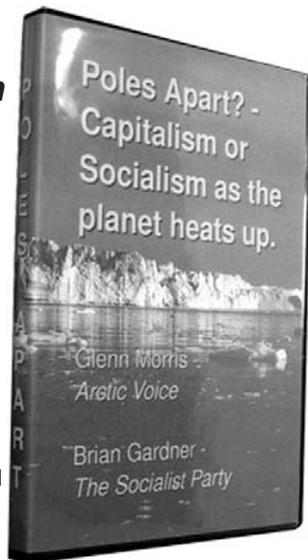
## New DVD

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see order form on page 5 for details

# Pieces together

## ONLY INSIDE SOCIALISM?

"As we face \$4.50 a gallon gas, we also know that alternative energy sources — coal, oil shale, ethanol, wind and ground-based solar — are either of limited potential, very expensive, require huge energy storage systems or harm the environment. There is, however, one potential future energy source that is environmentally friendly, has essentially unlimited potential and can be cost competitive with any renewable source: space solar power. Science fiction? Actually, no — the technology already exists. A space solar power system would involve building large solar energy collectors in orbit around the Earth. These panels would collect far more energy than land-based units, which

are hampered by weather, low angles of the sun in northern climes and, of course, the darkness of night. Once collected, the solar energy would be safely beamed to Earth via wireless radio transmission, where it would be received by antennas near cities and other places where large amounts of power are used. The received energy would then be converted to electric power for distribution over the existing grid." (*New York Times*, 23 July)

## BEHIND THE BRAVADO

"Washington - More than 22,000 veterans have sought help from a special suicide hot line in its first year, and 1,221 suicides have been averted, the government says. According to a recent RAND Corp. study, roughly one in five soldiers returning from Iraq and Afghanistan displays symptoms of post-traumatic stress disorder, putting them at a higher risk for suicide. Researchers at Portland State University found that male veterans are twice as likely to commit suicide than men who are not veterans. ...The VA (Veterans Affairs) estimates that every year 6,500 veterans take their own lives. The mental health

director for the VA, Ira Katz, said in an e-mail last December that of the 18 veterans who commit suicide each day, four to five of them are under VA care, and 12,000 veterans under VA care are attempting suicide each year." (*Yahoo News*, 28 July)

## WHAT CREDIT CRUNCH?

"A mysterious Russian billionaire has trumped his big-spending rivals and broken a world record by splashing out 500 million euros (£392 million) on one of the most sumptuous villas on the French Riviera. (*Times*, 11 August)

## CALIFONIAN NIGHTMARE

"Stockton has become known as Foreclosure Town, USA. With one in 25 houses in foreclosure, there are more properties with mortgages in default here than anywhere in the country. And it is not as if there isn't some stiff competition for Stockton's dubious accolade in other corners of California, and indeed in the rest of America." (*Observer*, 10 August)

## Contact Details

### UK BRANCHES & CONTACTS

#### LONDON

**Central London branch.** 2nd Weds. 6.30pm. 2nd Wednesday 6.30pm. The Printworks, 113/117 Farringdon Road, London. EC1 (Nearest Underground/Thameslink: Farringdon 0.2 miles).

#### Enfield and Haringey branch.

2nd & 4th Monday. 8pm. Angel Community Centre, Raynham Rd, N18. Corres: 17 Dorset Road, N22 7SL. email:julianvein@blueyonder.co.uk

#### South London branch.

1st Tues. 7.00pm. Head Office. 52 Clapham High St, SW4 7UN. Tel: 020 7622 3811

**West London branch.** 1st & 3rd Tues. 8pm. Chiswick Town Hall, Heathfield Terrace (Corner Sutton Court Rd), W4. Corres: 51 Gayford Road, London W12 9BY

**Pimlico.** C. Trinder, 24 Greenwood Ct, 155 Cambridge Street, SW1 4VQ. Tel: 020 7834 8186

#### MIDLANDS

**West Midlands branch.** Meets every two months on a Sunday afternoon (see meetings page for details). Tel: Tony Gluck 01242 235615

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**Luton.** Nick White, 59 Heywood Drive, LU2 7LP

**Redruth.** Harry Sowden, 5 Clarence Villas, Redruth, Cornwall, TR15 1PB. Tel: 01209 219293

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#### SCOTLAND

**Edinburgh branch.** 1st Thur. 8-9pm. The Quaker Hall, Victoria Terrace (above Victoria Street), Edinburgh.

J. Moir. Tel: 0131 440 0995 JIMMY@jmoir29.freemove.co.uk Branch website: <http://geocities.com/edinburghbranch/>

**Glasgow branch.** 3rd Wednesday of each month at 8pm in Community Central Halls, 304 Maryhill Road, Glasgow. Richard Donnelly, 112 Napierhall Street, Glasgow G20 6HT. Tel: 0141 5794109. E-mail: richard.donnelly1@ntlworld.com

**Ayrshire:** D. Trainer, 21 Manse Street, Salcoats, KA21 5AA. Tel: 01294 469994. E-mail: derricktrainer@freeuk.com

**Dundee.** Ian Ratcliffe, 16 Birkhall Ave, Wormit, Newport-on-Tay, DD6 8PX. Tel: 01328 541643

**West Lothian.** 2nd and 4th Weds in month, 7.30-9.30. Lanthorn Community Centre, Kennilworth Rise, Dedridge, Livingston. Corres: Matt Culbert, 53 Falcon Brae, Ladywell, Livingston, West Lothian, EH5 6UW. Tel: 01506 462359 E-mail: matt@wsmweb.fsnet.co.uk

#### WALES

**Swansea branch.** 2nd Mon, 7.30pm, Unitarian Church, High Street. Corres: Geoffrey Williams, 19 Baptist Well Street, Waun Wen, Swansea SA1 6FB. Tel: 01792 643624

**Cardiff and District.** John James, 67

Romilly Park Road, Barry CF62 6RR. Tel: 01446 405636

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Victoria B.C. V8X 3X8 Canada. E-mail: SPC@iname.com

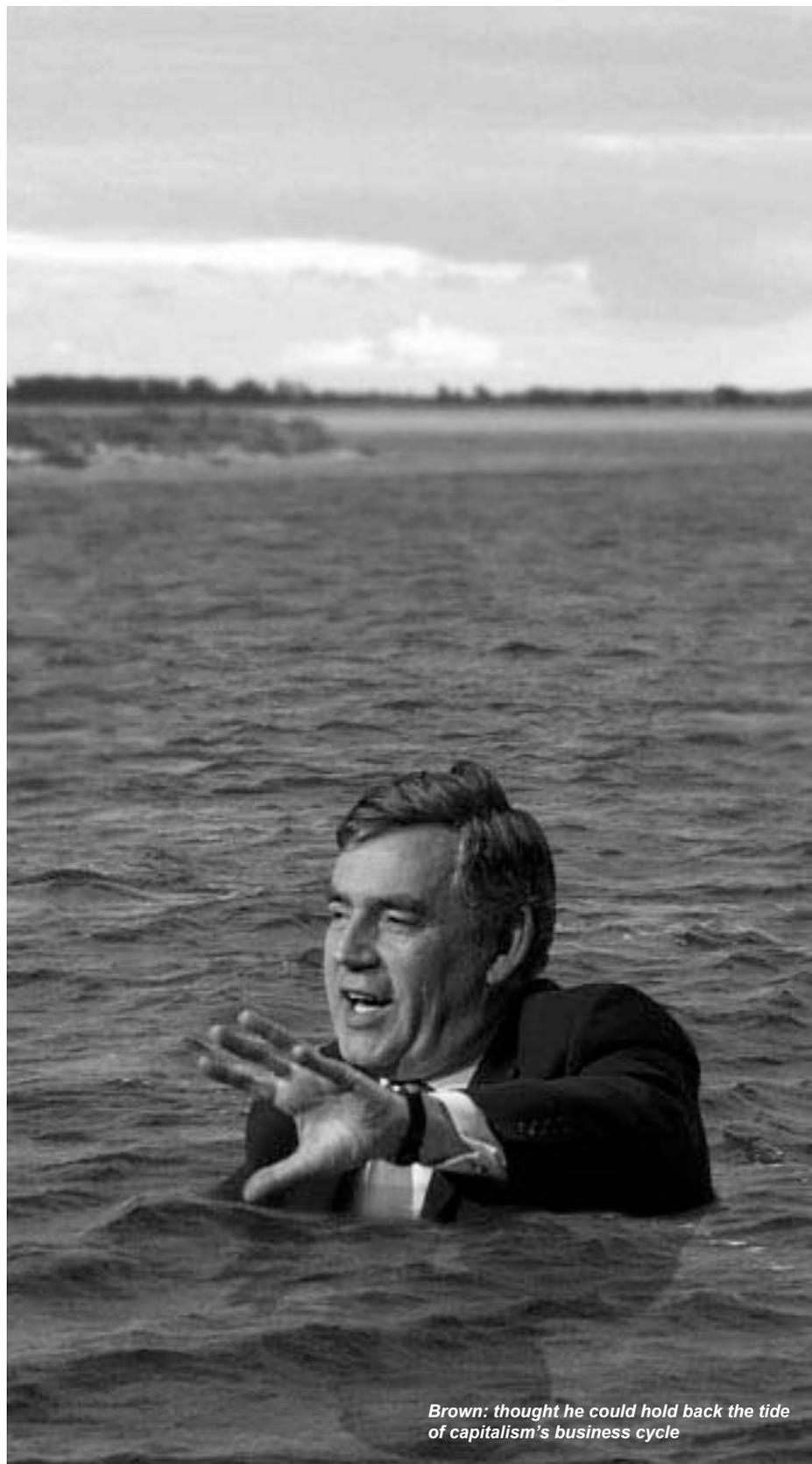
**World Socialist Party (New Zealand)** P.O. Box 1929, Auckland, NI, New Zealand.

**World Socialist Party of the United States** P.O. Box 440247, Boston, MA

02144 USA. E-mail: wspboston@covad.net

# All at Sea

*The indications are that the economy is heading for a recession, which no government can prevent.*



*Brown: thought he could hold back the tide of capitalism's business cycle*

**T**he idea that the market economy can progress steadily, providing for ever-rising levels of growth, trade and employment, is a fantasy dreamt about by every Chancellor of the Exchequer and most politicians generally. This was never more the case than with the former Chancellor Gordon Brown who claimed repeatedly that year-on-year economic growth was the unique product of his prudent and circumspect economic

management of British capitalism.

The prudence of the erstwhile Chancellor – and now Prime Minister – is suddenly in doubt as the economy, according to most commentators and analysts, heads towards a recession his government seems powerless to prevent. No longer in command of everything he surveys, Brown's frailties are suddenly all too apparent, even to many of his former supporters. Indeed, it is interesting that many of

the commentators who saw little to question in Brown's outlandish claims over the last ten years were also most often the cheerleaders for a housing market bubble they said would never burst, and which now provides them with endless column inches of hard-hitting prose now that it finally has.

Before the housing market crash began and when the politicians and mainstream press were still in denial, we had, in the May 2007 *Socialist Standard*, a different perspective: 'past history demonstrates that sooner or later, the current housing bubble will end in tears. When asset prices become completely disengaged from what is happening in the real economy where wealth is produced and value created, and are only sustained by ever increasing amounts of indebtedness, it cannot last – capitalism just does not work that way'. According to the *Financial Times* (9<sup>th</sup> August) this debt has now risen from 100 per cent to 170 per cent of household income under New Labour (the highest in the G7 countries) and 80 per cent of this has been secured on property, a perilous situation for the housing market in particular but also for the economy as a whole.

### Business cycle

Growth in the market economy (in the housing sector and more generally) does not proceed in the manner of a straight upward line as imagined on a Treasury graph. Its general direction is upwards over the long-term, but growth tends to be uneven, unpredictable, and prone to periodic wild gyrations. For very good reasons this is the way it has always occurred in capitalism and there is nothing about the system, or the politicians who oversee it, to suggest it will happen any differently in future.

In the nineteenth century the concept of capitalism's ever-recurring trade cycle was well-known, the most coherent and in-depth analysis of it being developed by Karl Marx. As prescient now as it was then, Marx summarized his view in the following terms:

The factory system's tremendous capacity for expanding with sudden immense leaps, and its dependence on the world market, necessarily give rise to the following cycle: feverish production, a consequent glut on the market, then a contraction of the market, which causes production to be crippled. The life of industry becomes a series of periods of moderate activity, prosperity, over-

production, crisis and stagnation' (*Capital*, Volume 1, p.580. Penguin Edition).

There are two related factors which drive this boom/slump cycle. Firstly, the fact that production takes place with a view to realising a monetary profit. Without this prospect of profit, production will not take place. Needs without the ability to pay are left unrecognised, whether that be housing for those unable to get a mortgage or food for those unable to pay for it. Secondly, this profit-seeking is conducted by hundreds of thousands of competing enterprises whose ultimate aim is to increase market share, increase production, and through doing so

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## “There is little doubt that capitalism in most industrialised nations is long overdue a recession”

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increase profits. The problem is that the drive to compete for these enterprises is their only tangible reference point to one another. What they do is not co-ordinated and planned, and not linked to the demands of other companies and industries. Instead, there is an anarchy of production which periodically leads to key sectors of a booming economy over-expanding in relation to existing market demand.

That this situation occurred in the US housing market from 2006 onwards, and has since been transmitted to many other property markets including that of the UK, is now obvious even to most of those who vehemently denied it would happen.

### Defining a recession

The Treasury and Bank of England (along with their counterparts in the United States) officially define a recession as 'two consecutive negative quarters of economic growth'. By this they mean half a year of economic contraction. The way that statistics are necessarily compiled (especially considering the time-lag factor) it is not always evident that a recession has been happening until after the event. In 2001 it was assumed that the United States was in a recession, but after the event it turned out that

this wasn't (quite) so based on this definition.

Marx claimed that for a recession (depression or slump – depending on your preferred terminology) to occur, overproduction for particular markets had to spread and 'grip the principal articles of trade' (*Theories of Surplus Value*, p.393). In practice, sometimes this generalisation of overproduction will occur through a 'knock-on' effect when there is clearly disproportionate growth and overproduction in some industries that spreads more widely, but at other times it doesn't spread sufficiently to cause a noticeably wider downturn. Furthermore, even when it does spread there are usually industries that do well in an otherwise declining economy, as was the case in the major 1930s slump when motor car manufacturing, for instance, continued to grow while other industries contracted.

There is little doubt that capitalism in most industrialised nations is long overdue a recession of sorts – the last widespread one was in 1990-92 and the boom since then has been far longer than the historic average. In this period capitalism has survived the Asian crisis of 1997, the collapse of the world's biggest hedge fund a year later (the ironically named Long Term Capital Management), the spectacular bursting of the dot-com bubble with its various corporate scandals, the attacks on the World Trade Centre and other major political crises, and the massive 2000-2003 bear market in equities, all without officially entering recession in either the US or UK.

This time there are two significant forces propelling it in the direction of recession, however: the aforementioned property market crash which has seen the biggest monthly house price falls in both the US and UK in history, and the serious 'credit crunch' that has developed from it. The latter has occurred because so many investment products have been based on low-grade ('sub-prime') housing debt and as the housing market falls and people cannot pay their mortgages much of this debt has to be written off. It was recently enough to turn what would have been a six monthly profit for the Royal Bank of Scotland of in excess of £5 billion into a loss of £691 million instead, and has led RBS and many other banks to re-capitalise themselves through issuing more shares; in the US it nearly led to the complete collapse of one of the largest investment banks, Bear Stearns.

The main problem is that no-one, sometimes not even the banks themselves, know where all of these problematic sub-prime investments are or how much needs to be written off. It is this that famously led to an almost unprecedented reluctance among the banks to lend to one another last year as they did not trust what was on (or rather not on) each other's balance sheets. Irrespective of what central banks have done with base interest rates, it has led to inter-bank lending rates being pushed up to comparative historic highs (the spike in LIBOR – the London Inter-bank Offered Rate – is what put paid to Northern Rock's meteoric rise as it was hugely dependent on borrowing on the money-markets).

The credit system and the money markets associated with it are what oil capitalism's financial machine. When they become dysfunctional the entire system can suffer; banks are reluctant to lend either to industry or to individuals, lines of credit dry up and companies getting into difficulty find that their one possible lifeline has been cut off. Indeed, it is the credit system that tends to act as a key transmission mechanism spreading problems in some sectors of the economy to others.

#### Lead indicators

The extent to which the combined effects of the housing market crash and the resultant credit crunch will lead to a recession is currently hotly debated by analysts, though it clearly has the potential to be very serious indeed. Hard data in the coming months should prove conclusive one way or the other as, in truth, there are few genuine 'lead indicators' of a slump that can tell us definitively that one is about to happen, or how deep it will be. For example, production tends to fall most noticeably once the slump is already underway and unemployment is another lagging indicator, only rising when companies have started cutting back on staffing levels in response to difficult trading conditions.

Falling stock markets are better lead indicators of a recession; this is because at the level of individual companies it is their interim and preliminary company results along with quarterly trading statements that typically give advance clues as to what is happening on the ground, and stock markets are usually quick to react, as they have been this time. Nearly all major stock markets have at some point fallen 20 per cent or more from their peaks since the

credit crunch started, technically entering 'bear market' territory. The problem with stock markets, however, is that they can fall in the short-term for all sorts of other reasons too and also have a tendency to over-react to events. When UK shares lost about 50 per cent of their value in the 2000-3 bear market (and US shares almost as much) this reflected little that was happening in the real world of the underlying capitalist economy of production and trade.

Some economists and analysts have argued that the best indicator of an impending recession is what is called an 'inverted yield curve' on the money markets. This means a situation whereby short-term interest rates are above long-term rates (the inverse of the usual relationship) and in these circumstances banks have little incentive to lend long-term to industry when selective short-term lending is both safer and more profitable. In practice, an inverted yield curve is indeed almost always a precursor of recessions. Unfortunately, like falling stock markets, inverted yield curves can happen at other times too (the US had a significantly inverted yield curve in 2000 and had a curve that flattened and threatened to invert in 1998, yet there was no recession on either occasion). This time around, the US yield curve inverted in 2006-7 and has since switched to being positive; the UK yield curve inverted in the wake of the credit crunch starting last summer, and has recently started to flatten out again.

#### Mine's A Baltic Dry

Arguably the best lead indicator of a recession exists as a measurement of what is happening in the 'real' economy of production and trade in capitalism rather than its financial superstructure. This is a curious and little known gauge of economic activity called the Baltic Dry Index. It covers dry bulk shipping rates and is managed by the Baltic Exchange in the City of London.

Each day the Baltic Exchange establishes average prices for shipping various cargoes around the world, whether it be 100,000 tones of iron ore from Brazil to the UK or 100,000 tons of soybeans from the US to India. Essentially, the index is a barometer of activity amongst shipbrokers involved in shipping those raw materials that are typically the precursors to production around the world, and it measures the demand for shipping capacity versus the supply of bulk carriers.

It is a useful index because dry bulk mainly consists of commodities that act as raw material inputs into the production of other goods such as electricity, steel and food. Also, demand for these is variable and elastic whereas the supply of dry bulk shipping is inelastic, changing little in the short-term because of the length of time needed to build new tankers. This means changes in the index tend to principally reflect changes in demand. Fluctuations in the index have historically proved to be amongst the best lead indicators of economic activity in the market economy there is.

This has been demonstrated over the last few years, when the Baltic Dry Index surged on the back of the booming global economy and the demand for industrial and agricultural commodities led by China, India, Brazil and other emerging markets. Interestingly, despite a continuation of much of this activity, the index has in more recent times faltered. From the beginning of 2005 until the start of 2008 the index more than doubled, but after some volatile movement has since fallen from a peak of nearly 11,800 reached in May to around 7,000 at the time of writing, a fall of around 40 per cent. If this fall continues into the autumn and beyond, then a widespread, serious recession is more than likely as it will be reflective of a massive decline in the demand for raw materials required for the world economy.

Quite how severe the economic downturn proves to be is no small matter of interest as it will affect the lives of hundreds if millions across the globe, leading to falling production, falling property prices, rising unemployment and acute financial distress for many. And this is far more significant than the distress that is being caused for a Prime Minister in Britain who swore that this would never happen and who thought he could hold back the tide of capitalism's business cycle through his financial management skills – a man who has been left looking ever more like King Canute instead, staring out to sea with the waves already lapping well above his ankles.

#### DAP



# The Irish 'No'

*A socialist in Ireland looks at the vote there to reject the EU's proposed Treaty of Lisbon.*

**O**n the 12th of June, voters in the Republic of Ireland rejected a constitutional proposal to ratify the Lisbon Treaty. The rejection has caused ripples across Europe and provoked a lively and continuing discussion in the letters pages of the newspapers and in radio phone-in programmes. It is a quintessential example of what passes for 'politics' under capitalism with heated debate amongst the protagonists and yet the result is as irrelevant to most people as the composition of government here after the next election. Closer inspection of the campaign and its aftermath reveals all the pointlessness, chicanery and opportunism of mainstream politics.

The European Union (although that wasn't its name at the time) was founded by six, reasonably like-minded European countries by the Treaty of Rome in 1957. The aim then (and still now) was to make capitalism more efficient throughout the continent by organising it on a pan-European scale. The basic tenets of permitting the free movement of capital, goods and 'labour' (people in the real world) between member states had the intention of giving capitalists the opportunity to conduct their business in the most profitable location at any moment in time. Over the last 50 years the Union has grown so that it now has nearly 30 member countries ranging from the Mediterranean, to the Nordic states and includes most of the pre-1990 Eastern bloc. In fact most countries in Europe are now either members, candidate members, associate members or at a minimum aspirational members. Like any organisation, as it has evolved over time, its governing rules require continual amendments and the Lisbon Treaty is the latest such initiative. The main thrust of all these successive amendments has been to put flesh on and develop the principle of free movement and free trade within Europe.

The problem for the EU is that there is no longer unanimity amongst what may be termed the European capitalist class as to how the Union should develop and what are the appropriate rules for possibly completing structures for it. The Irish referendum debate and result is a manifestation of this and illustration of how the governing ideas in society are those of the capitalist elite. One section of the capitalist class, controlling large multi-national enterprises that are involved in international manufacture and tradable services are extremely concerned about global competition from the USA, China, India, South America etc. They want to see more integration of capitalism within Europe by the dismantling of any remaining national barriers in order to strengthen their position with respect to these external competitors. Some of this programme would involve having a uniform tax base throughout Europe and a 'Services Directive' whereby capitalists in any country in the Union would have open access to markets in all the other countries and not be hindered by any local labour or other regulations. Broadly this section of the capitalist class has the

approval of the Brussels Commission, the ruling administration of the EU. Furthermore as part of this programme, they are prepared to accept a stronger social element to the EU in terms of certain aspects of workers rights to in effect partly compensate workers for the increased competitive environment in which they will have to sell their labour. This political philosophy usually goes by the name of Christian or Social Democracy where capitalist engage with the organised labour movement taking a long term view of the benefits to profits that stem from stability and social cohesion. As against that there is another rival section to the capitalist class. These generally operate smaller businesses acting in predominately

national markets or trading almost exclusively with individual countries outside Europe such as the USA. They see no real need or advantage to be gained from deeper collaboration and are at a minimum, suspicious or completely opposed to these developments. To them other capitalists within Europe are as much a threat as those outside the EU. They also tend to be more resistant to the social aspects of Europe viewing it as a cost that confers no particular advantage to them.

Within Ireland, this uncertainty or confusion in the ruling circles of Europe also manifested itself. On the Yes or pro-treaty side was an uneasy and in parts unlikely alliance consisting of most of the important political parties, the employers' umbrella organisation IBEC, the corresponding labour organisation, the Irish Congress of Trade Unions and important sectional groups such as the Farmers organisations. The political parties, although they spend huge time and effort in ritualistic attacks on each other, basically share the same Christian Democratic ethos which fits in with the EU philosophy and explains their support for the Treaty. Given the predominance of multi-national companies in Ireland's industrial portfolio (who located here specifically to take advantage of membership of the EU), it was no surprise that IBEC also solicited a yes vote. The unions' governing body, the ICTU was won over by the social concessions in the Treaty and a desire to be in line with the mainstream labour movement on the continent.

The anti-Treaty side was even more motley in terms of its make-up and consisted of two entirely disparate streams (one from the Right and one from the Left) each in turn containing a myriad of sub-organisations. From the right of the political spectrum were prominent businessmen such as Ben Dunne (retail), Ulick McEvaddy (airlines) and most prominently Declan Ganley (communications). Joining them were a variety of free-market commentators, staunch and unchanging Europhobes and some reactionary populists. The main plank of their opposition to the Lisbon Treaty could be summarised by the lessening of Ireland's influence within Europe due to the proposed loss of automatic national Commissioners and less ability for Ireland to set independent tax and national macro-economic policies. This Rightist element of the No campaign also included a curious assortment of very traditional and conservative nationalists and extreme Catholics worried about threats to Ireland's sovereignty and ability to set independent (i.e. Catholic) social policies. The Left side of opposition to Lisbon also had a multitude of identifiable sub-groups each with its own grievance. Although the Green Party is part of the government, a dissident wing of the Green Party opposed the centralising tendencies inherent in the Treaty. Sinn Fein claimed to be concerned about the effect on the position of Irish workers of unrestricted access to the Irish market by foreign capitalists and also were unhappy with the increasing role of a potential European army and its effect on Ireland's traditional neutrality. The Greens and Sinn Fein were joined in their opposition

by a large number of small groups of Leftist, Trotskyite, Anarchist, 'Anti-War' and some bizarre single-issue protest organisations (Rural Hospitals, Palestinian Solidarity, etc.).

Most of the debate was ridiculous. The Yes side warned of economic meltdown if the Treaty was rejected when everyone knew an economic recession was already underway caused by factors nothing to do with the issue. Sinn Fein (an organisation responsible for over half of all deaths in the 30-year Troubles through its former armed wing, the IRA) claimed to be worried about growing 'militarism' within Europe. The Left groups opposed the Treaty on the longstanding and remarkably persistent misapprehension that capitalism organised on an international basis is something reprehensible while if the same society exists on a national basis, then that is something tolerable. This presumably stems from their aspiration that national capitalism can be more easily converted into state capitalism than if it has an international character. In fact some of the claims, mostly by the No side, made about the EU were so conspiratorial that they had the air of a UFO crank convention.

In any event, the Treaty was rejected by 53 percent to 46 percent on a relatively healthy turnout of over 50 percent. While both elements of the No campaign claimed credit for the result, the real winner out of the debate is the mysterious Mr. Declan Ganley who in the space of a few short weeks went from being an unknown figure to being the perceived architect of the Irish rejection. He is a self-made millionaire who made his money through his close contacts with senior members of the American Bush administration which yielded a number of lucrative defence contracts with the US military authorities. Prior to that he had advised a number of former Communist countries in Eastern Europe on the implementation of 'privatisation' of state assets and interests. He set up the campaigning organisation, Libertas which provided the bulk of the resources of the No side in terms of flyers, posters, billboard and newspaper advertising. The generous funding of this body is mysterious and under electoral rules does not have to be disclosed until next year. Also because it is not a political party, the level of disclosure about its donors is less stringent than it would be otherwise. There are rumours (denied by Libertas) that the organisation is financially supported by right wing elements in the Republican Party in America who see a growing and more integrated EU as a future threat in the same way as they now view China. He is now the toast of Euro-sceptics throughout Europe (at least those of a rightist persuasion) and has become a leading standard bearer of trans-European opposition to the implementation of the Lisbon Treaty. He has been glowingly endorsed by the British euro-sceptics, UKIP and the Tory right.

## **“Private money now dictates the campaigns and success usually goes to the best funded groups and not those with the best arguments”**

It is clear that Libertas outspent all the other bodies involved in the campaign. They were helped in this by a court ruling, a decade ago in connection with another referendum which made it illegal for the Government to spend public money on advocating a Yes vote. At the time this ruling was viewed as a progressive measure (levelling the playing field in referenda campaigns) but all it has led to is the American situation where private money now dictates the campaigns and success usually goes to the best funded groups and not those with the best arguments or greater support. The practical effect of the ruling is that the Government parties had to spend their own party money and resources to encourage a yes vote. This led to a very token campaign on their behalf as the

party loyalists were hardly going to be enthusiastic about selling a 260-page technical document to the electorate. Although the main opposition parties (Fine Gael and Labour) were nominally supportive they clearly decided against spending money to obtain a result that the government would ultimately claim as a victory for itself. There is nothing unusual about that; most political parties only spend real money on getting their own members elected in sufficient numbers to give them access to power where the prospects of enrichment and rewards are tangible. Spending money to change peoples' minds for its own sake is not a priority. All in all this has left the Irish government with a headache they could have done without. They are under pressure from the leading integrationist countries such as France and Germany to resolve it before other countries with a history of cold feet about European federalism such as Britain, Denmark and the Czech Republic join the No bandwagon. At the same time they are hemmed in by the justifiable taunts of ignoring the peoples' sovereign will if they ignore or try to legally finesse the outcome of the vote.

What the future holds for this issue, time will tell. Inevitably it will be resolved by some compromise and the System will continue. In five, ten or twenty years time, people will look back and marvel at the heat and dust that it has raised and maybe wonder whatever became of Declan Ganley. For Socialists such tinkering with the system are of no real concern. Given that the Treaty itself is mainly technical in nature and independent studies show it will not make a huge change to the day-to-day operation of the EU, whether it is ratified or not will not significantly impact on our lives. Only when the over 90 percent of the world's people, who make a meaningful contribution to life on earth, realize that their interests need a new outlet, can politics become real and meaningful.

**KEVIN CRONIN**



# The Scottish Question

*The SNP's victory in the Glasgow East by-election has kept this irrelevant pot boiling. The Labour Party has always claimed to represent the interest of the worse off majority but now finds itself deeply unpopular to the point of facing a crisis.*



Labour has had untrammelled power for over ten years, and yet now finds itself rejected because it has failed so spectacularly. Bernard Shaw once wrote that any government that robs Peter to pay Paul can count on the support of Paul. Labour has failed to achieve even this modest level of vote buying.

Part of their problem was that Peter is just too strong to let himself be robbed – the organised ranks of capital and the disorganised might of the market are strong enough to see off any challenge that doesn't seek to

remove them entirely from the picture. Labour tried to accommodate itself with business in order to achieve modest social goals – but this simply left it prey to the mood swings of the market, with Paul's position unchanged.

One noticeable change Labour did manage to get through was devolution. We've discussed in these pages before how this was as much jobs for the boys and girls – as well as providing a handy redoubt for Labour forces for when they would eventually lose Downing Street. Their colossal votes in Scotland and Wales would make them the permanent natural party of government in those areas, and would allow them to circumvent to rock solid Tory core in the English south east. It would, they hoped, stymie the challenge from Welsh and Scottish nationalists to their dominance in those areas.

After all, they believed that the desire for the retention of the United Kingdom is strong. Hence why Gordon Brown has tried to wrap himself in Britishness – a neat bit of stealing Tory clothes to win their supporters over, while his own supporters have nowhere else to go. At least, that's the theory. The problem is, however they were wrong about the Nationalists – the voters found they could go to them.

In 2007 Labour lost control of the Scottish parliament. They had never had a full majority there (the proportional electoral system they introduced makes that an unlikely event) but they had been the biggest party. It was a close run thing, but they were beaten into second place by one seat (and about 20,000 votes). Not only that, but a new PR system for local government meant the smashing of the old Labour family run fiefdoms throughout Scotland, with almost all councils falling to no overall control.

A part of all that was the demise of the Scottish "Socialist" Party, one of the most successful leftist parties of the last fifty years. It had had six seats in the Scottish Parliament, before it had imploded over the behaviour of its charismatic leader Tommy Sheridan suing the *News of the World*

over allegations on his private life (plus a touch of SWP skulduggery). It had latched on to regional nationalism, as a successful means to electoral success.

The Scottish Nationalists had tacked left, making social democrat noises to pick off Labour supporters. There is nothing intrinsically left-wing about nationalism. Being a nationalist does not necessarily commit a person to any particular reforms or economic principles. Indeed, technically, the SNP is a one-issue party – for

an independent Scotland. Their history, though, is marked by debates between the minority of hardliners wanting to stand for nothing but independence, and the dominant pragmatists who want to win political power by offering to administer the current situation, and knocking the maximum demand into the long grass. This allows people to safely vote for the party of independence without necessarily voting for independence. In truth, they stand for no principle different than the other parties, offering to represent and work hard for “you”.

Having formed a minority government, they plan to use events in their favour. Just as Labour’s first British government dressed up in Ruritanian Privy Councillor’s costumes to prove that they weren’t revolutionists, so too the Nationalists have accepted political responsibility within the Union to try to show that they are trustworthy and to win people to their cause while in power. Of course, they generate heated debates between themselves and Westminster, and try to provoke controversy. Of course, they intend to legislate for a referendum on independence – but only after they have been in office some while. So, even if that is rejected, they have a fair chance of holding onto their jobs.

What some commentators look to, though, is after the next UK election. It seems increasingly likely the Tories will end up ahead of Labour. It is even possible, after the Glasgow East by-election result, that the SNP could take a majority of Scottish seats. Following the death of John MacDougall Labour MP for the Fife town of Glenrothes there will be another by-election in the autumn. This is another Labour safe seat, and losing again may be fatal for Gordon Brown’s premiership – and spell almost certain disaster at the next general election.

David Cameron has announced that he believes that Scottish MPs should not be able to vote on legislation in England just as English MPs cannot vote on Scottish issues (because those matters are devolved to the Scottish parliament). Considering that his party won a majority of English seats at the last election, he would say that. If Scotland breaks away this would make Labour’s return to power in Westminster that much harder, and the SNP would have their cherished dream.

The indications are, though, that Scottish voters will not opt for independence. At heart, then, the SNP, like Labour, has achieved political success at the expense of its core project. At heart, in both cases this is because they have sought power by telling people they agree with what they think, rather than trying to change minds. The quick route to power is to buy people’s votes with popular policies – but the danger in that is that you attract people who support those policies, but not necessarily your wider aims. They’ll simply up and leave when someone offers them something better. Political time, effort and consciousness are wasted arguing to and fro on such nonsense.

Ultimately, such baubles are thrown around by the political hacks in order to win for themselves the major prizes. Workers have nothing to gain from the redrawing of the boundaries, but regional entrepreneurs and bureaucrats certainly do have a chance of making good if only they can persuade the electorate to back them. Capitalism knows no boundaries, money has no accent. Yet the Scottish question continues to play a major part in the ongoing passing show of UK politics.

**PIK SMEET**



## The coming purge

Is it a depression or just a recession? According to the Penguin *Dictionary of Economics*, a recession is “an imprecise term given to a sharp slow-down in the rate of economic growth or a modest decline in economic activity”. This is distinct “from a slump or depression which is a more severe and prolonged downturn”. Government statisticians register a recession when GDP falls for

two successive quarters.

On this definition Britain is not in a recession – not yet. But most economy-watchers expect that this stage will soon be reached. Gary Duncan, economics editor of the *Times*, even writes that this would not be such a bad thing:

“If Britain is to succumb to recession we need to remember that such periods are a virtually inescapable feature of even the most successful capitalist economies, even a necessary one to purge the system of past excesses, inefficient practices and the weakest links among businesses” (21 July).

That’s what Marx said, but it’s not what the economics textbooks teach (they still cultivate the illusion, relayed by politicians, that governments can engineer a steady growth of GDP, i.e. can avoid such periodic “purgings”).

For Marx the accumulation of capital, which is the engine of economic growth, proceeded in fits and starts, a series of cycles of moderate activity, boom, crisis, slump, recovery, moderate activity, boom, crisis, etc. Booms eventually created the conditions for the next following slump while slumps created those for recovery.

One thing that happens during a slump that helps recovery is that capital is destroyed. Not just in the physical sense as

when machinery is scrapped or factories pulled down but also in terms of the depreciation of capital with the physical elements in which it is embodied not being affected. This is the purge Duncan talks about. Marx explained:

“Values used as capital are prevented from acting again as capital in the hands of the same person. The old capitalists go bankrupt. If the value of the commodities from whose sale a capitalist reproduces his capital was equal to £12,000, of which say £2,000 were profit, and their price falls to £6,000, then the capitalist can neither meet his contracted obligations nor, even if he had none, could he, with the £6,000 restart his business on the former scale, for the commodity prices have risen once more to the level of their cost-prices. In this way, £6,000 has been destroyed, although the buyer of these commodities, because he has acquired them at half their cost-price, can go ahead very well once business livens up again, and may even have made a profit. A large part of the nominal capital of the society, i.e., of the exchange-value of the existing capital, is once for all destroyed, although this very destruction, since it does not affect the use-value, may very much expedite the new reproduction” (*Theories of Surplus Value*, Part Two, p. 496).

“This fall in the purely nominal capital,” Marx went on “State bonds, shares etc. . . amounts only to the transfer of wealth from one hand to another and will, on the whole, act favourably upon reproduction, since the parvenus into whose hands these stocks or shares fall cheaply, are mostly more enterprising than their former owners.”

As Britain heads for a recession (in whatever sense) the parvenus are already gathering to buy up failed and failing business at bargain prices. As well as laughing all the way to the bank they can justify their unpopular activity as performing a necessary function in capitalism’s business cycle. As indeed they are.

# Will Belgium survive?

*No permanent government has emerged from the elections held in June last year. Does this matter to the working class there?*

**B**elgium is a patently artificial state inhabited by people speaking two different languages. It survived for many years with one of them (French) as the dominant language because it was the language of the ruling class. Now that this has ceased to be the case, and Dutch (Flemish) has also become a language of a part of the capitalist class as well as of the state, Belgium is beginning to show signs of coming apart at the seams. Revision of the constitution — How much autonomy should the regions be given? Should or should not Belgium become a federal state? How far out should the limits of Brussels (basically a French-speaking city surrounded by Dutch-speaking communes) go? — has become an issue preventing other issues being dealt with.

Belgium is a state which the then Great Powers allowed to be set up in 1830. Before that the territory that is now Belgium had formed part, first, of the territories of the King of Spain, then of those of the Emperor of Austria. After the French Revolution Belgium became, in 1792, part of France and remained so until after the defeat of Napoleon in 1815. While part of France the Napoleonic code of law, which swept away feudal remnants, was introduced and manufacturing industry began to develop in the South. This, together with strategic considerations, was one of the main reasons why in 1815 Belgium was detached from France: not only were the frontiers of France to be moved further back from the Rhine, but France was also to be deprived of a nascent industrial base. Belgium became part of a kind of Belgian-Dutch federation under King William of Holland.

In 1830, in what Belgian history books refer to as a “national revolution”, the wealthy classes of Belgium broke away from those of Holland and set up an independent State. Though Holland protested, the Great Powers let this change happen as it still left the territory of Belgium detached from France.

The circumstances which led to the establishment of Belgium are worth recalling in that they have shaped the Belgian political scene to this day. Holland was essentially a trading and agricultural country and as such its ruling groups tended to favour free trade. The nascent industrial capitalist class in the south of Belgium, however, wanted tariff walls as a protection against British competition. The Dutch government did make some moves to accommodate them but not enough. In the end the Belgian capitalists decided to break away. This was not too difficult in view of the loose, almost federal character of the Belgian-Dutch State; in addition, the population of Belgium was greater than that of Holland. But the nascent Belgian capitalist class in the South needed support in the Dutch-speaking Northern part of the territory. This they managed to do, despite being French-speaking and anti-clerical in the tradition of the French Revolution, by an opportunist alliance with the Catholic Church over the schools issue. The Dutch government wanted to introduce a system of



universal state education. The Catholic Church, (the majority religion in Belgium, unlike Holland which was a Protestant State), vehemently opposed this, insisting on its exclusive right to “educate” Catholic children.

The capitalists got their state. The Belgian constitution of 1831 was a model of bourgeois-liberal government. Power was in the hands of a parliament elected only by wealthy property-owners; the king (a minor German princeling imported specially to fill the post) was a mere figurehead. Their language, French, became the official language of the new State, despite the fact that a majority of people in its territory spoke Dutch.

But there was a price to pay: the power of the Catholic Church, and its control of its own schools, had to be respected. From a short-term point of view, the lack of a modern education system had certain advantages for the Belgian capitalists: they were able to extract very long hours of work for very low rates of pay, to such an extent that Marx once described Belgium as “a capitalists’ paradise”.

The industrialisation of Belgium, apart from Antwerp and Ghent in the Dutch-speaking North, almost exclusively in Wallonia, the French-speaking Southern part, brought into existence an industrial working class and, inevitably, working class attempts at political and industrial organisation. A Belgian Labour Party (*Parti Ouvrier Belge*) was set up in 1885, along the same lines as was later the British Labour Party except that the co-operatives rather than the trade unions provided the bulk of the members and funds. A deliberate decision was taken not to call it the “Belgian Socialist Party” on the grounds that the word “socialist” was unacceptable to many workers. With a start like this, the POB was destined for a pitiful career of gradualism and reformism. The POB was never really even a social-democratic party in the sense that the German SPD was; it never accepted Marxism as its ideology; in fact it had a contempt for theory altogether, concentrating on trying to get piecemeal social reforms for the working class; it was in short a simple “Labour” party.

In its early years the POB was at least militant on one issue of importance to the working class: the right to vote. The general strike of 1893, which forced the Belgian parliament to extend a vote to adult males, was a magnificent episode in the history of the Belgian working class. The strike did not achieve “one man, one vote”, since the rich and educated were given more than one vote, but it did force the members of the Belgian

**ABVV-FGTB**  
*Ensemble, on est plus forts*  
*Samen sterk*

parliament, in which there was not a single POB representative, to do what most of them were opposed to: grant a vote to adult (male)

workers. Later strikes to try to get plural voting abolished were less successful, but by then the POB had its own members of parliament and had begun to get involved in parliamentary manoeuvres with its new-found allies, the radical bourgeois Liberals.

In fact the Belgian Labourites tended to be, at this time the tail-end or left-wing of the Liberal party. After more than twenty years of Catholic party rule, the Belgian Liberals were feeling left out in the cold, but they realised they were unlikely to get power again without support from the POB. Accordingly, in preparation for the 1910 election they launched a great anti-clerical campaign and attempted to get the leaders of the POB involved. This was easy, as the POB leaders were anticlerical themselves (and indeed many were freemasons). It is quite clear that had the occasion arose (which it didn't, because the Catholic party won the election) the POB would have supported a Liberal administration and would probably have gone so far as to have formed an anti-clerical coalition with them. This no doubt would have caused a stir in the Second International, to which the POB was affiliated along with other Labour and Social-Democratic parties. After the First World War, of course, all the Social-Democratic parties were prepared to take power within capitalism and accept responsibility for running it, but it is a measure of the depth of the reformism of the POB that they would have been prepared to do this in 1910 when their fellow reformists still had some doubts.

The Belgian Liberals were, by and large, French-speaking and anticlerical. As in practice their leftwing, the POB shared these characteristics, with unfortunate results for the development of the Belgian trade union movement, which took place mainly after the founding of the POB and partly under its auspices. As the industrial centre of Belgium was in the French-speaking South it was natural that the trade union movement should be strongest there, but it was by no means inevitable that this movement should have been dominated by an anti-clerical political party, thus cutting itself off from workers of catholic origin.

It would be wrong to put the entire blame on the POB for the present split in the Belgian trade union movement into two main groups, each with about a million members: the Labourite *Fédération Générale du Travail de Belgique* and the self-explanatory *Confédération des Syndicats Chrétiens* (which is in fact the larger). The Catholic Church shares an equal blame; they combatted the POB before the first world war by organising rival co-operatives, sick clubs — and trade unions. Their trade unions didn't have much success before the first world war, but grew rapidly between the wars as industrialization spread to the Northern part of Belgium. Employers preferred to deal with the less militant Catholic unions than with the "socialist" unions and their talk of the class struggle. But the Catholic unions also took up a very real grievance which the Labourite unions tended to neglect: the position of the Dutch language, spoken by workers in the North of Belgium.

French was the official language of Belgium after 1830. It was the language of the State and, even in the Dutch-speaking area, the language of the bourgeoisie. Thus in Northern Belgium a Dutch-speaking working class faced a French-speaking capitalist class. The Labourite unions, perhaps for the very good reason of

not wishing to split the working class on linguistic lines, did not chose to exploit this situation, but it was taken up to some extent by the Catholic unions.

Today there is virtually no difference except in ideology — the FGTB is, on paper, committed to "the disappearance of the wages system", while the CSC denounces the class struggle— between the two rival trade union groups. In practice both act as pure-and-simple, bread-and-butter unions negotiating over wages and conditions of work; on the political field their leaders are reformists, being supporters either of the Belgian Socialist Party (as, unfortunately for us genuine socialists, the POB has been called since 1945) or of the catholic political party.

The other great division in the Belgian working class besides the catholic/anti-clerical one is of course language. As stated, despite being the minority language, French was made the official language of the Belgian State set up in 1830. Dutch in fact has only been given completely equal status with French since 1932. Since the last world war the centre of economic gravity in Belgium has tended to shift from Wallonia, the French-speaking South, to Flanders, the Dutch-speaking North, and the numerical superiority of Dutch-speakers has began to make itself felt on the political scene.

The man who must share a great responsibility for side-tracking the French-speaking part of the Belgian working class on the language issue was a militant trade union leader in the Liège engineering industry, André Renard, who died in 1962 and who is still something of a myth for many militant trade unionists in Belgium, Towards the end of the *grande grève*, the general strike of 1960-1 over the government's attempt to cut workers' living standards, Renard suddenly introduced the quite unrelated political issue of "federalism". Claiming that the workers in the French-speaking south, where the strike was virtually solid, had been betrayed by the Dutch-speakers in the North (where the Catholic unions, following a lead given by Cardinal Van Roey in his Christmas message, urged their members to stay at work), Renard argued that if Wallonia had the power to pass its own laws on economic matters it would be able to carry out various "anti-capitalist structural reforms". He called for Belgium to be converted into a loose federation which would give Wallonia this power, virtually a demand for independence of course. This demand, and the reformist strategy behind it was supported by both the so-called Communist Party (which, under proportional representation, had a handful of members of parliament) and the Trotskyists (including, conspicuously, their international leader, Ernest Mandel, who was from Belgium).

The effect of this appeal was to heighten language-consciousness amongst French-speakers. In the years that followed French-speaking federalist groups increased their representation in parliament. So, on the other side, did the Dutch-speaking federalists, organised in a series far right parties. Today, it is the Flemish federalists and separatists who have been making the running,



Ernest Mandel

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# The Homer of the Cesspit

*A hundred years ago this year Emile Zola's remains were transferred to the Pantheon in Paris.*

On 4 June 1908, a horse drawn hearse carrying a coffin containing the six years dead corpse of novelist Emile Zola was led through the streets of Paris. Hundreds of police and troops were drafted in to control the huge hostile crowds. After lying in state overnight, the bones of the 'maître' were interred in the Pantheon, the resting place of the great and good of France. The ceremony was solemn and dignified, but immediately afterwards violence again broke out with a determined assassination attempt made upon a certain army officer who had become a close friend of the dead man. The violent and bitter sentiments which had accompanied Zola's life continued after his death.

Emile Zola is principally famous in Britain for his obscenity. Indeed Zola was the only writer to have his works outlawed in this country in the nineteenth century. In the parliamentary debate leading to the ban Samuel Smith, MP for Flintshire commented: "Nothing more diabolical has ever been written by the pen of man; they are only fit for swine, and those who read them must turn their minds into cesspools." Even in his own country Zola was equally loathed: "No one before him has ever created such a heap of filth. That is his monument, the greatness of which no one can contest. Never has a man made such an effort to vilify humanity, to insult every aspect of beauty and love, to deny all that is good and decent" wrote Anatole France in 1887. A casual reading of a selection of Zola's novels would indeed give this impression. Some of the scenes in his books are as bawdy and shocking as they were when written in the supposedly repressed nineteenth century. Yet the graphic sex and violence serves a purpose. For Zola was a man with a social conscience, not a revolutionary certainly but certainly a radical reformer, which is reflected in his writings. And it is as a propagandist that Zola must be primarily of interest to the socialist.

Born in Paris in 1840 but raised in the small town of Aix en Provence (portrayed as Plassans in many of his novels), Zola was the son of a civil engineer of Italian origins. His father died when he was just small and thereafter the family had little spare money. When he was 18, Zola moved to Paris. A failure as a student, Zola got a miserable job as a clerk, which he soon gave up to devote his life to poetry. Zola attempted to dedicate his life to romantic poetry but found there was no possibility of earning a living from it – indeed at this point in his life he was living in a ramshackle garret trapping and eating sparrows to survive. Instead he turned to journalism from whence he learned the value of sensationalism and the importance of the exposé.

Zola however had not given up the literary life and

within a few years had written his first novel. His earliest novels were a form of experimentation in 'materialism' - demonstrating supposedly 'scientific' theories through literature. *Madeleine Ferat* (the 'imprinting' of a woman with first lover) and the racy *Thérèse Raquin* (the predetermination of events by innate 'temperaments') date from this time. In fact there was nothing scientific at all about these novels as the evidence was, as indeed it would be in a novel, manufactured and the theories mere pseudo-scientific garbage.



Emile Zola

The main product of Zola's literary career was the twenty volume Rougon-Macquart cycle, begun in late 1870 and finished a quarter of a century and 2,500,000 words later. Basically the series was intended as a hatchet job on Louis Napoleon and his Second Empire as experienced by the respectable Rougon family and the unmentionable Macquarts. The collapse of the Empire within a year of the commencement of the cycle did not however render the works of mere historical interest, because social and economic conditions did not materially alter under the Third Republic and thus the Rougon-Macquart became a general condemnation of contemporary

society. The Rougon-Macquart is the first great family saga in literature but each novel can be read individually and many readers are not aware that there even is such a series.

The first few volumes were badly received, despite the literary merits of for instance *La Ventre de Paris* ("The Belly of Paris" known as *The Fat and the Thin* in Britain). Only with *L'Assomoir* (published under various titles in Britain, including *The Dram Shop*) in 1876 did fame arrive. This classic tale of the effects of alcohol was meant as a criticism of the slums ("My novel is simple enough. It relates the downfall of a working-class family ruined by its environs") but struck a cord with the public and became a perennial hit with the temperance movement. The use of slang and the real attempt to portray working class life was inspirational ("If you wish to have the same sources of inspiration as the ancients, if you wish to rediscover the breadth of the heroic ages, you must study and depict the common people") and a real eye catching novelty.

In 1880 Zola followed up this success with *Nana*. With its graphic depictions of high level prostitution, *Nana* made Zola not merely notable but truly notorious. Yet this was a deeply moral book with a high purpose. A puritan in real life (even his mistress seems to have been acquired with the sole purpose of reproduction) Zola uses the book as a warning against vice among the leaders of a nation, as a cause of military defeat and destruction both

personally and nationally. The intention was to make plain the disgusting hypocrisy of the regime.

In 1885 came the most notable of Zola's books to the modern reader and one which has pride of place in every worker's library, the classic *Germinal*. Written from 2 April 1884 to 23 January 1885 and originally to be called *Red Harvest*, *Germinal* tells the tale of a strike in the coal mining area of north east France as seen through the eyes of Étienne Lantier, an outsider. Very violent and explicit in places, *Germinal* brilliantly depicts the effects of the vast impersonal force that is capitalism and the misery and oppression it brings to everyday life. Zola made his intention in writing the book clear: "everything must follow on logically, starting from little factual details, from the original unhappiness and suffering, the cause of which is universal, and traceable to the unknown social factor, the god Capital, crouching in its temple like a fat, glutted beast, monstrous in satiety; all that taking place not by the desire of the masters that I show on the stage, but arising from a state of affairs beyond their control and determined by the age." As with other works he did not suggest remedies but regarded his mission as merely to publicise the problem: "*Germinal* is a work of pity, and not a work of revolution". Long acknowledged as one of the great classics of French literature, *Germinal* is the only work of Zola to be continuously in print in Britain. Interestingly *Germinal* was not the best selling of Zola's novels at the time coming sixth after *Nana*, *La Terre*, *La Débâcle*, *L'Assomoir* and the dreadful *Lourdes*.

In *La Débâcle* of 1892, Zola virtually invented the war novel as the earlier *La Bête Humaine* had the railway murder story. *La Débâcle* was a well-researched story of the Franco-Prussian war. Its treatment of the Communards was, given Zola's radicalism, surprisingly

negative and very far from objective.

The following year saw the conclusion of the cycle and Zola at the height of his literary fame. A contemporary noted that the publication of a new Zola was "a boulevard event looked forward to for days previously. On the mornings of publication huge piles of the yellow-backed volumes may be seen heaped up on the stalls of booksellers, and by noon the boulevard is flecked by yellow spots as people hurry along, each holding in his hand the eagerly purchased volume."

Zola, having completed the Rougon-Macquart, was at a bit of a loss of what to do next. A series of controversial anti-clerical novels followed. However he was most famous at this time for his role in the Dreyfus case. Essentially Dreyfus, an upright but standoffish Jewish army officer, was made a scapegoat by aristocratic army officers unjustly accused of espionage. Zola liked a good fight and had an eye for self-publicity but the Hitchcockian scenario of a man accused of a crime he had not committed would have appealed to his humanitarian sentiments. The series of deliberate forgeries and the extensive cover up by the military revealed the extent of anti-semitism in France and Zola's forthright support of an unpopular cause made him the most hated man in France virtually overnight. The death threats and persistent mobbing sent Zola into temporary exile but Dreyfus was ultimately exonerated although Zola never regained his former popularity.

The experience further radicalised Zola, perhaps because of the staunch support given Zola during the Dreyfus case by the French leftwingers, and within a few years he became viewed as a socialist. His political views in this period can be particularly seen in *Travail* (work). Based on the Fourierist (utopian socialist) ideas he came into contact with at the turn of the century,



## It's the System, stupid

"£1 a Litre? BASTARDS!" So reads a recent Class War sticker (well, actually, not so recent, as petrol is now well over a £1 a litre). Amusing but typical of the populism they go in for. People don't like having to pay more for their petrol, so blame the petrol companies for putting up the price. It's the same with their campaign against the estate

agents, Foxtons. People don't like estate agents, so let's target the one with the worst reputation.

But is this the message that people who are supposed to be against capitalism as a system should be wanting to get across? Calling the petrol companies "bastards" suggests that their decision to raise prices is a personal one on the part of those in charge of them; that they had some other choice, but deliberately chose this one. But did they? They are probably not very nice people (nobody who has clawed their way to the top of a corporate hierarchy is likely to be), but, whatever their personal traits or views, they are acting in this context as what Marx called "functionaries of capital". As people in charge of capitalist corporations, they have to seek to maximise profits, in this case by fixing the price of petrol at what they judge the market will bear.

What does Class War expect them to do – or rather, what is the interpretation those who see their sticker and share its sentiment are likely to give it? That it would be nice if the petrol companies sacrificed this chance of maximising their profits?

That this is an option within the capitalist profit system? That it wouldn't be such a bad system if only capitalist corporations wouldn't behave as bastards?

The campaign against Foxtons, too, gives a wrong message. Foxtons have acquired a reputation for sharp practice. Targetting them gives the impression that what is being criticised is not the capitalist system as such but only the excesses which some capitalist firms engage in. If these excesses were eliminated or suppressed then things would be OK.

Both main parties have played this game, and still do. The Labour Party used to criticise certain capitalist firms for "profiteering", i.e. making too much profit, being too ruthless in pursuing profits. Presumably if only they'd be satisfied with normal profits, that would be alright. And it's what Ted Heath did when, as Tory Prime Minister, he described the behaviour of Tiny Rowlands – a particularly predatory capitalist – as the "unacceptable face of capitalism". Which suggests that there is an acceptable face of capitalism. Which of course is what he believed – and which, unfortunately, is the same message that the Class War campaigns will convey to people.

Robert Tressell got it right in *The Ragged Trousered Philanthropists* when he wrote:

"They all hated and blamed Rushton. Yet if they had been in Rushton's place they would have been compelled to adopt the same methods, or become bankrupt; for it is obvious that the only way to compete successfully against other employers who are sweaters is to be a sweater yourself. Therefore no one who is an upholder of the present system can consistently blame any of these men. Blame the system" (chapter 21).

### To Dream the Impossible Dream

***The Impossibleists. A Brief Profile of the Socialist Party of Canada.* By Peter E. Newell. Athena Press. 2008.**

*Travail* is Zola's only work of science fiction and depicts a harmonious society without government or classes, where free love reigns and religion has died away. *Travail* is far from being the French *News From Nowhere* however. Zola's brave new world originates in local experiment rather than revolution and is based on the voluntary (!) cooperation of capital and labour. Unlike earlier utopian socialist schemes, the *Travail* commune is based on a steelworks rather than agriculture but the Fourierist origins are still rather obvious – the commune is termed the Crêcherie, not much different from Fourier's five fingered phalanstery.

Zola was found dead of carbon monoxide poisoning in his flat in Paris on 29 September 1902. There have been persistent rumours of a deliberately blocked chimney and the death was certainly odd. If it was murder, demise at the hands of the anti-Dreyfusards in the cause of justice would have been no shameful death.

Zola's work is difficult to summarise. Despite the self-applied labels of 'Realism' or 'naturalism' there is much that is unrealistic and unnatural about his novels. But art is not a mirror and the ability to create characters larger than life and the extensive use of allegories and symbolism inject an epic tone into the drab real life world comparable with the Coen Brothers films. The melodrama and seemingly endless descriptive passages are perhaps not much to today's taste, but are preferable to the insipid 'chick lit' of modern times. Although some of his work was created purely for entertainment purposes, Zola's main aim was to use the form of the novel to raise awareness of social problems: "My novels have always been written with a higher aim than merely to amuse. I have so high an opinion of the novel as a means of expression that I have chosen it as the form in which to present to the world what I wish to say on the social, scientific, and psychological problems that occupy the minds of thinking men" (quoted in EA Vizetelly's *Zola in England*). As such works such as *Germinal* were greatly successful at the time, although are perhaps now a little dated. Perhaps the main lesson to be drawn from Zola is that the best form of propaganda is that which is not seen as propaganda – a maxim we would all do well to pay attention to.

**KAZ**

The SDF in Britain was a reformist organisation with a revolutionary minority (which eventually broke away). The Socialist Party of Canada was the opposite: a revolutionary party with a reformist minority. Formed in 1905 as an amalgamation of parties from the different provinces of Canada, it sought to be "impossibilist", i.e. not to seek reforms of capitalism but to advocate only the capture of political power for socialism.

However, it couldn't avoid the reform issue as it won a few seats in elections. It therefore had to decide what these elected socialists should do. Inevitably (and sensibly) it decided that they should use their position not just to propagate socialist views, but also to try to "advance the interests of the working class and aid workers in their class struggle against capitalism". The trouble was the SPC's councillors had not been elected by socialist votes alone but, precisely, as people workers considered would stand up and speak for them. When the reformists broke away from the SPC in 1911 (to form the Social Democratic Party of Canada) the SPC's three British Columbia legislative assembly members left to join them. One, Charles O'Brien in Alberta, stayed. One of his speeches in the legislature was published as a pamphlet (which can be found at [www.worldsocialism.org/canada/proletarian.in.politics.htm](http://www.worldsocialism.org/canada/proletarian.in.politics.htm)), but he lost the next election.

The similar position taken up by the SPGB on this issue was undoubtedly influenced by that of the SPC (even though a minority of SPGB members disagreed, arguing that Socialist MPs should never vote for any reform measure). The Canadian party probably also influenced the SPGB's policy of writing "Socialism" across the ballot paper when there was no socialist candidate standing. This was already being advocated in 1903 by the Socialist Party of British Columbia.

On another issue the very early SPC took up a position that was never that of the SPGB. The editor of its paper, the *Western Clarion*, E. T. Kingsley, argued that the

trade union struggle was not part of the class struggle, but only a "commodity struggle". This was not the view of all SPC members many of whom were active unionists. Later, some were to be jailed for their part in organising the 1919 Winnipeg General Strike. Other SPC members were instrumental in founding the One Big Union in 1919; which was not, as its name might suggest, a "syndicalist" union as the SPC was always strongly insistent on the imperative need for the working class to win control of political power before trying to change society.

Like the SPGB, the SPC had no hesitation in opposing the First World War from day one – and the SPC, with some 2000 to 3000 members would have been ten times bigger than the SPGB – but the Russian Revolution unhinged it. The members of the party's Dominion Executive Committee took the view that the working class had won control of political power in Russia in November 1917 (even though they recognised that socialism could not be the outcome, conditions not being ripe for this). This was a view shared by most members; which made them an easy prey for Bolshevik propagandists who deliberately set out, on orders from Moscow, to win over the SPC. They did not succeed, as a referendum rejected the 21 conditions laid down by Lenin for affiliation to the Third International. Those in favour of this then formed the Workers Party which many former SPC members joined (including the future Leader of the Canadian Communist Party, Tim Buck, who had even also been a member of the short-lived Socialist Party of North America whose declaration of principles Newell mentions was based on that of the SPGB). The SPC staggered on for a few more years but disbanded itself in 1925.

Newell records all these events, basing himself on secondary sources which he usefully summarises.

In 1931 some former members of the SPC decided to reconstitute it, accepting as its platform the object and declaration of the SPGB. There has been some controversy as to whether the new SPC was a continuation of the old. Newell argues that it was, even though other ex-SPC members went into the Communist Party and various Labour parties. Most of the members of the new SPC had been members of the old one, including a former editor of the *Western Clarion* and a former member of the Manitoba Legislative

Assembly. However, two other ex-members more well known on this side of the Atlantic – Charlie Lestor and Bill Pritchard – got involved in reformist politics and did not become impossibilists again till they left Canada, the one for Britain and the other for the US.

The new party was much smaller and had far less impact than the old SPC, but it continued to publish a journal (the present one is *Imagine*) and to contest elections (the last in 1978). Newell describes not just the SPC's external activity from 1931 but also its internal life and controversies. These happened and shouldn't be disguised, but a whole chapter on an organisational dispute in the 1960s, which raised no question of theory or policy, is possibly too much in a "brief profile".

Newell's book is not just a chronicle of events. It also covers such matters as reforms, religion, Russia, war, trade unionism and so also gets across the socialist case as well as bringing together historical research.

**ALB**

## Loud-Mouthed Upstarts

***Who runs Britain? How the Super-Rich are changing our lives.* By Robert Peston, Hodder & Stroughton. 2008.**

According to Peston, currently the BBC's business editor, it's the new super-rich of private-equity and hedge-fund capitalists. They run the country in the sense that the present Labour government feels the need to kow-tow to them for fear of them taking their businesses elsewhere:

"Much of this book is about how New Labour in Government has never flinched from the view that economic disaster for the UK and electoral disaster for Labour would be inevitable if the super-wealthy ever felt their interests were under attack in the UK. Blair and Brown are true believers in one of the main commandments of the Book of Globalization: 'Thou shalt not be seen to use the tax system to take from the well-heeled, for fear of driving them and all their valuable capital into exile'".

A number of these capitalists have been given knighthoods and peerages and – this came first of course – have made very generous contributions to the Labour Party amounting

in total to millions of pounds. In fact, they – rather than the trade unions – funded Labour's last three successful election campaigns. Peston's chapter on the dealings between Blair, Brown, Lord Levy and those he call's Labour's "plutocratic benefactors" can only confirm disgust and contempt for the leaders of the Labour Party for the lengths they are prepared to go just to stay in power.

The new super-rich come across as a bunch of loud-mouthed upstarts who buy companies, "rationalise" them at the expense of the workforce, and then sell them, pocketing a huge personal profit for themselves. Their profit is personal because they own their own companies outright and so have a much freer hand to do what they want, not having to comply with the normal company law that applies to "public", shareholder-owned companies.

Although he criticises them for not paying their fair share of taxes and as a potential threat to political democracy, Peston cannot disguise his admiration for them, seeing them as fulfilling an essential role within capitalism of channelling capital into the most profitable lines of activity (instead of it stagnating in long-established businesses run by stuffy ex-Etonians). He wants the managers of pension funds to behave in the same ruthless way towards the companies they've invested the funds in, so as to bring in more money for present and future pensioners.

His chapter on pensions – and the run-down of final-salary company pension schemes – is instructive. Employers originally set these up to retain the loyalty of their salaried employees, but over the years governments have imposed so many obligations on them (frozen pensions, pension transfers, taxes, etc) that it has become no longer worth their while keeping them going. So they have been disposing of them to, among others, private-equity capitalists who hope to make a profit out of investing their funds.

In other words, reforms aimed at protecting people's pension rights have had the opposite effect. Employers have walked away, leaving workers without the desired protection. Another lesson in the futility of reformism.

**ALB**

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## Meetings

### South West

Saturday **13 September**, 2.00 till 5.00pm  
Should socialists go out of their way to live a greener lifestyle?

Village Pub, 33, Wilton Road, Salisbury.  
Further information contact Ray Carr ray.carr1@ntlworld.com Phone 01202 257556 or Veronica Clanchy veronica.clanchy@hotmail.co.uk, Phone 01202 569826.

Please Bring some food to be held in common.

### Chiswick

Tuesday **16 September**. 8.00pm  
The Judeo-Christian-Islamic Religion  
Speaker: A. Alan  
Chiswick Town Hall, Heathfield St, W4 (nearest tube: Chiswick Park)

### East Anglia

Sunday **21 September**, 12 to 4pm  
Lunch at 1pm  
Conservatory of the Rosary Tavern, Rosary Road, Norwich.

### Manchester

Monday **22 September**, 8.30pm  
The Shock Doctrine and Disaster Capitalism  
Unicorn, Church Street, City Centre

### London

Saturday **20 September**, 6pm  
Which Way the Revolution - What are our differences?  
Ian Bone (Class War) and Howard Moss (Socialist Party)  
Forum followed by open discussion.  
Chair: Bill Martin (socialist Party)  
52 Clapham High St, Lodon SW4 (nearest tube: Clapham North)

A Season of Free Film nights from Sunday **14th September** to Sunday **23rd November** at 52 Clapham High Street, London. All films start at 4 p.m.

Sunday 14 September: *Animal Farm*  
Sunday **28 September**: *Who Killed the Electric Car?*  
Sunday 12 October: *Judgement Day: Intelligent Design on trial*  
Sunday **26 October**: *The Corporation*  
Sunday 9 November: *Zeitgeist*  
Sunday **23 November**: *The War on Democracy*

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**p16:** Map of Belgium - www.umsl.edu.  
**p17:** Ernest Mandel - source: www.marxists.org/nederlands/mandel/index.htm, GNU Free Doc

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reflecting the fact that Flemish capitalists don't want to continue to pay for the state benefits received by workers in Wallonia where heavy industry (coal, steel, engineering) has been considerably run down since Renard's day.

That the working class in Belgium should be divided on linguistic lines is, from a socialist point of view a matter for regret, but it also confirms the correctness of our opposition to "leftwing" groups in that they should be partly responsible for it.

Whether Belgium will eventually split up, or at least become a federal State of some sort, remains to be seen, but one thing is clear: this constitutional issue is of no consequence whatsoever for the working class of the area. Whatever the constitution it will be that of a capitalist State and the working class will remain propertyless sellers of labour-power to the minority who own and control the means of production.

ADAM BUICK

## OBITUARY

### Valentine McEntee

IRISH COMRADES report the sudden death in May of Val McEntee. Val joined the Islington branch of the party in London in 1982 as a young man in his mid-twenties. At the time this was perhaps the party's most dynamic branch and Val was one of its active members. He worked in the accident investigation department of British Rail, and was a keen photographer, building up a collection of photos of party speakers at Hyde Park and elsewhere as well as tape-recording meetings. In the mid-90s he moved to Ireland, in a sense back to Ireland since though bought up in England he was of Irish traveller origin, to live in a small village in Co. Limerick where he earned a sort of living as a professional photographer. In Ireland he took part in the leafletting and other activities of the members there. His death was sudden and, with the authorities unable to contact any relatives, he was buried in the local Catholic church, even though the priest later told a member that he thought he was an Anglican, no doubt because of his English accent and because he didn't attend mass. The member decided that discretion was the better part of valour and didn't tell the priest the truth: that he had buried a non-believer in consecrated ground.

## The Conflict in the Middle East



Another Middle East storm has developed. This time it is the Lebanon, Jordan and Iraq that occupy the centre of the stage, with Kuwait also stirring. Again oil is the mainspring of the eruptions and clashing interests. The struggles concern the rich oil lands and the routes to those areas, with other economic advantages for the privileged seeping in.

The revenues from oil are in the region of the fabulous. They are cherished by the privileged possessors, and sought after by privileged non-possessors who want a larger share of the plunder. The toilers who make these revenues possible have no share in them. They only receive the customary payment for the work they do; some of the Arab workers receive hardly enough to buy the necessities of life.

In spite of the numberless pronouncements on peace, with which we have been deluged for decades from all quarters, armed force, or the threat of it, is always

the final resource when capitalist sections feel that their sources of revenue are threatened.

The present flare-up, just as the recent Suez dispute, concerns oil and the interests of the mammoth oil companies. There is no secret about this. Reports, articles, and pronouncements concentrate on this aspect.

(...)

It is an old oft-repeated story; littered with indecision, broken pacts, duplicity, intrigues and wars. In the final chapter the privileged always occupy the seat of power and the mass of people remain in subjection. It will be the same in the Middle East after the present turmoil has come to an end. At best the most the mass of the people there can obtain is a standard of wage slavery that is equivalent to what obtains in the so-called advanced countries.

(from leaflet reproduced in *Socialist Standard*, September 1958)

## Declaration of Principles

*This declaration is the basis of our organisation and, because it is also an important historical document dating from the formation of the party in 1904, its original language has been retained.*

### Object

**The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.**

### Declaration of Principles

The Socialist Party of Great Britain holds

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.)

by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom,

the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.



# Westminster Punch And Judy

“PMQs are another example of the corruption of politics”

**W**hen the MPs pack their sun cream and head off for their long summer break they may leave behind a number of people who are anxious that the country is uncared for, unprotected, ungoverned. There are others who may simply resent being deprived of their weekly fix of Prime Ministers Questions. These last have unusual tastes, suggesting that they will not be easily diverted onto a substitute, however proper. They will not be consoled by suckling on an ice cream, on the beach at Blackpool or Margate or Southwold, contentedly watching a Punch and Judy Show.

Prime Ministers Questions (or PMQs) is an institution promoted as evidence of the virility of British parliamentary democracy. As a regular, important part of House of Commons procedure it began in the 1950s, since when it has not been immune from the juggling and manoeuvring customary to our leaders in Westminster. In 1997 Tony Blair announced that New Labour would not only abolish poverty, introduce open government and run an ethical foreign policy but also replace the two 15 minute session of PMQs on Tuesday and Thursday with one of a half hour on Wednesday. The first question of each session must be directed at the Prime Minister, asking about arrangements for the day; parliamentary procedure then demands that the same person must reply to all other questions, whatever the subject. By this ruse the Prime Minister is prevented from avoiding inconvenient questions by passing them on to some inadequately briefed underling squirming nervously on the front bench.

## Ineffective

The word “answer” must be allowed a loose interpretation in this context because what is recorded as an “answer” is very often little more than an evasion -- perhaps a reply to a question which has not been asked -- or a denial, or a straightforward lie. All of which is perfectly understandable for if the Prime Minister were to deal truthfully with questions about how their government was fumbling with the typical problems of capitalist society -- like the current “credit crunch” -- it would reveal how utterly ineffective they were. And that is not supposed to be what PMQs is about.

More usually, far from being an opportunity to openly examine a government’s record, PMQs is treated by the MPs as encouragement to behave like excessively unruly children. While a party leader is speaking there is a line of compliant sycophants on the bench behind, nodding like demented marionettes at what they wish us to believe are crucial and conclusive points of argument. The feeblest of jokes -- like Vince Cable’s famous sneer about Gordon Brown transforming himself from Stalin to Mr. Bean -- has the MPs in paroxysms of helpless laughter. The most ineffective reply to a question - like Brown endlessly reciting statistics which have been cooked up to show, in the face of cruel reality, that his government has us all wallowing in prosperity -- will be

bolstered by a thunder of approval.

When he became leader of his party in 2005 David Cameron promised that, as part of his drive to change the face of politics for the better, he would end the Punch and Judy aspect of PMQs. However as it dawned on him that Gordon Brown was not as formidable an opponent at the Despatch Box as he had feared he forgot his promise and emerged as an enthusiast participant in the knockabout. On a recent *Today* programme on Radio Four he admitted that “I will absolutely hold up my hands and say this is a promise I have not been able to deliver...The quieter tone I’d hoped we might be able to have, the better discussion of politics at Prime Minister’s Questions, doesn’t work”. He did not say whether breaking this promise, comparatively unimportant as it was, should encourage confidence that he will in future robustly keep his word on more vital matters, or whether the affair exposes him as a trickster no better than the ministers he so zestfully attacks.



Anyone who doubts that PMQs are little more than just another example of the corruption of politics need only consider the tradition of the Planted Question. These are asked, usually to a storm of jeering from the opposition and of approval from the government side, by a back bench member who has an assurance that their compliance will not

exactly damage their promotion prospects. A typical style would be “Would my Right Honourable Friend (that’s the Prime Minister) agree that in spite of what the brainless rabble on the other side think this is the most caring, competent and effective government this country has ever...” A particularly instructive example was in July, when Richard Burden, MP for Birmingham Northfield -- who is not famous for toeing the party line -- got dutifully to his feet to ask whether Britain’s current problems are not caused by economic contamination from abroad. The resultant protests were so noisy that the Speaker told Burden to shut up before he had finished. This snub did not prevent Gordon Brown answering the partial “question”, although he might not have been able to hear it. Eagerly joining the Punch and Judy show he had promised to abolish, Cameron cuttingly commented that “You don’t have to finish a planted question to get a planted answer” -- which ignored the fact that in the past Tory governments were happy to use the same deception.

No part of our lives can be untouched by the corruption bred into the property basis and the class relationships of capitalism. The politics of the system, played out by the parties in the seats of government, are immutably shaped by it. At times this corruption is so blatant that it almost seems the only proper response is outraged, incredulous laughter. Just as it is when we watch Mr. Punch beating up Judy. Except that that is just a bit of harmless fun at the seaside.

**IVAN**



# Voice from the Back

## Stay At Your Desk, Slave

Now and then a wonderful product comes along that the owning class just love. This may be one of them. "The maker of a new product that combines a treadmill and computer workstation is banking on the notion that companies will invest in products like the "Walkstation" as a way of keeping health care costs down and improving overall fitness levels. The device allows people to work on their computers while walking on a treadmill at a slow speed of up to three kilometers (two miles) per hour, enabling small amounts of movement that supporters say have the potential to reap big health benefits." (*Yahoo News*, 13 July) Now all we need is a "Feedstation" that shovels food into your mouth while you work. Oh, Charlie Chaplin already envisaged that in *Modern Times* didn't he? How about the "Bedpanstation"? Too much perhaps?



these guardians of morality meet to discuss whether it is more ethical to kill a child with poisonous gas, napalm bombs or good old fashioned high explosives we ask ourselves what do sellers of death know of ethics. They are money grubbing killers.

## Chinese Workers Wake Up

"Doing business in China is beginning to cost real money. Not that Chinese workers are buying second homes or anything like that: Their average wage is still a little short of a dollar an hour. But so many Chinese have now left their villages for the factories that the once bottomless pool of new young workers is beginning to run dry, and the wages of assembly-line employees are rising 10 percent a year." (*Yahoo News*, 15 July) We should echo the sentiments of an old song, probably banned in China now. They occur in *The Red Flag* - "Arise like starvelings from your slumber" Let's hope so!

## Health And Hypocrisy

The following announcement caused a storm of controversy in the media.

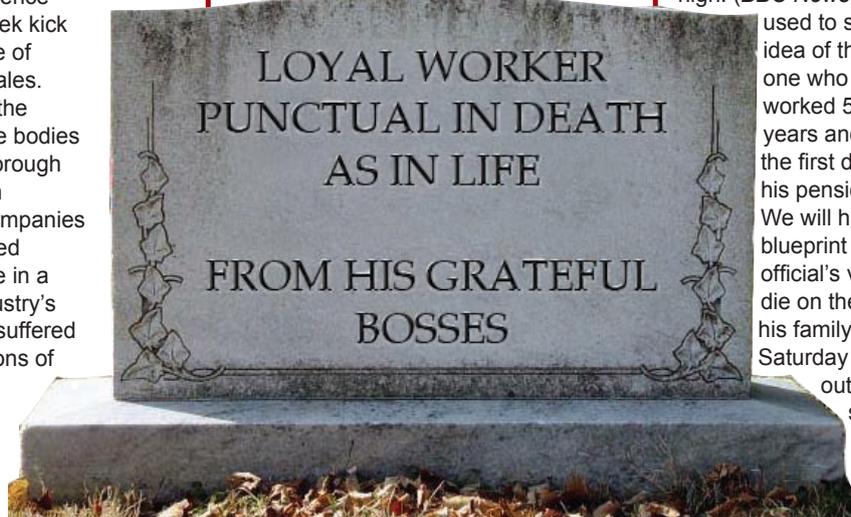
"Patients cannot rely on the NHS to save their lives if the cost of doing so is too great, the Government's medicines watchdog has ruled for the first time. The National Institute for Clinical Excellence (Nice) has said the natural impulse to go to the aid of individuals in trouble – as when vast resources are used to save a sailor lost at sea – should not apply to the NHS. The disclosure follows last week's controversial decision by Nice to reject four new drugs for kidney cancer even though they have been shown to extend life by five to six months." (*Independent*, 13 August) To socialists the announcement is far from shocking. That is how capitalism operates - if you are rich you have access to the best food, clothing, shelter, education and recreation. Why should it be so shocking to learn that if you are poor you cannot afford the best of medicine either?

## The Perfect Worker

"A Ugandan official has suggested to MPs that funerals should be limited to Saturday afternoons to stop people taking time off work to attend them. Speciosa Kazibwe, a former vice-president who now heads a state development agency, noted that Uganda's death rate was very high." (*BBC News*, 25 July) Socialists used to say that the capitalist's idea of the perfect worker was one who left school at 15, worked 50 weeks a year for 50 years and dropped down dead the first day he went to collect his pension at the post office. We will have to amend this ideal blueprint in view of the Ugandan official's view. Ideally he would die on the Thursday so that his family could attend his Saturday funeral without missing out on a day producing surplus value for the owning class.

## What's Ethics Got To Do With It?

"European and US defence companies will this week kick off talks on a joint code of ethics to cover arms sales. Representatives from the industry's leading trade bodies will meet at the Farnborough Air Show in the UK on Tuesday. European companies have recently developed an anti-corruption code in a bid to improve the industry's reputation, which has suffered in the wake of allegations of bribery and corruption in connection with some of its biggest players." (*Financial Times*, 13 July) As



# socialist standard



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website: [www.worldsocialism.org](http://www.worldsocialism.org)

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#### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 4 October** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.

tel: 020 7622 3811

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## Introducing The Socialist Party

The Socialist Party is like no other political party in Britain. It is made up of people who have joined together because we want to get rid of the profit system and establish real socialism. Our aim is to persuade others to become socialist and act for themselves, organising democratically and without leaders, to bring about the kind of society that we are advocating in this journal. We are solely concerned with building a movement of socialists for socialism. We are not a reformist party with a programme of policies to patch up capitalism.

We use every possible opportunity to make new socialists. We publish pamphlets and books, as well as CDs, DVDs and various other informative material. We also give talks and take part in debates; attend rallies, meetings and demos; run educational conferences; host internet discussion forums, make films presenting our ideas, and contest elections when practical. Socialist literature is available in Arabic, Bengali, Dutch, Esperanto, French, German, Italian, Polish, Spanish, Swedish and Turkish as well as English.

The more of you who join the Socialist Party the more we will be able to get our ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

The Socialist Party is an organisation of equals. There is no leader and there are no followers. So, if you are going to join we want you to be sure that you agree fully with what we stand for and that we are satisfied that you understand the case for socialism.

## Editorial

### Who needs finance?

THE DOWNTURN in the global economy appears to be broadening and deepening. The sub-prime slime has become the "Credit Crunch" in 2008, and last month heralded a further round of casualties on what some are starting to call "Manic Monday".

US house repossessions started it all off, followed by mortgage lenders and banks in Europe. But more recently the US government felt unable to allow their Freddie Mac and Fannie Mae (public mortgage lenders) go under, but stopped short of bailing out Lehman Brothers.

The contagious fear of vanishing profits extended beyond mortgages to insurance giant AIG and beyond, and the geographical spread has widened to China and Japan.

Workers could be excused feeling some sort of schadenfreude at the news of a bank running out of money or an insurance company failing to manage risk and hedge their bets. Who can fail to smile as another financial institution is found to have ignored its own advice ("The value of your investment can go down as well as up. You may not get back the amount of money you invested and should only invest sums of money you are prepared to lose").

So there may be fewer stories in the news of £100 burgers in the bistros or £30,000 drinks bills in the restaurants of the City of London, but of course the economic downturn impacts more on the poor than the rich....more

World socialists are opposed to capitalism – boom or bust. Recession just helps throw into sharp relief the logic of the market system. It does however also provide a good opportunity to highlight

some important differences between capitalism, and socialism – where money and wages would not exist and production of wealth would be based on meeting real human needs.

Firstly of course inside socialism there will be no work at all for the whole financial sector that is under such pressure at present. Pensions advisors, insurance salespersons, "independent" financial advisers, mortgage brokers, fund managers: all of these jobs are essential to the smooth operation of capitalism, but are socially-useless and would have no place in a socialist society.

Over 1 million people in the UK – 4 percent of the workforce – are engaged in such activities which are wholly useless. When you factor in related jobs such as accountancy, real estate, and ancillary financial services the numbers mount up. Socialism will really make these positions redundant, but with the pay-off that people will be free to engage in work that is genuinely productive and socially useful.

The market system is an incredibly wasteful mechanism for organising the production of wealth. It prevents people's power over production. Interest rates rise in the US, and a hospital gets mothballed in the UK? The oil price rises and thousands of holidaymakers get stranded in a foreign country? The need for constant minute-by-minute re-evaluations of cashflow projections or return on investment expectations, for every project, every industry, every product results in a colossal waste of the planet's resources and humanity's energy and ingenuity.

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## S-C-A-ISM minus O-I-L?

OIL IS the super-fuel. Nothing else does all the things oil does, from heating, fuel, plastics, food, chemicals, pharmaceuticals and clothing. It has the highest energy conversion rate of any fuel and it constitutes 40 percent of global traded energy and 90 percent of transport (*Financial Times*, 4 January, 2004). But aside from its contribution to global warming, it's also running out.

Or so we are told. The recent record hike in the price of oil was mainly speculator-driven and not due to any real shortage of oil. What is running out is *cheap* oil. In fact the world has only used 15 per cent of known reserves, with at least another 20 per cent recoverable by today's technology (*BBC Online*, 21 April, 2004). *Peak oil* production is variously estimated between now and 2050. As supply diminishes and prices rise, more expensive options like the Canadian and Venezuelan tar sands, with capacities rivalling Saudi Arabia, will become profitable to extract. But the rise in costs will be mirrored by a rise in the price of everything dependent on oil, and for the world's poorest billion people, this could be a sentence of death by starvation, with a likely proliferation of food rioting, instability in liberal democracies and an upsurge in the ruling class's faithful stand-by, fascist repression. Meanwhile, as the stakes rise, so do the international tensions. Oil is already determining many countries' domestic and foreign policy, and governments are increasingly jumpy. Oil production plants, and bottleneck sea-lanes, are particularly susceptible to guerrilla attack, and with no in-house reserves Europe or America could be reduced to chaos in weeks (*New Scientist*, 28 June). Worse still, the ruling elites' increasing inability to keep their oil-starved military up to scratch may make wars more likely rather than less, as weakened capability could provoke opportunistic pre-emptive attacks by rivals.

Socialism faces a rather different problem. It is predicated on communal sharing and participation, which in turn rely on the fact of material sufficiency. Should anything threaten this sufficiency, the basis of socialism itself would be threatened. Today, for example, over 50 percent of world rural populations have no access to electricity (UNDP *World Energy Assessment*, 2000). Though not a problem to capitalism, which doesn't care about non-effective, ie non-paying demand (for more on this, see page 19), this will be of the first importance in socialism. Even allowing for waste reduction in the west, that electricity must be found.

There is no single alternative to oil, so a suite of alternatives will have to be employed. Of the non-renewables, gas won't last much longer than oil, and coal, though still plentiful and the chief source of electricity globally, is dirty stuff to burn. Carbon capture technology may mitigate this, but is at an early stage.

The main problem with renewables is that the investment to return rate is unattractive in an oil-addicted economy, therefore they remain under-developed. This is true of geothermal heating systems, but also of wind and tidal systems, ocean thermal electricity, biowaste to oil reconversion plants, and solar thermal and solar photovoltaic technology. Only nuclear fission, with its potential for weapons, has found success, though its waste problem remains intractable, and biofuels, though their impact on food crops and deforestation is well known. Nevertheless, so-called 2G biofuels that use waste

feedstocks of lignin and cellulose are beginning to appear (*New Scientist*, 21 June), while algal fuels are also showing some potential (*New Scientist*, 16 August). Solar panels are now plastic and printable on any surface and may offer up to a 60 percent conversion rate (*New Scientist*, 31 May). Hydrogen, much vaunted in the press as a cheap fuel, is really an energy carrier not an energy source, and relies on coal-fired electricity to produce it. Besides, the problems of storage and distribution are enormous, and there are only a small handful of hydrogen filling stations in the whole of Europe (*EurActive.com*, 4 September)

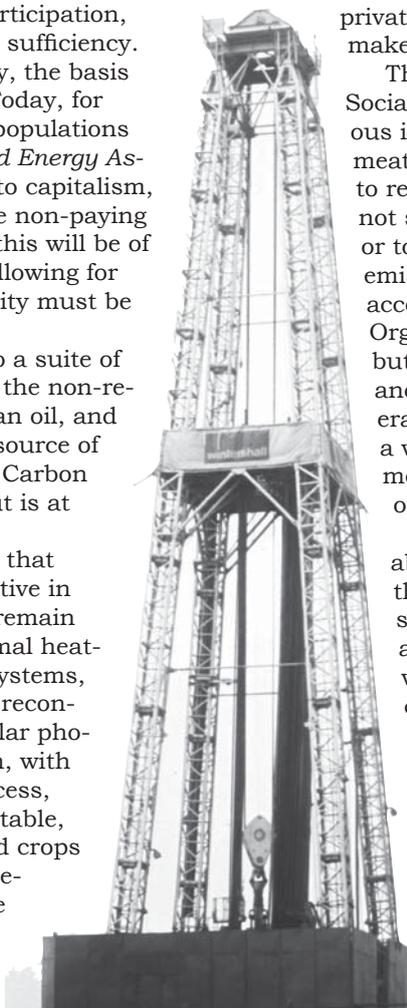
There is some hoopla about the renaissance of the electric car (*New Scientist*, 20 September) with its macho speed and mileage performances, but aside from the £100,000 price tag, there is something about the electric car that somewhat misses the point.

Probably the telling difference between socialism and capitalism would not be how we produce energy but how we use it. Instead of developing electric cars that do 0 – 60 in 4 seconds, socialism would be developing ways of getting cars off the road altogether, because abolishing the prison of paid employment would also abolish the commuter madness on the roads and motorways. Homeworking, or just doing something useful in one's immediate local area, would be a much more practical solution than hi-tech boy-racing.

Similarly, there's no need and no point having, as a norm, private kitchens all cooking the same food at the same time, when socialising the process in the form of volunteer-run restaurants could cut energy hugely and save on waste as well as time. There's no need either for each household to possess identical music or DVD collections, books, clothes, tools or any other item that could be shared via public library systems. The life-span of a domestic power-tool *in use*, from purchase to a 10,000 year career in landfill, is estimated at just 10 minutes (*New Scientist*, 6 January, 2007). Waste is simply energy misused, and capitalism does a lot of that because privatised materialist consumption is how it makes its money.

Then there is what we literally consume. Socialism has to feed everybody and it is obvious it won't be able to do it on a western-style meat diet. Even now we are starting to be told to reduce our reliance on the meat industry not simply because of its clear link to obesity, or to rainforest clearance, or greenhouse gas emissions (18 percent - more than transport, according to the UN Food and Agricultural Organisation – *BBC News Online*, 7 September) but also because of its global impact on water and oil usage. Aside from any ethical considerations, meat may simply be too expensive a way of feeding people when for every kilo of meat protein you need approximately 8 kilos of grain protein (*New Scientist*, 14 June)

If capitalism really uses up the obtainable oil in its customary spendthrift way, then socialism is going to have to employ a suite of solutions, both in means of supply and modes of consumption. Whether this will involve a generation without coffee, or cricket fields under cloches, a communally-managed planet is going to be better placed to deal with these issues than the privately-owned one we have. Socialism will do whatever works, and whatever it takes. Capitalism just does whatever pays, and devil take the consequences. Only one of these systems has a future.



# New Pamphlet

## **An Inconvenient Question. Socialism and the Environment**

In recent years the environment has become a major political issue. And rightly so, because a serious environmental crisis really does exist. The air we breathe, the water we drink, the food we eat have all become contaminated to a greater or lesser extent. Ecology - the branch of biology that studies the relationships of living organisms to their environment - is important, as it is concerned with explaining exactly what has been happening and what is likely to happen if present trends continue.

Since the publication of our *Ecology and Socialism* pamphlet in 1990 environmental problems facing the planet have got much worse. We said then that attempts to solve those problems within capitalism would meet with failure, and that is precisely what has happened. Recent research on increasing environmental degradation has painted an alarming picture of the likely future if the profit system continues to hold sway. Voices claiming that the proper use of market forces will solve the problem can still be heard, but as time goes on the emerging facts of what is happening serve only to contradict those voices.

In this pamphlet we begin with a brief review of the development of Earth and of humankind's progress on it so far. We then examine the mounting evidence that the planet is now under threat of a worsening, dangerous environment for human and other forms of life. The motor of capitalism is profit for the minority capitalist class to add to their capital, or capital accumulation. Environmental concerns, if considered at all, always come a poor second. The waste of human and other resources used in the market system is prodigious, adding to the problems and standing in the way of their solution.

Earth Summits over the last few decades show a consistent record of failure - unjustifiably high hopes and pitifully poor results sum them up. The Green Party and other environmental bodies propose reforms of capitalism that haven't worked or have made very little real difference in the past. Socialists can see no reason why it should be any different in the future. Finally we discuss the need, with respect to the ecology of the planet, for a revolution that is both based on socialist principles of common ownership and production solely for needs, and environmental principles of conserving - not destroying - the wealth and amenities of the planet.

### Contents

- Introduction
- What is ecology?
- Earth under threat
- Profit wins, the environment also ran
- The waste of capitalism
- Earth Summits - a record of failure
- Green reformism
- Socialism - an inconvenient question?

To get a copy by post send a cheque or postal order for £2.50 (made out to "The Socialist Party of Great Britain") to: The Socialist Party, 52 Clapham High Street, London SW4 7UN.

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## **Globalization versus National Capitalism**

In 1648 the first modern diplomatic congress established a new political order in Europe, based for the first time on the principle of “national sovereignty.” This principle drew a sharp dividing line between foreign and domestic affairs. Each “national sovereign” was given free rein within the internationally recognized borders of his state. No outsider had any right to interfere. Recognized borders were inviolable. The “sovereign” was originally simply a prince; later the term was applied to any effective government.

National sovereignty facilitated the undisturbed development of separate national capitalisms – British, French, German, American, and so on. Interstate boundaries were stabilized. Governments were able to take protectionist measures to defend home manufacturers against foreign competition.

Even today the principle of national sovereignty is far from dead. It is enshrined in the United Nations Charter: Chapter VII authorizes the Security Council to impose sanctions or use armed force only in the event of a “threat to the peace, breach of the peace or act of aggression.”

## **National sovereignty undermined**

But in practice national sovereignty has been deeply undermined – first of all, by the emergence of a global economy dominated by huge transnational corporations. International financial institutions such as the World Trade Organization and IMF have largely taken over economic policy making. Indebtedness leaves many states with merely the formal husk of independence.

Some groups of states have “pooled” part of their sovereignty in supranational regional institutions. The prime example is the European Union.

The old interstate system has also been destabilised by the breakup of Yugoslavia and the USSR into 26 new states, four of which lack international recognition. The decision of the West to recognize the independence of Kosovo from Serbia has set a precedent that makes it easier to carve up other states. Of course, the “independence” of Kosovo – occupied by NATO forces, governed by officials from the European Union, its constitution drafted at the US State Department – is purely notional. Russia has now retaliated by

recognizing Abkhazia and South Ossetia. Although this will encourage secessionist movements inside Russia, blocking Georgia’s accession to NATO is evidently a higher priority (see September’s Material World).

## **Legitimising aggression**

National sovereignty is not only undermined in practice, but also contested in theory.

Thus, in recent years the United States and its closest allies have sought to legitimise their military attacks on other states. True, such attacks are nothing new. What is new is open advocacy of the principle of aggression. The main rationales used are the prevention of nuclear proliferation, counter-terrorism and humanitarian intervention (see August’s Material World).

It is instructive to compare the Gulf War of 1991 with the current war against Iraq. The Gulf War, at least ostensibly, was launched in *defence* of the principle of national sovereignty, violated by the Iraqi invasion of Kuwait. The elder Bush resisted pressure to “finish the job” – occupy Iraq and throw out the Ba’athist regime – out of concern that it would lead to the breakup of Iraq and, in particular, a new Kurdish state that would destabilise the whole region. Such considerations have not deterred his son.

## **Globalisation of capital, fragmentation of states**

Paradoxically, the fragmentation of states is a natural corollary of the globalisation of capital. From the point of view of the transnational corporations, states no longer have important policy-making functions. It is enough if they enforce property rights and maintain basic infrastructure in areas important for business. Small states can do these jobs as well as large ones. In fact, they have definite advantages. They are more easily controlled, less likely to develop the will or capacity to challenge the prerogatives of global capital.

## **Global versus national capitalism**

All the same, there is nothing inevitable about globalisation. It has lost impetus recently, and may even have passed its zenith. One sign is the disarray within the WTO. Another is Russia’s change of direction: in contrast to the Yeltsin administration, which was politically submissive and kept the

country wide open to global capital, the Putin regime reasserted national sovereignty, expelled foreign firms from strategic sectors of the economy, and ensured the dominant position of national (state and private) capital.

Global *versus* national capitalism has emerged as an important divide in world politics. This divide exists, first of all, within the capitalist class of individual countries. Thus, even in the US, the citadel of globalisation, some capitalists – currently excluded from power – are oriented toward the home market and favour national capitalism. And even in Russia some capitalists support globalisation.

Nevertheless, the pattern of political forces differs from country to country, and as a result the global/national divide is reflected in international relations. Here the “globalisers,” led by the US, confront in the Shanghai Cooperation Organization (Russia, China and the Central Asian states) an embryonic alliance of national capitals bent on restoring the principle of national sovereignty to its former place in the interstate system.

## **A different perspective**

This context clarifies the difference between our perspective as socialists and the attitude of anti-globalisation activists. Being against capitalist globalisation is not the same as being against capitalism in general. We have ample past experience of a world of competing national capitalisms – quite enough to demonstrate that there is no good reason for preferring such a world to a world under the sway of global capital. The main problem with the movement against globalisation is that it can be mobilized so easily in the interests of national capital, whatever the intentions of its supporters.

To be fair, some anti-globalisation activists are aware of this danger. Acknowledging that humanity faces urgent problems that can only be tackled effectively at the global level, they emphasize that they are not against globalisation as such: they are only against the sort of globalisation that serves the interests of the transnational corporations. This then leads them to explore ideas of globalisation of an “alternative” kind. These ideas at least point in the right direction. Socialism is also an alternative form of globalisation – a globalisation of human community that abolishes capital.

**STEFAN**



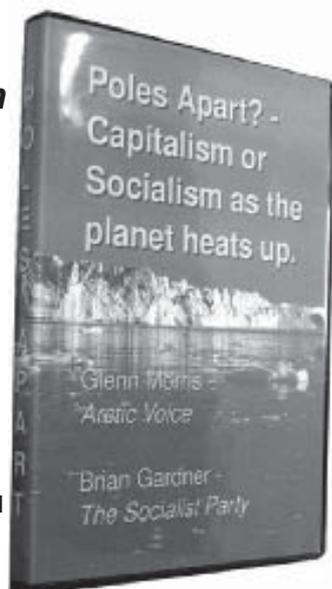
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## CAPITALISM IS AWFUL

"There is a lot more poverty in the world than previously thought. The World Bank reported in August that in 2005, there were 1.4 billion people living below the poverty line — that is, living on less than \$1.25 a day. That is more than a quarter of the developing world's population and 430 million more people living in extreme poverty than previously estimated. The World Bank warned that the number is unlikely to drop below one billion before 2015. The poverty estimate soared after a careful study of the prices people in developing countries pay for goods and services revealed that the World Bank had been grossly underestimating the cost of living in the poorest nations for decades. As a result, it was grossly overestimating the ability of people to buy things. And the new research doesn't account for the soaring prices of energy and food in the past two years." (*New York Times*, 2 September)

## CAPITALISM KILLS

"People are dying "on a grand scale" around the world because of social injustice brought about by a "toxic" combination of bad policies, politics and economics, the World Health Organisation (WHO) said yesterday. Avoidable health problems caused by social factors — as opposed to biology and genetics — are causing large-scale health inequalities in the UK, the WHO's Commission on the Social Determinants of Health has found after a three-year study. Evidence showed that a boy born in the relatively deprived

Calton area of Glasgow was likely to live on average 28 years fewer than one born a few miles away in Lenzie, a village by the Glasgow-Edinburgh railway. Life expectancy at birth for men in the fashionable north London suburb of Hampstead was found on average to be 11 years longer than for men born in the vicinity of nearby St Pancras station. Adult death rates were generally 2.5 times higher in the most deprived parts of the UK than in the wealthiest areas." (*Independent* 29 August)

## PROFITS BEFORE HEALTH

"The drug industry is overpricing vital new medicines to boost its profits, the chair of the health watchdog Nice warns today in an explosive intervention into the debate over NHS rationing. Professor Sir Michael Rawlins spoke out after critics last week accused the National Institute for Clinical Excellence (Nice) of 'barbarism' for refusing to approve expensive new kidney drugs for

NHS use, on the grounds that they were not cost-effective. In an outspoken interview with *The Observer*, he warned of 'perverse incentives' to hike the prices of new drugs - including linking the pay of pharmaceutical company executives to their firm's share price, which in turn relied on keeping profits healthy. Traditionally some companies charged what they thought they could get away with," (*Observer*, 17 August)

## MODERN TIMES

"Over the past five years alone, the average earnings of chief executives of FTSE-100 companies have doubled to £3.2m. Their pay has been rising five times faster than their employees'. The top 1 per cent of the population now enjoy 23 per cent of national wealth, while the poorest half share a mere 6

per cent. For most of the 20th century, Britain became steadily more equal. For the past three decades the movement has been in the opposite direction and it is estimated that Britain's wealthiest person, Lakshmi Mittal, is worth more than twice as much as anybody in the past 150 years." (*New Statesman*, 11 September)

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**Redruth.** Harry Sowden, 5 Clarence Villas, Redruth, Cornwall, TR15 1PB. Tel: 01209 219293

#### EAST ANGLIA

**East Anglia branch** meets every two months on a Saturday afternoon (see meetings page for details). David Porter, Eastholme, Bush Drive, Eccles-on-Sea, NR12 0SF. Tel: 01692 582533. Richard Headicar, 42 Woodcote, Firs Rd, Hethersett, NR9 3JD. Tel: 01603 814343. Richard Layton, 23 Nottingham Rd, Clacton, CO15 5PG. Tel: 01255 814047.

**Cambridge.** Andrew Westley, 10 Marksby Close, Duxford, Cambridge CB2 4RS. Tel: 07890343044

#### NORTHERN IRELAND

**Newtownabbey:** Nigel McCullough. Tel: 028 90852062

#### SCOTLAND

**Edinburgh branch.** 1st Thur. 8-9pm. The Quaker Hall, Victoria Terrace (above Victoria Street), Edinburgh.

J. Moir. Tel: 0131 440 0995 JIMMY@jmoir29.freeserve.co.uk Branch website: <http://geocities.com/edinburghbranch/>

**Glasgow branch.** 3rd Wednesday of each month at 8pm in Community Central Halls, 304 Maryhill Road, Glasgow. Richard Donnelly, 112 Napiershall Street, Glasgow G20 6HT. Tel: 0141 5794109. E-mail: richard.donnelly1@ntlworld.com

**Ayrshire.** D. Trainer, 21 Manse Street, Salcoats, KA21 5AA. Tel: 01294 469994. E-mail: derricktrainer@freeuk.com

**Dundee.** Ian Ratcliffe, 16 Birkhall Ave, Wormit, Newport-on-Tay, DD6 8PX. Tel: 01328 541643

**West Lothian.** 2nd and 4th Weds in month, 7.30-9.30. Lanthorn Community Centre, Kennilworth Rise, Dedridge, Livingston. Corres: Matt Culbert, 53 Falcon Brae, Ladywell, Livingston, West Lothian, EH5 6UW. Tel: 01506 462359 E-mail: matt@wsmweb.fsnet.co.uk

#### WALES

**Swansea branch.** 2nd Mon, 7.30pm, Unitarian Church, High Street. Corres: Geoffrey Williams, 19 Baptist Well Street, Waun Wen, Swansea SA1 6FB. Tel: 01792 643624

**Cardiff and District.** John James, 67

Romilly Park Road, Barry CF62 6RR. Tel: 01446 405636

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**Swaziland.** Mandla Ntshakala, PO Box 981, Manzini.

**Zambia.** Marxian Education Group, PO Box 22265, Kitwe.

#### ASIA

**India.** World Socialist Group, Vill Gobardhanpur, PO Amral, Dist. Bankura, 722122

**Japan.** Michael. Email: worldsocialismjapan@hotmail.com.

#### EUROPE

**Denmark.** Graham Taylor, Kjaerslund 9, floor 2 (middle), DK-8260 Viby J

**Germany.** Norbert. E-mail: weltsozialismus@gmx.net

**Norway.** Robert Stafford. E-mail: hallblithe@yahoo.com

### COMPANION PARTIES

#### OVERSEAS

##### World Socialist Party of Australia.

P. O. Box 1266 North Richmond 3121, Victoria, Australia. Email: commonownership@yahoo.com.au

##### Socialist Party of Canada/Parti

Socialiste du Canada. Box 4280, Victoria B.C. V8X 3X8 Canada. E-mail: SPC@iname.com

##### World Socialist Party (New Zealand)

P.O. Box 1929, Auckland, NI, New Zealand.

##### World Socialist Party of the United

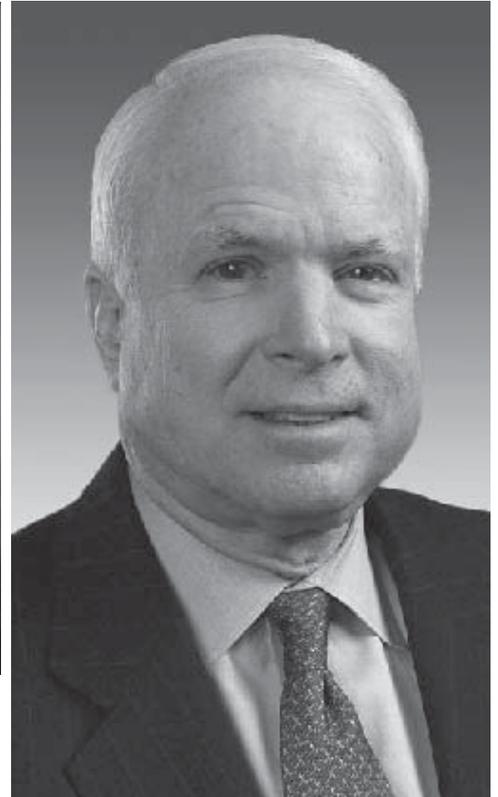
States P.O. Box 440247, Boston, MA 02144 USA. E-mail: wspboston@covad.net

# Ballyhoo and baloney

*The National Conventions of the Democratic and Republican Parties have become forums for putting the finishing touches on the “cult of personality” of the candidates, culminating with the vacuous speeches of the candidates themselves.*



*From left: Barak Obama, Joe Biden and John McCain.*



**A** demagogue, H.L. Mencken once said, is someone “who will preach doctrines he knows to be untrue to men he knows to be idiots.” This is a pretty good description of the US presidential candidates in action at their late-summer conventions. Although, to be fair to those who listened to the convention speeches, it was more a case of preaching idiotic ideas to people who *wished* those ideas were true.

The contrast between the gassy rhetoric of the politicians and the weighty problems facing workers was particularly striking at this year’s conventions, highlighted further by the juxtaposition between jubilant delegates inside the convention hall and the pepper-sprayed protestors outside.

The candidates from both parties employed the same basic template for demagoguery in writing their convention speeches. We encounter the same sorts of rhetorical techniques and the logic of “public relations” shapes every line. The candidates

are less interested in conveying ideas than manipulating them to fashion images to sell the product – in this case, the candidates themselves.

### **Family lies**

The first chapter of *Convention Speeches for Dummies*, if such a book were ever to be written, would probably be entitled: “Making the Most of the Family.” Each candidate, without exception, began with extravagant praise for the family – the candidate’s own family, that is. The candidates informed the American people that they too have spouses who are loving and loyal, children and grandchildren they are proud of, and hardworking parents as wise as they are kind. (Perhaps this convinced the sceptics who thought that the candidates had been hatched in a secret laboratory in North Dakota.)

Behind my plastic exterior, each candidate seemed to be saying, is a real live human being, just like you. Just like us, but even *better*. Thanks to the “quintessentially American”

values of hard work, perseverance and personal integrity that the candidates acquired as children from their saintly mothers.

In his speech, Joe Biden described his 90-year-old mother as a person “defined by her sense of honour” who “believes bravery lives in every heart” and that “it will be summoned.” She taught little Joey the “dignity of work” and that “anyone can make it if they try” and emphasized that it is important to “live our faith and treasure our family.” Biden said that his “mother’s creed is the American creed: No one is better than you; you are everyone’s equal; and everyone is equal to you.” (And US Senators are more equal than most.)

McCain mentioned his mother too, saying: “I wouldn’t be here tonight but for the strength of her character.” Thankfully he was not as long-winded as Biden – perhaps to secure adequate time for another thrilling episode of “John McCain: War Hero” – but he did mention that his mother taught him some patriotic

claptrap about how “we’re all meant to use our opportunities to make ourselves useful to our country.”

Obama praised his mother “who raised my sister and me on her own while she worked and earned her degree; who once turned to food stamps but was still able to send us to the best schools in the country with the help of student loans and scholarships.” For good measure, Obama threw in his grandmother too, “who worked her way up from the secretarial pool to middle-management” and taught him “about hard work.”

The mother featured in Palin’s speech was Palin herself, who “was just your average hockey mom” whose political career began when she “signed up for the PTA” because she “wanted to make my kids’ public education better.” Palin had a small-town upbringing that encouraged “honesty, sincerity and dignity” and she thanked her parents for teaching her that, “this is America, and every woman can walk through every door of opportunity.”

It wasn’t just the parents who were mobilized for the cause: children and grandchildren served as useful props too. Palin’s 4-month old son, who suffers from Down Syndrome, was brought to the raucous event and passed around on stage for the photo op. Obama made use of his two daughters, who told daddy how much they love him. And Biden said that when he looked at his grandchildren, and at Obama’s daughters, he realized: “I’m here for their future.” Many watching this strange spectacle must hope that the candidates’ love for those little ones will be enough to keep their powerful fingers away from “the button.”

But, lest we feel too safe, in the next breath these politicians are talking about their sons who are headed off to war, such as Beau Biden or Jimmy McCain. Palin also got some good mileage out of her son Track, who not only is headed to Iraq but will conveniently ship out on September 11 “in the service of his country” (by securing the Starbucks in the Green Zone).

It is rather sickening to see how willing the candidates are to squeeze out whatever political advantage can be had from their children. Even the pregnancy of Palin’s teenage daughter –and shotgun wedding – is good election fodder, appealing to those families who have experienced that common side-effect of “abstinence education.”

### **We feel your pain**

Once the family motif had been

fully exploited, right down to the last grandchild, the candidates shared some snapshots of “less fortunate” families and individuals in the US. Luckily for them, there are literally millions of hard-luck stories to choose from!

Obama, for instance, spoke of “a woman in Ohio, on the brink of retirement [who] finds herself one illness away from disaster after a lifetime of hard work” and “a man in Indiana has to pack up the equipment he’s worked on for twenty years and watch it shipped off to China, and then chokes up as he explains how he felt like a failure when he went home to tell his family the news.”

Notice how careful Obama was to choose examples from crucial “swing states” (and also throw in China as a convenient scapegoat). One can easily imagine political advisors sifting through such evidence of capitalist misery to get to the political gold, weighing each situation carefully.

Biden said in his speech that he looks out at people’s homes during his evening train ride home from work and “can almost hear what they’re talking about at the kitchen table after they put the kids to bed,” imagining the following sorts of conversations:

“Winter’s coming. How we gonna pay the heating bills? Another year and no raise? Did you hear the company may be cutting our health care? Now, we owe more on the house than it’s worth. How are we going to send the kids to college? How are we gonna be able to retire?”

Biden’s little story (punctuated with his “gonna’s”) is meant to highlight his compassion and solidarity for working folk – and he is so proud that he rides a train that he had Obama mention it too! – but the image of a powerful US Senator breezing through town, as he daydreams about stick-figure citizens in between sips of coffee, only underscores the distance separating him from those kitchen-table conversations.

McCain tried his hand at this compassion stuff too, recognizing that “these are tough times for many of you.” Unfortunately there was no train window separating him from a heckler (and Iraq War veteran) who proceeded to berate the candidate for his poor record on veteran’s rights. After the ungrateful citizen had been dragged out of the hall, and the chants of “U.S.A! U.S.A.!” to drown out his heckling had subsided, McCain continued reading from his teleprompter: “You’re worried about keeping your job or finding a new one,” the monotone voice intoned,

“and you’re struggling to put food on the table and stay in your home.” And later, McCain threw in a few swing-state stories of his own, such as “Bill and Sue Nebe from Farmington Hills, Michigan, who lost their real estate investments in the bad housing market” so that now Bill has a temporary job and “Sue works three jobs to help pay the bills.”

In recounting these stories, the candidates showed no hint that their own political parties bear any responsibility, nor did they recognize any connection between such problems and our current social system. The whole point was just to show off their own compassion, which Bush Sr. tried to do on campaign trail back in 1992 when he succinctly said, “Message: I care.”

### **Policy promises**

Only around the middle of their speeches did the candidates finally begin to sketch some of the policies they plan to implement if elected. But these promises are so vague as to almost defy analysis.

For the few ideas that they did discuss in any detail – regarding taxation, education and foreign policy – the similarities between the candidates far outweighed the differences. Both McCain and Obama pledged to lower taxes for the “middle class,” improve education, and somehow win the war in Afghanistan (while keeping Iran and Russian in their place).

Obama kicked off his list of policy solutions with the vow to reform the tax code so as to “cut taxes for 95 percent of all working families.” Even setting aside the question of whether sweeping tax cuts will be possible, while waging two wars in the midst of deep recession, it is telling that Obama and the Democrats focused so much of their attention on the issue of taxation, which is not a working-class issue to begin with (as taxes ultimately come out of the surplus-value created in production). Moreover, Obama is quietly stepping back from an earlier promise to rescind Bush’s tax cuts for the wealthy in recent months.

After listing many of the grave problems facing the country earlier in his speech – and harping on the need for “change” throughout his campaign – ultimately the best that Obama can come up with is to steal a page from the Republican playbook and call for tax cuts as an economic cure-all. This is change that John McCain can believe in, who also promised to cut taxes in his speech.

And the two candidates are on

the same page for other issues as well. Both call for something called “energy independence” and made the usual pledge to root out corruption and eliminate corporate loopholes as a means of securing the necessary government funds.

Both also promised to improve education, although there was a difference between Obama’s promise to “recruit an army of new teachers and pay them higher salaries” and McCain’s vow to “shake up failed school bureaucracies with competition [and] empower parents with choice.” Still, Obama is reluctant to veer off too sharply from the current administration and in his speech he threw in a line about calling for “higher standards and more accountability,” which indicated his agreement with aspects of Bush’s “No Child Left Behind” policy.

Perhaps the biggest policy difference concerned health care. McCain ignored the issue, except to say that he opposes “government-run health care system where a bureaucrat stands between you and your doctor,” while Obama emphasized the need for improvements. Yet Obama only calls for an expansion of access to medical insurance, not a reform that

would drive out the private insurance companies.

The candidates seemed a little bored by such domestic issues, but warmed up when it came to demonstrating that they are reckless and bloodthirsty enough to be “Commander-in-Chief.” Both promised, repeatedly, to keep America and its people safe. Neither expressed any hesitation in sending troops to war and pledged to strengthen the armed forces. Both vowed to continue the fight against Al-Qaeda and issued threats to Iran and Russia. It seems that Obama’s days as the “anti-war candidate” are long gone.

This discussion of policy, which should have made the distinction between the two candidates clear, only underscored their similarities, while again revealing the enormous gap between the severity of the problems faced – whether economic, diplomatic or environmental – and the meagre “solutions” that both parties are offering.

#### Orchestrated response

No sooner had the candidate uttered the obligatory “God bless America” to end the convention speech than TV commentators were

breathlessly informing viewers that it was a “homerun” that electrified the crowd and will energize the base of the party. It was as if the pundits were frightened that, if given a split-second for reflection, viewers might reach the alternative conclusion that the speech was rather pointless and insipid.

Both parties made every effort to generate the most favourable reaction to their candidate’s speech. Even before it was delivered, there were newspaper articles revealing what the speech would discuss, with titles like: “Obama to Get Specific” or “McCain to Strike a Bipartisan Note.” At first glance this custom of disclosing the content of the speech in advance seems rather bizarre, as it makes the speeches even less interesting to watch, but it gives the TV commentators an idea of how they should frame the discussion.

The entire process surrounding the convention speeches is hermetically sealed from the public and from reality itself. If the candidates manage to “hit one out of the park,” as the cliché goes, it is only because US politics is a game played on a narrow field of little-league proportions.

**MICHAEL SCHAUERTE**



### Cooking the Books 1

## Cuba’s wage system

Earlier this year, when in June the Cuban government, now under Fidel Castro’s brother Raul, announced a new system of wage payments, the *Guardian* (13 June) wrote that Cuba had “abandoned its egalitarian wages system”. This brought a response (20 June) from Helen Yaffe, author of *Ernesto Che Guevara: The Economics of Revolution*:

“In reality, there has never been an ‘egalitarian wage system’ (i.e. one where every worker was paid the same): Che Guevara himself devised a new salary scale, introduced in 1964, with 24 different basic wage levels, plus a 15% bonus for over-completion”.

In other words, Cuba never had practised wage equality, not even when Guevara was Minister of Industry. Not that socialists favour equal wages. As long as the wages system – the sale of people’s working skills for money – exists there will be a different price for the different types of skill. We want the abolition of the whole wage system, an end to the buying and selling of people’s working abilities, and the application of the principle “from each according to their ability, to each according to their needs”.

Yaffe made a claim about this too:

“Like Marx himself, Che recognised the socialist principle: ‘From each according to his ability, to each according to his work’ – which your article associates exclusively with Raul. Cuba has never claimed to be communist and therefore never embraced the principle ‘from each according to his ability, to each according to his need’, which expresses the attainment of communist society”.

While it is true that Marx thought that it would not have been

possible to implement “to each according to needs” immediately had a “co-operative society based on the common ownership of the means of production” been established in his day, he never drew a distinction between a socialist society (where this principle couldn’t yet be applied) and a communist society (where it would be). He actually spoke of two “phases” of the *same* society, which he called “communist society”. Engels and the later socialist movement adopted the term “socialist society”, but both terms referred to the same type of society; they are interchangeable.

In any event, the temporary measure until distribution according to needs became possible which Marx mentioned in the private notes he wrote in 1875 known as *The Critique of the Gotha Programme* was a system of “labour-time vouchers”. This would probably have proved unworkable but it was not the same as “to each according to their work”. It would have been “to each according to their working time”, with people being given a consumption voucher based on the time spent at work not for the particular kind of work they did. There wouldn’t be 24 different levels, just one. An engineer and a cleaner who put in the same number of hours would get the same number of consumption vouchers. In this sense it would have been “egalitarian”.

But what Lenin, Stalin, Castro and Guevara called “socialism” did not even correspond to Marx’s “first phase of communist society” since it was based on the state, not the common, ownership and control of the means of production, the majority remaining propertyless and having to sell their working skills to live. As the state was controlled by the leaders of a minority vanguard party, these leaders became in effect the employers of the excluded majority. As employers they had to devise some system of pricing the different kinds and qualities of labour-power they purchased. Hence schemes such as Guevara’s and the one just introduced in Cuba. This was state capitalism, not socialism/communism.

# What food crisis?

*Those suffering most from the “current world food crisis” may not know why they are but they probably do know that they can have very little impact on the outcome as the world is structured currently.*

## **Corporate control**

In 1921 36 companies were responsible for 85 percent of US grain exports. By the end of the 70s six companies controlled 90+ percent of Canadian, European, Australian and Argentinian grain and currently Cargill and Continental each control 25 percent of the world's grain trade. While 37 nations have been plunged into food crisis Monsanto has had record sales from herbicides and seeds and Cargill's profit increased by 86 percent. On the one hand these corporations use, wherever there is a perceived advantage, the poorer countries for cash crops, manufacturing using cheap labour, cheaper processing and they take advantage of huge subsidies for which they lobby constantly, and on the other show indifference to the employees and labourers in these countries. Wages are kept as low as can be managed and conditions of employment are almost non-existent. Long working hours, enforced, often unpaid, overtime, no sick-pay non-existent or poor compensation for accidents and no pension.

Of the world's people as a whole, 70 percent earn their livelihood by producing food, their own included. From these a growing number are now producing crops for fodder or alternative fuels, reducing the amount of land available for human food production and thereby increasing its cost. Profit is the bottom line.

Monsanto is huge in soy bean production having a virtual monopoly with their 'Roundup Ready' seeds. Genetically modified seeds grown to be used for cattle feed, fish feed, all manner of industrial uses plus 80 percent of processed foods contain soy bean. Why would you promote an oil-seed that has a relatively low oil yield – 18 percent, compared with coconut (75 percent), groundnut (55 percent) and sesame (50 percent), if it wasn't simply linked to your ownership of the means of their production? The health risks associated with soy bean consumption are becoming clearer, especially an oestrogen problem. One test revealed that soy-based infant formula yields a dose of oestrogen equivalent to

8-12 contraceptive pills daily.

Monsanto (originators of Agent Orange) acquired Unilever's European wheat-breeding business in 1998. They have a large stake in India's largest seed company and have also bought Cargill's international seed operations in Central and Latin America, Europe, Asia and Africa thus virtually monopolising production, limiting choice and pushing genetically engineered wheat. Their intellectual property scams, internationally infamous, banning the saving and trading of seed (something done for thousands of years with no problems of ownership attached) have been followed by many court cases usually to the detriment of small farmers in both poor and 'developed' world. The infamous 'terminator' gene which makes plants' seeds infertile has perhaps been the most cynical invention, forcing farmers into buying seed every year, putting them in hock to the big corporations and resulting in penury.

Around the world farmers have been pressured by large companies to grow cash crops. Cotton started to displace food crops in India after trade liberalisation was introduced in 1991. Aggressive advertising campaigns were conducted by Monsanto, for one, to introduce hybrid cotton seed which, being more vulnerable to pest attack, required the use of more pesticide than the varieties traditionally grown. Having borrowed on credit for both seed and pesticide and finding themselves in unresolvable debt following crop failures, according to Vandana Shiva in *Stolen Harvest*, many hundreds of farmers committed suicide by ingesting the very pesticides that were supposed to have protected their crops. Suicide deaths of Indian farmers continue to be a huge problem.

## **Ecologically unsound**

There are ecological issues surrounding the current world food system. Here there are many links between this and the previous section. In their pursuit of profit worldwide mega-corporations have been responsible for some of the worst degradation of land, water, air and sea. Particularly relevant to food production, however, it is being recognised in more quarters that industrial farming damages the environment (as well as concentrating profits in fewer hands) and that small farms are actually more productive and much less damaging. Only this year a UN commission of 400 agricultural experts concluded that the world needs to shift from current agribusiness methods to a more ecological and small-scale approach. It comes as no surprise to learn that neither the US government nor agribusiness agreed to endorse the recommendations. A US dairy farmer allied to Via Campesina which is a global movement of peasant and farm organisations said words to the effect that at last it's recognised that industrial GM crops and globalisation methods have led to more hungry people but why hadn't they listened to farmers instead of corporations in the first place? Good question, to which we know the answer.

The (mainly GM) soy bean comes in for another attack here. To produce its oil requires solvents – bad for the environment; producing it creates saturated fats – bad for health. To ensure that maximum benefit (i.e. maximum profit, not maximum nutrition) is derived from the humble soy bean a US company is now also producing look-alike pulses, lentils etc from some of this bulk. Mono-crops and intensive farming by their very nature create havoc with the land, with the soil, requiring an input of fertilizer to fulfil the role that mixed farming does automatically. The soil gradually becomes impoverished leading to the

necessity for more fertilizer, itself a problem from leaching into and contaminating water. Fertilizers, herbicides and pesticides all alter the nature of the soil, the ecological balance, ultimately denuding the area of the very plants, microbes, insects, worms, birds, small animals etc that determine its replenishment in a natural cycle. Traditional farming is shown to be far superior both for the health of the soil and also for crop yield. Animals manure the land, worms and other creatures turn and aerate it, insects assist pollination, other insects, birds and small animals dispose of many of the pests naturally whilst also replenishing the soil with nutrients and crops of different types in rotation take nutrients from and return nutrients to the soil. In many parts of the world the 'weeds' that grow among crops are crops themselves, not to be sprayed and killed but to be picked and eaten by humans and animals or else to be ploughed back into the ground returning natural organic matter.

One obvious negative effect of growing mono-crops for export or as non-food products such as biofuels is that it impacts on the amount of land available for growing food for local consumption, pushing small farmers off the land altogether or to patches of less productive land. Aggressive growth in agricultural exports has been linked to increasing poverty and hunger in the exporting country. Examples include the Philippines where the acreage for growing cut flowers was massively increased with a corresponding decline in acreage for food staples resulting in the destruction of approximately 350,000 livelihoods and increasing rice imports by a factor of ten; Brazil, when soy bean exports increased dramatically (1970s) as animal feed for Japan and Europe, hunger increased from one third to two thirds of the population. By the 90s Brazil became the third largest exporter of soy bean having increased acreage by 37 percent over 15 years displacing millions of small farmers and decreasing rice production by 18 percent further exacerbating hunger and poverty. On this topic Vandana Shiva gets right to the point, "The food security of the US and other wealthy food-importing countries depends largely on the destruction of other people's security" (in *Alternative Globalization*, ed. By John Cavanagh and Jerry Mander),

Other ecologically unsound farming practices such as raising animals intensively leads to massive problems for the animals, for the humans raising them and eating them and for the environment in which they are kept. For instance, as fish farms have become more extensive in acreage and more intensive in production bacterial infections have spread to fish in the wild. Whereas it used to be recommended to eat fish regularly as part of a healthy diet there are now warnings to limit drastically intake of farmed fish. Shrimp farming is known as a 'rape and run' industry because of its unsustainability and the inevitability that after a handful of years the site will be ecologically devastated and susceptible to massive outbreaks of disease, leaving hectares of former good fishing coastline unfit and unable to supply locals with a catch of any kind – coastal wastelands.

Shrimp farms and fish farms require more wet fish, processed into meal, pro rata than they ultimately produce, consuming more resources than they produce. The fish caught by trawling and purse-seining for the production of meal deprives people of both food and livelihood, depletes fish stocks drastically, kills all kinds of aquatic life – and this to provide shrimp for people living a long way from the devastation and knowing little about it. Mangroves, crucial in many coastal areas for protection against storms, preventing erosion and recognised as important habitat for much marine life have been devastated around the world in order that some of us may eat shrimp. Sri Lanka lost nearly half their mangrove area in 10 years; Vietnam lost more than 100,000 hectares in 4 years; most of Ecuador's shrimp comes from former mangrove swamps; a third of Thailand's lost mangroves was as a result

of shrimp farming over 30 years up to 1993. Ecological and environmental man-made disasters. Intensive shrimp farming also leads to permanent salinisation of groundwater and has created water famine in formerly water abundant areas in India, causing death of cattle and gradual contamination of former productive rice paddies. Because of intensive shrimp production in Bangladesh rice production fell from 40,000 to only 36 (*not* 36 thousand) metric tonnes between 1976-86 with similar losses reported in Thailand. Shrimp and prawn have been 'farmed' traditionally in India for hundreds of years without this serious adverse effect on the ecology. The traditional methods have proved effective and have produced good income for farmers combining paddy growing in the monsoon season with shrimp 'farming' in other seasons when the fields are filled temporarily with saline water. Whether aquaculture or agriculture, natural methods prove to be more economical in terms of input, more productive in terms of output showing biodiversity and labour intensification to be both more efficient and sustainable.

### The deregulated global market

There is a raft of trading practices stacked against the poorer 'developing' countries, which incorporate the majority of the world's population, in favour of corporations in the 'developed' countries. The international monetary organisations, World Bank, World Trade Organisation, International Monetary Fund all function to ensure maximum returns flow into the coffers of trans-national corporations including agribusinesses. All loans have to be paid back with interest. Aid is tied to agreements, purchases and long-term commitment to remittances back to the donor country. Subsidies to agriculture flow freely in the 'developed' world, especially to agribusiness; in the poor world subsidies are called a barrier to free trade and have to be removed. Markets must be open – to subsidised products from the rich. Traditional local production systems have been consistently undermined to favour global corporations causing increased landlessness in the process. Many of these landless, former farmers now work for poverty wages in factories sub-contracted to big-name sportswear labels, unable to grow *any* food of their own now, just part of the growing number of consumers struggling to *buy* enough food to put on the table.

Vandana Shiva commented aptly on the root causes of hunger and poverty in 2007 thus, "A combination of loss of land and loss of control of local resources like water, seeds and bio-diversity. All of these are basic to farming communities but are now in the hands of global corporations." IMF loans to poor countries are channelled into export subsidies for US agribusinesses thus further assisting multinationals to dominate smaller, local businesses whether domestic or foreign.

The main goal of the WTO and its allies has been to remove all and any obstructions which may hamper corporations. National laws, standards and environmental protection rules have been subsumed by the WTO's rulings resulting in laxer rules across the board, reduced labour, environmental, food and health regulations. In effect deregulation has led to decreased local control, a worsening general environment, an increase in poverty and hunger whilst concentrating power, wealth and influence among the global corporations.

### Biofuels

Biofuels were originally heralded as the wonder fuel, something to challenge fossil fuels and a way to save the world from its dependence on oil, a greener product, sustainable and easily grown around the world. David Moberg, in an August 2008 article "Let them eat free markets" in *The Times*, writes, "once seen as a way of using up European and US surpluses

biofuels are now threatening to become a global, corporate-controlled, industrial farming and export business that could put US SUVs in competition with food for poor people in other countries whilst degrading tropical forests." So, here again is monoculture on a grand scale, degradation of the environment, cash crops taking the place of food crops and small farmers forced off the land to increase production and profit. A further downside to biofuels and a good reason to take another look at the topic for those who still believe it to be a 'green' fuel is that it actually takes something like 18 percent more energy to process the fuel than will be available in the finished product. Not best use of agricultural land, resources or manpower.

### Buying Power

Simple buying power – or rather lack of it – is a fifth factor.. If you're not growing your own food it has to be bought. One way or another customers have to pay. When half or more of your income is already spent on food, as it is for the majority world, then rising prices of basics like rice and wheat are an immediate threat. The priority becomes *what* can I eat? Not what can I cut out in order that I might eat, just what is there I can afford to eat? In 2007 the price of rice on the world market rose 16 percent. Between January and April of 2008 it rose a further 141 percent. Rice is the staple diet of Haitians, Haiti, being one of the poorest nations on the planet, is also one of the countries that was devastated from the loss of domestic farm incomes when highly subsidised US rice was dumped on them following WTO instructions. There is a photograph showing a Haitian woman sitting on the ground mixing and spreading out row upon row of biscuits to dry in the sun. Biscuits made of clay, salt and vegetable fat. Let them eat cake!

Similar stories from around the world reveal how previously solvent farmers have been reduced to penury. Mexicans cannot compete with US maize and cotton. Jamaican dairy farmers can't compete with EU subsidised milk powder. Mali, Benin, Burkino Faso etc. have lost double from the fall in cotton prices than they receive in US foreign aid. All of these and similar unfair practices drastically reduce the buying power of millions of people. According to the environmental pressure group, the International Forum on Globalisation, "The ultimate sustainable agricultural solution is transition to non-corporate, small-scale organic farming as practised for millennia."

### Cause and Effect

What we have seen here are the

*effects* of a system that is structured for the benefit of a few corporations at the expense of the many. Inevitably the food crisis will continue to grow for an ever-increasing number of the world's population unless and until the *causes* of the crisis are eliminated. Politicians of diverse leanings, human rights advocacy groups and pundits of various persuasions offer a medley of fixes. Level the playing field. Fair trade, not free trade. Restore national sovereignty to international trade. Limit the power of global corporations. Strengthen human rights laws to prevent eviction of people from their land. Allow landless peasants access to and ownership of privately owned, unused land. Make the international institutions more accountable to citizens not to capital. Increase regulation of outsourcing. Force companies despoiling the environment to clean up the mess and pay compensation. Implement tougher environmental standards at all levels.

The problem common to these and other 'solutions' is that none of them are comprehensive, none are for all time and none are for all people. There is already a UN charter for human rights which, in theory, covers all possible scenarios, which is ostensibly for the protection of the well-being of all but which, in practice, cannot work because it is not controlled by the democratic will of the people but by a few strong countries pursuing the economic policies of their elites.

The principles underlying socialism, whilst not offering an immediate panacea, do address all the issues of the rights of all individuals, "by the conversion into the common property of society the means of production and distribution and their democratic control by the whole people." Unlike the UN and numerous international agreements, multi-lateral accords and protocols which are repeatedly undermined by one or more powerful states consistently overruling decisions and agreements the ethic of socialism is rooted in the people. As more and more of the common wealth is taken from the people more and more people experience the food crisis first hand. Cause and effect. Removing money, the incentive and purpose of accumulation (the *raison d'être* of capitalism) and transforming world society into one of free access and common ownership – the world belonging to all and to none – will be to eliminate the causes of hunger and to effect an end to further speculation about a world food crisis.

**JANET SURMAN**

# Marxism and needs

*Does Marxism need to be reinterpreted in the light of the ecological problem faced by humanity?*

Is the "world of abundance" traditionally advocated by socialists feasible? Not according to Claude Bitot, known as the author of a book on the future of the movement for communism (see *Socialist Standard*, December 1995), in his recent book *Quel autre monde possible?* ("What other world is possible?"). Echoing the ideas of some Greens but denying any affinity with them as "bobos" (trendies), Bitot argues that the only viable form of communism (or socialism) today is the austere pre-industrial communism advocated by Babeuf and his followers during the French Revolution and first part of the 19<sup>th</sup> century.

His criticism of Marx – that he accepted the development of capitalism as a necessary step towards socialism – can be traced back to the influence of a "productivist" or technological determinist reading of Marx, based on *The Poverty of Philosophy* and the *Communist Manifesto*, which the great man was considerably qualifying by the time he got round to writing the *Grundrisse*. According to this simplified version of Marxism – faithfully trotted out by Bitot – it is the development of the forces of production that drives history. Capitalism in the form of merchant capital develops in the pores of feudalism, notably in the towns. Over time the forces of production develop to the point where feudal relations become fetters on the possibilities of further development. Feudalism therefore disappears with the rise of the revolutionary bourgeoisie whose task it is to abolish

lordly privilege so as to permit the further development of the forces of production. Eventually the enormous development of the forces of production – notably industrialisation and mass production – would enter into contradiction with the limitations placed on the restricted consumption capacity of the proletarians. The latter in their turn become the new revolutionary class capable whose “historic task” is to overthrow the capitalist class and unleash the forces of production to meet a greatly expanded range of human needs.

To further add to the confusion, the building of what was falsely called ‘communism’ in Russia by the Soviet authorities popularized the idea that a long transition period – misleadingly called ‘socialism’ – was required in order to bring about the communist utopia. During the *transition period* working class consumption would be sidelined to allow the breakneck development of the forces of production, (tractor factories, dams, electrical power plants and the like). And there was of course doctrinal justification for such a position given that Marx was absolutely clear that in underdeveloped countries like early twentieth century Russia ‘communism’ was not in any way feasible. Although Marx never separated the ‘socialist’ stage from the ‘communist’ one, the early enthusiasm for the Soviet experiment led to the transitional stage idea sticking. Indeed, many left-leaning thinkers became obsessed with technological development as such, with Bordiga – as Bitot conveniently points out – in the uncomfortable position of trashing the need for further technical advance in capitalist Italy whilst recommending the rapid development of the forces of producing in Soviet Russia. This has created a good deal of confusion about what progress towards socialism really means.

Bitot’s objection to capitalist development seems in many ways to be an attempt to overcome the legacy of these confusions in the light of what he rightly considers to be a looming ecological crisis. But he adds a few more confusions of his own. To begin with he goes back to the very origins of communism as a political movement: the agrarian communism of Buonarroti and Babeuf and he contrasts this with what he sees as the consumerist interpretations of socialism popularized during the

twentieth century. As we know these pioneering communists were imprisoned and – in Babeuf’s case executed – in the years following the French revolution. Bitot sees in these interpretations an anticipation of the errors which socialists would make in the second half of the twentieth century.

Incorrectly believing that the emergence of agricultural capitalism could be largely explained by the immoderate expansion of needs and taste for luxury, the agrarian communists turned their backs on the unconstrained development of industry and championed a system based on fair but austere shares for all. In this communist utopia technological development in the shape of machinery would take place simply as a need to lighten manual labour, production being oriented toward the meeting of a fixed standard of living.

The development of English commerce depended, Bitot tells us, on the sharpening of acquisitive appetites and the introduction of machinery to meet an ever-expanding sphere of consumption: the upward spiral of capitalist production. This simplified depiction of capitalist development has the advantage of wrong-footing Marx who notoriously celebrated the technical achievements of the English industrial revolution in the *Communist Manifesto* and castigated the narrow material basis of the agrarian communists in France (he called them “crude communists”). Indeed, since Marx was prepared to admit that industrial capitalism provided the material preconditions for communism, he had in effect become a *de facto* fellow-traveller in the capitalist party, albeit a pretty unruly one. The solution, according to Bitot was to have nipped the capitalist weed in the bud by a bit of revolutionary action and Bitot appreciates the fact that French agrarian communism was an extension of the revolutionary *political* approach adopted earlier by Robespierre, the advocate of revolutionary terror. If only, one thinks, the English had read these thinkers rather than that scoundrel Adam Smith then they would have abandoned their silly economic ideas and got us to socialism a lot earlier.

Bitot’s French communists may have been poor but they were neither wage-labourers nor serfs. Subsistence with only limited participation in the monetary economy still remained a possibility

and the village could still operate as a community. In this sense, the emergence of capitalism could all too easily be identified with the inability of individuals to control their own desires once faced with the temptations of the marketplace. But however admirable their thinking was on any number of issues – and they *were* interesting thinkers – they were nonetheless not faced with the peculiar economic system which we now call capitalism. Furthermore, even if agrarian communist communities could have resisted the advent of a world market in agricultural products it is more than likely that an ever-more powerful capitalist class would have found a way to break them up as they have always done and continue to do today.

The problem with Bitot’s interpretation of the communist tradition is that it facilitates the treatment of technological development as a force which develops in a social vacuum justified by a largely ahistorical appreciation of the development of needs. In fact, the aim of the mature Marx was always to demonstrate that the ‘immutable laws’ of political economy were in fact nothing more than the expression of highly specific social and historical relations. The hothouse development of technology under capitalism, for example, was simply a vector of its unremitting search for new markets and its insatiable appetite for profits. As Bitot himself concedes, Marx shows how the needs of the wage labourer under capitalism contain a historical and relative element beyond the purely physiological necessities which also have to be satisfied: in other words my wages now allow me to obtain some commodities which used to be considered as luxuries but I can still be ‘poor’ in the (Marxist) sense that I still have to sell my labour-power to another. Dependence on the capitalist is neither based on being starved nor reduced by the possession of a few luxuries; it resides in the fact that my access to the means of subsistence has become indirect in that it is mediated by the possession of money.

Thus, although Bitot seems to have discovered a convenient jumping off point for the criticism of capitalism, his ideas provide few clues about how to find a way out. In the terms of this critique socialists who continue to believe in the possibility of open access to

the means of consumption under socialism can be too easily accused of wanting to continue the consumerist game and Bitot doesn't hesitate to tar the SPGB. with this brush. On the other hand, Bitot seems to accept that a fairly austere socialism is possible following the abolition of commodity production. But with the wants created by consumer society unconnected to the overall functioning of production, he is left with the difficulty of defining 'moderate needs' and showing how they would emerge within a society where commodity production no longer existed. After all, even if we can all agree that socialism will place more emphasis on meeting essential needs over the satisfaction of the trivial desires excited by capitalism, one still has the difficulty of defining these 'essential needs' no matter how austere one believes that socialism should be. But the problem of 'austere' or 'abundant' socialism is perhaps in the final analysis something of a quibble over words. As anyone who has argued the socialist case on a street corner will know, the 'abundance' referred to by socialists has never referred to the open-ended consumerism encouraged by the advertisers but has rather as its target a stable and more satisfying way of life in

which the scramble to get things is no longer central. With material survival removed from the casino of the marketplace by the abolition of commodity production we can expect that individuals will calm down their acquisitive desires and pursue more satisfying activities.

Fortunately even though he rehearses the usual arguments against socialism brought up by conservatives, Bitot seems reluctant to abandon the revolutionary idea altogether. He remains committed to the abolition of commodity production and has adopted the notion that production under socialism needs to be co-ordinated and de-centralized. (The SPGB can tell him how to do this without the price system). On the down side, he has now taken up the Third World population problem as a factor which he claims has been totally neglected by socialists. Regardless of the charge of inconsistency he then argues that further industrial development in these countries is necessary presumably on the grounds that the Third World exists on another planet. But capitalism is now more than ever a global system – witness the avalanche of books on the ills of globalization. The green beans in our plates come from Kenya, the knives and forks from

China and the shirts on our backs from India. Subsidized crops from the advanced countries are killing peasant production in Africa. But the Third World industrial proletariat now outstrips that of the so-called First World. Bitot's argument here is clearly self-defeating: If there is already a major population problem, then socialism as a world system is not only impossible but it is getting more impossible with every day which passes. So why write a book on the subject? Whilst there is clearly a need to deal with this problem lucidly, Bitot seems to have accepted the Malthusian legend at face value. But he gives only one statistic to prove the case about agricultural production in the Third World whilst First World production is subject to a statistical over-kill. Even Malthus, whose jeremiads have so far proved disastrously wrong, provided more substance to his arguments.

One is left with a curious diatribe against the word 'abundance' coupled to an off-centre accusation that socialists advocate a world of passive consumerism and idleness; a picture of the Third World as a boundless reservoir of illegal immigrants associated with the conviction that the abolition of commodity production is nonetheless possible.

**MM**



## Cooking the Books 2

### The fruits of labour

"We believe", John McCain declared in his acceptance speech at the Republican Party's convention in St. Pauls on 5 September, in "letting people keep the fruits of their labour".

Now, that's an idea. The only problem is that he seems to think that we are still living in 18<sup>th</sup> century colonial Americas when people worked for themselves at some trade and exchanged the product of their labour, whether farm produce, furniture, shoes, pots, candles or whatever, for the products of other people's own labour. This was exchange for use, what Marx called "simple commodity production", and where, as Benjamin Franklin who lived at the time noted, the products tended to exchange according to the time the independent producers had taken to make them. In this way they did get more or less the full equivalent of their labour.

But that was then. The artisan's tools have now developed into the powerful machines of today owned by capitalist companies while the producers now sell their ability to work to one or other of these companies in return for a wage or a salary. They no longer own and control the products of their labour. These belong to the company, which sells them for more than they cost to produce, pocketing the difference as their profits..

When producers first became separated from the means and instruments of production, as was increasingly the case throughout the 19<sup>th</sup> century, it was not difficult for them to realise what was happening. They could see that what they produced

sold for what it did when they had made them themselves as independent producers, but instead of them getting the full equivalent of their labour they only got a part of it as wages, the rest going to the capitalist who employed them. The source of the capitalists' profits was their unpaid labour.

So the demand for the full "fruits of our labour" went up among the more radical of the newly proletarianised producers. All sorts of schemes were devised by critics of capitalism such as Robert Owen in Britain, Proudhon in France and Lassalle in Germany to try to recreate the same result as in the old situation. But it was too late. They all failed as they had become irrelevant due to production no longer being individual but a collective effort.

In this new circumstance, if the demand for "the full fruits of labour" was to be met it could only be done collectively. The whole product of society would have to be commonly owned and used for the benefit of all. This of course is socialism and it is the only way that, today, people can get to keep the fruits of their (collective) labour.

McCain, however, is still thinking in individualistic terms. His rhetoric imagines that the wage worker is still an independent producer entitled to the full product of his or her individual labour. But he doesn't see this as not happening because of the profit extracted by the employer but because of the taxes levied by the government. In his eyes, it is the government not the capitalist that is the exploiter of people's labour. This is the cry not of the exploited producer but of the capitalist employer who does not want to share the profits of exploitation with the government.

But he needs to be careful. The rhetoric of the "fruits of labour" was originally an anti-capitalist, not a conservative, demand, and could – and should – become so again.

# Crime and the causes of crime

*Even the government accepts that crime will rise as economic conditions worsen, but is this the only reason for rising crime?*

It's a wonder any of us gets any sleep. It must be terrifying in the world today. Whenever *Private Eye* puts a spoof *Daily Mail* headline in its pages, such as "Criminal Yobbo Thugs give you Falling House Price CANCER!" no one laughs. It isn't funny because it's too similar to real *Daily Mail* headlines written for the terminally terrified. Where they are believed, it seems, the world is crawling with criminals with no more desire than to rip people's hearts out and tear their corpse into indigestible shreds. After all, it is the fear of crime that politicians have sought for so many years to tackle, not the creature itself.

According to the statistics, crime in the UK has been rising steadily since the mid-1950's, although it certainly accelerated in the early 1980's. It should be borne in mind, though, that the rate of reporting crimes has risen in that time, as has the number of crimes it is possible to commit, thanks to the governments (particularly the current one) creating endless new offences year in year out. Real crime, though, has certainly risen. The number of indictable offences per thousand population in 1900 was 2.4 and in 1997 the figure was 89.1. In 1965 6.8 per million people were murdered. By 1997 this had risen to 14.1 per million. Over the last century, the number of police in the UK has risen by over 120,000 to stand at around 150,000.

Yet crime continues to grow, despite all the police. The former Mayor of London, before he was kicked out, Ken Livingstone, made great play over how his increase in the number of the police in the capital, from 25,000 to 31,000 police officers, had reduced crime. He was right that the Tories, for all their talk on being tough on crime, had held back spending on policing levels. In fact, that's no surprise: policing accounts for around 52 percent of the criminal justice budget, and the Tories are first and foremost cheapskates. Plus, how can you be tough on crime if there isn't any? For them it is a virtuous political circle: let crime run free, then be tough on it, on the cheap, and then ask for plaudits for being tough on yobbos. That is by the by, though. Despite Ken's protestations, it wasn't his police force that cut crime. It was economic conditions.

The "tough on crime" brigade are easy to refute. Some commentators blame the 60's permissive society and its aftermath of sexual liberation for rising crime. They point to the end of the death penalty and penal reform measures. Yet, the number of prisoners in British cells were growing from the mid-forties onwards, before crime rates

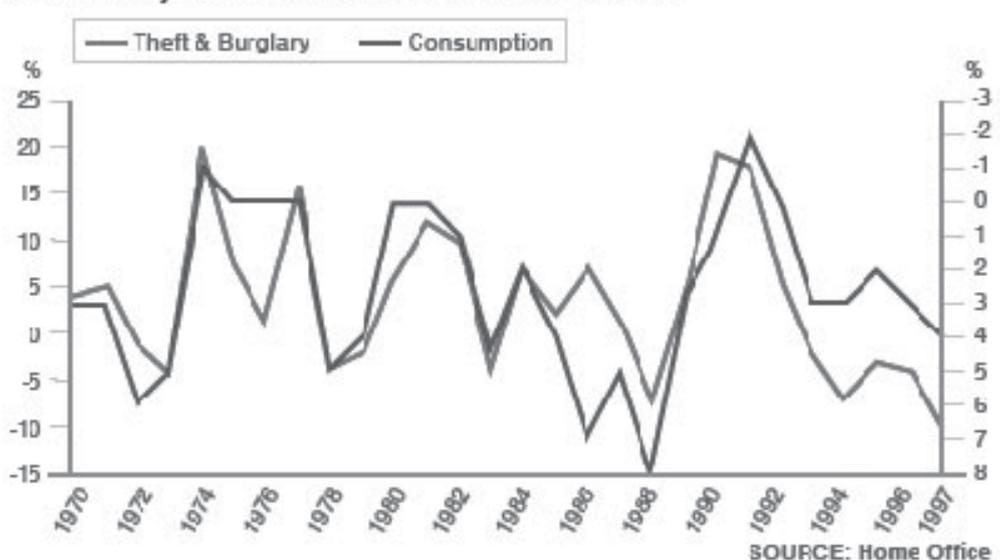
themselves began to rise. Now they stand at around 94,000 – and all the prisons are full. They've even had to start releasing prisoners early – in the back half of 2007 18,583 prisoners were given early release to relieve overcrowding. A staggering number, that has been replaced. All early release means is more people going through the prison system and being disciplined by it. After all, a great number of released prisoners re-offend and are convicted within two years.

This is all part of the trend. In 1941 there were only around 10,000 prisoners. Even as late as 1991 there were only about 40,000. If prison "worked" surely crime would have been around halved by doubling the prison population? Or at least, more drastically cut than by the modest falls we've seen over recent years. Now, the government wants to build extra capacity, three so called Titan Prisons each with a capacity of 7,500, which means they only see the rate of incarceration going up and up.

They have reason to believe that. A leaked draft letter this month told us that Home Office officials were warning ministers that the economic slow down would almost certainly lead to a rise in crime. The letter predicted property crime would rise by 7 percent in 2008 and a further 2 percent in 2009, if the current economic conditions continued. Home Office minister Tony McNulty said the letter was a "statement of the blindingly obvious", which considering, to their credit, Labour actually formally linked crime rates to economic conditions in their analysis when they first came to power, isn't a surprising view.

The BBC's Economics Editor Mark Easton takes issue with whether it is so blindingly obvious that economic downturns promote the increase in crime. As part of this he proposes a different source of crime, citing a report that shows that for every rise of 1 percent in inflation, property crime rises by 0.026 percent; but that is just another name for poverty – when inflation lowers people's

**ANNUAL PERCENTAGE CHANGE IN PROPERTY CRIME (THEFT AND BURGLARY) AND IN CONSUMERS' EXPENDITURE**



incomes those who can't easily compensate (for instance through pay rises) will be hard hit.

He is right, though, to note that while the rise in crime generally does not map directly onto the graph of economic up and downs, it does bear a resemblance to the growth in relative poverty. According to the report *Poverty, wealth and place in Britain, 1968-2005* from the Joseph Rowntree Foundation so-called bread line poor, i.e. those who are excluded from normal participation in society due to their lack of wealth, grew to around 27 percent of households in 2005, up from 17 percent in 1980. More strikingly, the non-wealthy/non-poor fell by a dramatic 16 percent in the same period. The proportion of society in the very rich category also fell.

This ties in with a graph Easton produces:

The two scales are inverted, the left scale (consumer spending) ascends while the right scale (theft and burglary rates) descends. The match is pretty precise. Whilst it may not be enough to say that one causes another, it is enough to suggest that they are heavily linked. Poverty doesn't make criminals, it just gives people more chances and incentives to be criminals. Put another way, the decline in social bonds caused by consumerism and rising inequality fuels a dog-eat-dog world which can turn nasty.

Of the 302,000 people sentenced for indictable offences in 2006, 160,100 of them were for property related crimes (theft, criminal damage, etc.). That is, over half of crimes. In 2006/7 some 75 percent of reported crimes were crimes relating to property. Poverty does not just push the creation of crime. It's well known that the poor are much more likely to be the victims of crime, with the bottom 40 percent of society being way ahead of the top on every measure of crime victimhood. Lone parent and unemployed households are twice as likely to be burgled than the average household; and burglary rates are greater in densely populated and often poor London than in the rest of the south east.

Women in the sex industry are particularly prone to being victims of crime. A report by the Poppy Project, called *The Big Brothel* found staggering quantities of women working in the sex trade and being treated as little

more than shoddy goods by their exploiters. They state that during '120 hours of telephone calls, we established the following: at least 1,933 women are currently at work in London's brothels; ages range from 18 to 55 (with a number of premises offering "very, very young girls"); prices for full sex start at £15, and go up to £250' The pimps offered two for one deals, discount vouchers, happy hours – the whole marketing gamut as they made between £86 million to £205 million per year with a brothel. This isn't a normal business transaction though – the women are often beaten and raped. Turned into a commodity themselves, all social bonds utterly severed between them and their clients. In it's own way, another form of property crime.

There is other evidence for alienation being the motor of crime. A recent report on the BBC revealed that 1 in 11 prisoners in a British gaol is a former member of the armed services, that is, approximately 8,500. The probation officers association NAPO recounts stories of strung out soldiers turning violent after returning from war. That is, those whose social bonds have been deliberately shorn in order to make them into fit killing machines, or whose bonds have been shattered by the experience of killing and conflict, are highly likely to fall into crime, and find themselves on the prison scrap heap.

The Home Office report also deals with the rise of political extremism, another form of expressing alienation. It warns of attacks on immigrants and the growth of racist parties, should Britain slide into recession. Of course, the terrorism obsessed government also considers how this rise in the far-right might lead to more terrorism in retaliation. This should serve as a warning to those who figure that simple economic catastrophism will lead mechanically to socialist revolution. The growth of socialism can only come from the working class consciously deciding that changing the economic system will save them from the woes of crime and violence extremism bred by the current on, and acting on that decision.

**PIK SMEET**

# Growing old disgracefully

In primitive society one of the greatest sources of human survival was the knowledge of the elderly. If you lived in a gathering/ hunting society the knowledge of where plants occurred, where animals existed and at what times of the year was essential for human society. Knowledge was power. So much was this the case for human survival that one of the first forms of religion was Ancestor Worship.

We no longer live in a gathering/ hunting society, we live in a modern capitalist society. This is a society where the majority work for a wage or a salary and a tiny minority live off the surplus value that they produce. Inside this society attitudes towards the elderly are completely different. If they are poor they are looked upon as a burden by the capitalist class and some sort of creature, that had they any decency would just disappear.

Away back in 1908 when state pensions were first paid in the UK there was the view that this piece of reform would end old-age poverty. People like David Lloyd George and Charles Booth hailed the legislation as a major breakthrough on the abolition of old-age poverty.

"Yet 100 years on, 2.5 million pensioners – more than a fifth of all those aged over 65 – still struggle to pay their bills and keep their home warm" (*Times*, 31 July). Such is the nature of capitalism and the lick-spittles that operate it that they have come up with a great new idea that will save the owning class millions.

"People will be forced to work until they are aged 70 if the basic state pension is to survive into the next century, according to the Government's pension supremo. Lord Turner of Ecchinswell, the architect of radical reform in which the retirement age will rise to 68 by 2046, said that with no limit in sight for life expectancy, people are going to have to work even longer than he proposed" (*Times*, 31 July).

When I was very young an elderly man taught me about capitalism. One of the lessons he taught me was – the owning class need young men and women to provide for them, but we don't need them. As in primitive society we must heed the elderly – knowledge is power.

**RD**



new houses, owing to their destitution. What they lack is not the need for a good place to live but effective demand: they can't pay so are of no interest to housebuilders. What capitalism fulfils, then, is not human need, but need that can be paid for. There is no point from a business perspective in producing goods if people, whatever their needs, cannot pay for them.

Effective demand further affects the quality of what is produced. It's no good producing only the best whatever if they are unaffordable. The size of workers' wages means there is a demand for cheap goods, though it can hardly be said that

**T**he motive for production under capitalism is making a profit. In order for goods to be manufactured or services to be provided, they must result in a reasonable amount of profit, otherwise they won't be produced. Even 'loss leaders' serve the goal of profit, by enticing customers into a shop.

In contrast, socialism will be based on production for use.

The whole issue of profit will be meaningless in a socialist society, with no money or buying and selling. Items will be made because they are useful, because they satisfy people's needs for food, housing, transport, clothes, leisure interests, or whatever.

Now, some supporters of capitalism will argue that production for profit implies production for use. No company, for instance, will make a profit by producing goods that nobody will want to use. There is therefore, so the argument goes, a requirement for capitalist concerns to produce useful things. Many objects that were once found in people's homes (mangles, for instance) are not produced nowadays, because technological progress has meant they are no longer wanted.

There is a tiny bit of truth in this, in that people won't on the whole buy what they don't want or need. But there is far more to be said on this matter, and looking at it more closely reveals what's wrong with production for profit, and indeed with capitalism more generally.

For a start, the other side of the coin of production for profit is 'no profit, no production'. This applies not just to outdated fashions and technology, but to any good or service, no matter how badly it is needed. Take housing, for instance. In the current credit crunch, the number of new houses being built has been drastically reduced, even though there is clearly a need for more houses, given the increasing population and the amount of people homeless or living in sub-standard accommodation. But building houses is now not so profitable as it was a year or so ago, hence the cut in housebuilders' profits and decline in new housing starts. Hence too the many blocks of flats that are half-built but will not be finished because there is no prospect of selling them at a profit.

And of course it's not just housing. Whenever you hear of post offices being shut or rural bus services being axed, it's because they don't pay, not because nobody wants or needs them. About four pubs a day close; not enough people are spending money in them, but it's not that they fail to meet some need or are of no use.

We referred above to the homeless or people in bad housing. These are likely to be the very poorest, who are unable to afford a mortgage or the rent for a decent home. But under capitalism they are not part of the possible market for

there is a need for shoddy and dangerous commodities. The current economic downturn has led to more people shopping in cheaper supermarkets, but hardly out of choice. Again, production for profit is in no way identical — or even similar — to production for use.

The same logic underlies the paradox of millions starving in a world where enough food can be produced to feed everyone. The starving in Africa and Asia barely form a market and cannot be sold to at a profit. This simple point by itself should be enough to condemn the domination of the profit motive.

And is it really the case that people only buy what they want? This view ignores the impact of advertising, which can lead people to purchase stuff to keep up with the Joneses or make their children happy or enable their teenagers to respond to peer pressure. Capitalism has to advertise its wares, both to encourage customers to buy new products and to keep them buying existing ones. In so doing, it necessarily promotes new 'needs' that are really no such thing.

Moreover, the imperative for companies to make a profit implies that they seek to lower costs, including the cost of labour power, the mental and physical energies of

their workers. That's what wages are: the price of our ability to work. Profits are realised when commodities are sold, but they arise in the course of production. Workers produce more in the value of what they output than in what they are paid. Profits, or surplus value, come from this difference.

By driving down wages, or making workers labour for longer hours on the same pay, employers can increase their profits. The drive for profit also leads them to reduce spending on health and safety, as this cuts into profits. Whenever you hear about unsafe working practices, it's a good bet that it's due not to individual carelessness but to the need for profit.

It's worth noting that, when we say socialism will be based on production for use, this does not mean that everybody will live in the lap of luxury. It does mean that there will be no squalid housing or a choice between eating and heating or children who go to bed hungry. The key criterion in production will be not 'is it profitable?' but 'is it needed?'. And the process of production will be safe as it can be, and the goods produced will also be safe rather than harmful. Due care will be taken of the impact on the environment too. Production for profit will have been confined to a barely-understandable and barbaric past.

**PAUL BENNETT**

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**“The key criterion in socialism will be not ‘is it profitable?’ but ‘is it needed?’”**

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### Socialist Party Merchandise

#### Teeshirts:

Blue with polar bear and 'If you were a polar bear, you'd be a socialist' plus party website address.

Yellow, with blue and green globe 'The world is a treasury for all' plus party web site address on. Sizes: Small, Medium, Large, Extra Large.

#### Mugs:

One style: 'Duet' - Red and white with 'Only sheep need leaders' (pictured) and



website on, with "Famine? War? Pollution? Capitalism is the Problem. World Socialism is the Solution" and party tel. number on.

#### Pens:

Blue and white, with blue ink 'Only sheep need leaders' and a sheep plus party website  
Red and white, with blue ink 'Workers of the world unite' plus party website  
Black with black ink. 'Only sheep need leaders!' and a sheep plus party website

#### Baseball caps:

navy blue, with embroidered "World Socialist Movement" on.

#### Balloons:

different colours, with "World Socialist Movement" on.

#### Prices:

Tee shirts £7.00 each. Mugs £5.00 each. Pens £0.50 each. Baseball caps £5.00 each. Balloons 15p each

#### Postage and packaging

£2.50 on the first £10 worth of stuff, then £1.50 on subsequent £10 worths.

Please send cheque or postal order (no cash) made payable to SPGB SW Regional Branch, c/o Veronica Clanchy, FAO: South West Regional Branch, 42 Winifred Road, Poole, Dorset. BH15 3PU. Any queries, please phone 01202 569826.

### Anti-war Morris

***Crossing the 'river of fire' : the socialism of William Morris.* By Hassan Mahamdallie. Redwords. 2008. £7.99**

This is an SWP take on William Morris. Reasonably accurate, it emphasises (as might be expected from the SWP, at least in its current period) Morris's anti-war and anti-imperialism stance. And Morris's statement in the January 1887 issue of *Commonweal* does bear repeating:

"Meantime if war really becomes imminent our duties as socialists are clear enough, and do not differ from those we have to act on ordinarily. To further the spread of international feeling between workers by all means possible; to point out to our own workmen that foreign competition and rivalry, or commercial war, culminating at last in open war, are necessities of the plundering classes, and that the race and commercial quarrels of these classes only concern us so far as we can use them as opportunities for fostering discontent and revolution; that the interests of the workmen are the same in all countries and they can never really be the enemies of each other; that the men of our labouring classes, therefore, should turn a deaf ear to the recruiting sergeant, and refuse to allow themselves be dressed up in red and be taught to form a part of the modern killing machine for the honour and glory of a country in which they have only a dog's share of many kicks and a few halfpence, - all this we have to preach always, though in the event of imminent war we may have to preach it more emphatically."

For most of his active period as a socialist Morris was an "impossibilist" in that he favoured a policy of "making socialists" and "education for socialism" rather than seeking working class support on the basis of reform demands. Committed as they are to reformist agitation, the SWP find this an embarrassment just as much as E.P. Thompson did in both his CP and post-CP days. Mahamdallie argues that the correct tactic for Morris and the Socialist League would have been to do what the SWP does today: to get involved in the non-socialist, day-to-day struggles of workers with a view to directing them. He also claims that in 1890 Morris realised the "dreadful mistake" he had made in not doing this.

But did Morris admit this? His November 1890 resignation statement from the Socialist League (which had been taken over by bomb-throwing

anarchists) "Where Are We Now? "does not say this. It says rather that he still thought he was right, but that as the working class seemed to have chosen a different path, so be it; that was their choice.

To be frank, Engels thought that Morris was wrong and preferred the reformist ILP to both the Socialist League and the SDF as a step towards the formation of genuine mass socialist party. But who was right? Morris or Engels? The ILP led to the Labour Party, which has been and gone, and we are still no nearer to socialism. The urgent need is still, as Morris insisted, campaigning for socialism not reforms.

ALB

### Chavism

***Build It Now: Socialism for the 21st century.* By Michael Lebowitz. Monthly Review**

One criticism often levelled at books written by advocates of socialism is that they are over-theoretical, emphasizing in minute detail elements of capitalism that first have to be understood in order to grasp the essentials of the alternative but that they don't get to the nitty-gritty of the practical elements required in order to reach the goal. This leaves readers suspended, in agreement about all the negatives of capitalism, but wondering how on earth this behemoth can be overturned, how anti-capitalism can be turned into socialism.

Lebowitz approaches the topic from a different angle, explaining the ethos of socialism at every opportunity and points out, reflecting Marx's words, that socialism is actually not the goal but simply the means to an end - the end being the full development of human potential. He refers frequently to the three elements crucial to this overall human development - economic, political and social transformation - arguing that this has to be a work in progress; that there cannot be only one route when taking into account the diverse economic, political and cultural situations around the world.

Some of the chapters were originally speeches he gave to workers' organisations in Venezuela where, in 2004, he was an adviser in the Ministry for the Social Economy. There is a discussion of lessons learned from Yugoslavia's experiences in self-management in the mid-1900s; some analysis of neoclassical and neoliberal economics (he is professor emeritus of economics at Simon Fraser University

in Vancouver); his judgement of why social democracy failed to deliver on its early promises (he was provincial policy chair of Canada's social democratic Party, the NDP, 1972-5); plus his views on socialism as a process.

As socialists we recognize that as socialism requires a majority mandate the first task is human development, the "education" of the masses to the logic of socialism. It is also the case that, as there is no blueprint for socialism as such, we can imagine that the detailed structures of socialism in the different parts of the world (which won't have to be exactly the same) will become clearer the nearer we approach it. But Lebowitz envisages a transition when there will still be a government which would still have much work to do convincing hard and fast capitalist supporters, changing attitudes that will persist (patriarchy, racism, discrimination), and removing barriers (in health, education, living standards) which currently prevent the reaching of an equitable society.

His criticism of social democracy is that, when in government, it has been unwilling to mobilize people on behalf of such policies: "the central flaw in social democracy proposals for endogenous development is that they break neither ideologically nor politically with dependence upon capital" because to do so would necessitate "incorporating the mass of population that has so far been excluded from their share of the achievements of modern civilisation" and at the same time would unleash a host of enemies in the form of the international monetary institutions, imperial power and their forces of subversion plus those who monopolize the wealth and the land. Social democracy's greatest failing, he says, was its core belief that the only practicable policy was that tinkering with details, reforming piecemeal in the hope of putting a more humane face on capitalism, its failure to offer an alternative logic based on human beings to the logic of capital.

The logic of capital versus the need for human development is a thread that winds through each of the chapters which culminate with his observations on how the "Bolivarian revolution" (which he sees as the beginning of a possible transition to socialism) is developing, warts and all. His conclusion is that "there is nothing inevitable about whether the Bolivarian Revolution will succeed in building that new society or whether it will lapse into a new variety of capitalism with populist characteristics. Only struggle will determine this."

"A new variety of capitalism with

populist characteristics" would seem to be an apt description of Venezuela under Chavez, even if Lebowitz presents the best case that can be for the opposite view.

**JS**

## Hungry for Socialism?

**Hunger. By Raymond Tallis. Acumen, 2008.**

Raymond Tallis, a physician turned philosopher, has delivered a thoughtful if slightly anarchic book in The Art Of Living series. In 164 pages he discusses several different concepts and manifestations of hunger. Starting with the nature and evolution of biological hunger in animals and humans, he goes on to trace how the pleasure of meeting nutritional needs has spawned for humans a multitude of other pleasures.

The author looks at how the hunger for food develops into what he calls hunger for others. There comes, for at least some people, the hunger for meaning and significance. Tallis's final chapter "asks how we might manage our individual and collective hungers better so that we shall be less possessed by them and more concerned with the suffering of those to whom even subsistence is denied".

The author makes several references to Marx, mainly on the fetishism of commodities and humans producing their own means of subsistence, but he nowhere expresses a hunger for revolutionary change. He does, however, take issue with another philosopher, John Gray, for whom planet earth has been doomed by the arrogance of human beings ("Homo sapiens"). Tallis points out that when humans regard their species as no more than animals they are inclined to treat one another even worse than hitherto.

As the author notes, the world we live in demands that we consume many things beyond our bodily needs. It is "a world where many have little or nothing to eat while many more are eating far too much and are in hot pursuit of a multitude of secondary and elective hungers". Tallis doesn't talk about a socialist future but he does say a few words about utopia: "The central presupposition of utopian [is] that our hungers will somehow serve our fellow men and not set one against another, that there are fundamental desires that will drive us to work for the common good."

We drink to that!

**SRP**

## Meetings

### Manchester

Tour of Marx' and Engels' Manchester  
Saturday **11 October**

Meet by the ticket office at Victoria Station at 2pm

### Autumn Delegate Meeting

Saturday **18 October** 10.30 to 5.30  
Sunday **19 October** 11.00 to 5.00.  
Socialist Party Head Office, 52 Clapham High St, London SW4 (nearest tube: Clapham North).

### London

FILM NIGHTS

Sunday **26 October**, 4pm:

*Judgement Day: Intelligent Design on Trial.*

Sunday **26 October**, 4pm:

*The Corporation*

52 Clapham High Street.

(Nearest tube: Clapham North)

### Manchester

Monday **27 October**, 8.30pm

Discussion on The Priorities of Socialist Society

Unicorn, Church Street, City centre

*For details of meeting to launch the new Socialist Party pamphlet on the environment on Saturday 25 October see page 5.*

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## Green capitalism?

Thanks very much for your email of July 15 (with the article "Capitalism versus Nature", July *Socialist Standard*). Excellent article!

And I certainly agree with the broad thrust of your analysis, though I guess I would distinguish between capitalism as some monolithic entity incapable of any change, and the kind of capitalism which might (just!) be able to avoid coming into conflict with nature. Touch and go, I have

to admit, but I guess that's what I'm still working away at trying to test out.

JONATHON PORRITT

**Reply:** Reforming capitalism to serve the common interest has been tried before and has never worked. Our view is that it never will.— *Editors.*

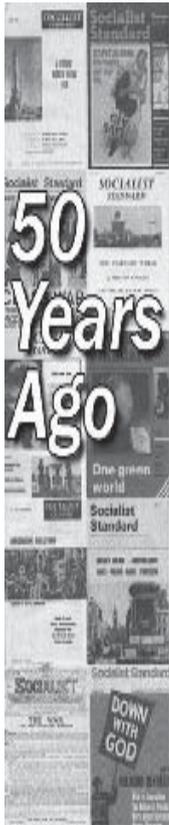
## Olympic Retrospect

I started watching the Olympics and at first was just taken by how

well the participants excelled in their particular activities. Then an unease about the whole show leaked through. The elitism, the flag waving and the full-on nationalism made me switch off. Better the athletes, etc had competed in the name of their multinational sponsors or pharmaceutical company than this hideous exhibition of national identity. Backed up by officials and commentators winding up the patriotic fervour, even that stupid chump Adrian Chiles and other media prostitutes, screaming for "their" country. Doubtless the same was happening in all the other countries' media. I expect the 1936 Olympics was much like this.

STUART GIBSON, Bournemouth

## Behind the Race Riots



RECENT DISTURBANCES in Nottingham and London have brought up the question of the attitude between people of different colour; as if there must always be a fundamental difference in outlook and conduct between people with differently coloured skins.

Although on the surface the feeling associated with the recent disturbances is anti-white and anti-colour, and the rougher elements on both sides have taken the opportunity to turn this feeling into an occasion for rioting, the origin of the feeling has a deeper cause than just anti-colour.

The origin of the conflicting attitudes is fundamentally economic. Out of economic relationships arise emotions that take many forms which do not appear to have any connection with the relationships and are transformed into a variety of beliefs; for example, the false belief in the mental and moral superiority of people with white skins.

The conditions of capitalism produce a mental, or intellectual, atmosphere in which many conflicting attitudes flourish and older attitudes are

modified. For instance, a pro-war and anti-war, a pro-religious and anti-religious, a pro-nationalist and anti-nationalist, and so on.

When the West Indians and Nigerians first came here in force there was no particular antipathy to them; there was only some amusement and admiration of their liveliness and colourful clothing, as well as the customary patronising attitude that is generally displayed towards any "foreigner," whatever his skin colour. Labour was scarce then and unemployment was practically non-existent. However, when unemployment began to grow and the housing question remained acute, sufferers, and prospective sufferers, looked around for something to blame their troubles on and newcomers, as always, appeared to them to be an obvious part cause of their sufferings. In these circumstances the general attitude towards coloured people began to change and they became scapegoats for a failure of capitalism to meet society's needs.

(from front page article by Gilmac, *Socialist Standard*, October 1958)

## Not Standard terminology?

I have long been impressed by the range and quality of writing in the *Socialist Standard*, but in "The Irish No" (September) Declan Ganley is described as a 'self-made millionaire' and reference is made to 'former Communist countries'. Unqualified use of such terms, repeated ad nauseam in the capitalist media, is surely something to be avoided in a socialist journal.

ROBERT STAFFORD, Norway

**Reply:** You're right of course. No millionaire is "self-made" as they get rich by exploiting workers. And the so-called "Communist" countries were not communist but state-capitalist. Apologies for the missing inverted commas.— *Editors*

## Declaration of Principles

*This declaration is the basis of our organisation and, because it is also an important historical document dating from the formation of the party in 1904, its original language has been retained.*

### Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

### Declaration of Principles

The Socialist Party of Great Britain holds

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.)

by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom,

the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.



# When You're Smiling...

It is likely that a lot of people would be noticeably happier if Gordon Brown would stop smiling. Those startling, carefully orchestrated facial arrangements – inflicted on soldiers in Afghanistan looking after the oil supply lines, on Olympic athletes calculating how much their status as gold medalists will be worth when they get back home, on bewildered parents taking their offspring for a quite sea-front stroll in Southwold – are not a pretty sight and convince nobody that the Prime Minister is relaxed and happy with his ability to grapple British capitalism out of its present crisis. Less disturbing would be the funereal countenance recently so characteristic of him..

To take the question further – what is there for Gordon Brown to smile about? Among the “experts” who expect to be trusted to correctly prescribe remedies for the ills of capitalism, there is general agreement that the situation can only get worse and that we are about to be overwhelmed by a slump. A couple of months ago no less a person than the governor of the Bank of England warned us that “The nice years of the 60s are over” – an assessment which would have impressed only those whose memories of those years – the boom and slump economy, the Cuba missile crisis, the war in Vietnam – are anything but “nice”. More recently Alistair Darling, Brown’s choice to succeed him as Chancellor of the Exchequer rocked the governmental boat when he declared, in an interview with the *Guardian*, that “The economic times we are facing are arguably the worst they’ve been in 60 years and I think it’s going to be more profound and long-lasting than people thought” and later, bemoaning Labour’s fall out of electoral favour “People are pissed off with us”.

## Resilient

Chancellors of the Exchequer are not supposed to be so frank about what goes on in the economy, so that Darling’s comments were open to being dismissed as a “gaffe” – which was in fact an admission that his comments were nearer the truth than Brown’s persistent assertion that the government has so effectively strengthened the British economy that it will weather the storm – unless the voters are so ungrateful that they put in a Tory government to undo all his good work. His government, Brown said, is “resilient” in the way it is dealing with the present problems (expect to hear more of “resilient” – it has all the hallmarks of a word essential to any Labour Party weasel with ambitions to slither up the greasy pole).

The best that Labour MPs can offer in this appalling situation is to grumble that it is all Brown’s fault; get rid of him, by whatever means, and things will get better. The most recent of these was, notably, the discarded, embittered ex-Home Secretary Charles Clarke. The intellectual contortions required in this come easily to the practised amnesiacs on the Labour benches but we should remem-



ber that it is not very long ago that these same representatives of the people were clamorous in their praise of Brown as the greatest Chancellor of the Exchequer in history. This was the leader whose superhuman powers had constructed an economy virtually free of unemployment, with an uninflatable price structure and interest rates so low that thousands were tempted to leap into the void of unaffordable mortgages. Now that those happy delusions have been blown away by cruel reality Labour is turning to the equally bankrupt notion that their party’s salvation lies in ridding itself of Brown. Adjustments like that are effective conditioning to the dishonesty inherent in trying to run British capitalism. The problem is that no leader can be any more successful, can cook the books, deny reality and deceive the voting people, any more effectively.

## Miliband

This will not prevent them persisting in their endless search for the unobtainable. And while they do this, each one will harbour, somewhere in their feverish self-assessment, the ambition that they are the ideal leader the party has been waiting for – the one with the insight and the power to succeed where historically everyone else



has failed. For their own peace of mind, it must be hoped that these delusions will not endure beyond one or two sleepless nights. David Miliband, possibly enjoying in his abrupt promotion to the heady, if cynically seamy, job of Foreign Secretary, recently let it be known that he is ready to accept the crown. In an article in the *Guardian* he began in the pose

as a fearless confronter of reality – although perhaps unsettling more stubbornly myopic Labour supporters – with the admission that “The odds are against us, no question” but then mollified those he had disturbed with a generous measure of re-assuring platitudes: “Every member of the Labour party carries with them the simple guiding mission on the membership card: to put power, wealth and opportunity in the hands of the many, and not the few” and later he expanded on this platitude with some more “...the challenge to society – to build a genuine sense of belonging and responsibility on the back of greater protection from outside risks and greater control of local issues”. Perhaps, in spite of this, Miliband will succeed to the leadership. But it will not take long for the surge of capitalist society to expose him as just another discredited politician.

This doleful procession of ecstatic expectations followed by rumbling doubts then exposure and rejection, seems to feed on a self-perpetuating energy originating in an apparently limitless capacity for working-class self-deception. There have been many victims of this, of eminent leaders fallen into the dustbin of history. Gordon Brown looks like being only the latest in this dismal line. How long can he keep smiling?

IVAN



# Voice from the Back

## A SOCIETY OF CONTRASTS

Everywhere you look today the contradictions of capitalism become more and more obvious. Great wealth alongside great poverty, starvation amidst plenty and a technology that makes space travel possible yet is unable to stop the destruction of war. Two recent examples of the obscenity of capitalism leapt from the pages of the media recently. "Caviar House & Prunier, on Piccadilly, has taken delivery of the Almas, a rare golden caviar once reserved for the Tsars of Russia. Despite the price - £920 for limited edition 50g tins - the shop claims a four-year waiting list."



(Times, 19 August) "The price of rat meat has quadrupled in Cambodia this year as inflation has put other meat beyond the reach of poor people, officials said on Wednesday. With consumer price inflation at 37 percent according to the latest central bank estimate, demand has pushed a kilogram of rat meat up to around 5,000 riel (69 pence) from 1,200 riel last year." (Yahoo News, 27 August) Does this system not disgust you? We must abolish it.

## MARX AND MODERNITY

Away back in 1867 Karl Marx in *Das Capital* explained how the so-called primitive accumulation of capital was based on robbery and murder. In Peru today a similar process is taking place. In Britain we had the highland clearances and the enclosure acts, in Peru it is the expulsion of the indigenous population. "Peru is considering sending in the army to break up protests by Amazonian Indians who claim the government is preparing a massive land grab in the country's remote jungles. ... The government has responded to an appeal for talks by declaring a state of emergency in three states and threatening protesters with military action. "Indigenous people are defending themselves against government aggression," said an Amazon Indian rights campaigner, Alberto Pizango. "This is not an ordinary or everyday demonstration. The Indians have told us they are not

afraid. If the government declares a state of emergency they prefer to die there and show that this government violates human rights." Relations between indigenous groups and the President Alan Garcia have become increasingly hostile as the government has sought to exploit what are thought to be rich oil and gas deposits in lands owned by Amazon Indians. Energy companies have pushed deep into supposedly protected areas in the past year, leading to clashes with some of the most remote tribal peoples left in the world." (Independent, 21 August)

## US GAP WIDENS

Socialists often meet with the argument that while capitalism may have been a terrible system in the past, with the awful gap between rich and poor, today we are gradually improving things and such inequalities no longer exists. So what do the anti-socialists make of these recent statistics? "The rich-poor gap also widened with the nation's top one percent now collecting 23 percent of total income, the biggest disparity since 1928, according to the Economic Policy Institute. One side statistic supplied by the IRS: there are now 47,000 Americans worth \$20 million or more, an all-time high." (San Francisco Chronicle, 2 September) Eighty years of reform and now the gap is even wider.



## BEHIND THE RHETORIC

Capitalist statesmen often speak of high ideals like freedom and democracy but behind the high-sounding rhetoric there is usually a harsh reality. A recent example was the US vice-president's speech in Georgia. "Speaking in Georgia on Thursday, Cheney slammed Russia's "illegitimate, unilateral attempt" to redraw the country's

borders and promised ongoing support for Georgia's efforts to join NATO. The Vice President's trip was accompanied by a \$1 billion aid package announced in Washington Wednesday, for the purpose of rebuilding Georgia's shattered economy and infrastructure. Upon arriving in Azerbaijan on Wednesday, Cheney told the people of that country and their neighbors in Georgia and Ukraine that "the United States has a deep and abiding interest in your well-being and security." Fine words indeed, but behind them was a more sordid reason than concern for the well-being of the Georgian citizens. "Vice President Dick Cheney, on a tour of former Soviet Republics, was working to shore up U.S. alliances in the wake of Russia's military humiliation of Georgia - a mission whose outcome could have profound consequences for Washington's efforts to maintain and expand the flow of oil and natural gas to the West while bypassing Russia." (Time, 4 September)

## THE INDIAN RUPEE TRICK

Many Asian countries are depicted as "third-world" where an undeveloped economy leaves millions starving, but here is an example of an Indian capitalist who has learned the trick

of exploiting workers to make a fortune." Vijay Mallya, the founder and chairman of fast-growing Kingfisher Airlines, launched his first international route yesterday linking Heathrow with India's IT capital Bangalore - a daily service that puts the carrier in head-to-head competition with BA. ... The father-of-three, ranked 476th in Fortune's list of the world's wealthiest people, has 26 homes around the world and 260 vintage cars. He made his fortune as chairman of Indian drinks group United Breweries, the Kingfisher-beer owner that last year acquired Scotch whisky maker Whyte & Mackay for \$595m." (Daily Telegraph, 5 September)

## Free Lunch

by Rigg



# socialist standard



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## Capital Punishment

Is this the long drop  
for capitalism?



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#### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 1 November** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.  
 tel: 020 7622 3811  
 e-mail: [spgb@worldsocialism.org](mailto:spgb@worldsocialism.org)

## Introducing The Socialist Party

The Socialist Party is like no other political party in Britain. It is made up of people who have joined together because we want to get rid of the profit system and establish real socialism. Our aim is to persuade others to become socialist and act for themselves, organising democratically and without leaders, to bring about the kind of society that we are advocating in this journal. We are solely concerned with building a movement of socialists for socialism. We are not a reformist party with a programme of policies to patch up capitalism.

We use every possible opportunity to make new socialists. We publish pamphlets and books, as well as CDs, DVDs and various other informative material. We also give talks and take part in debates; attend rallies, meetings and demos; run educational conferences; host internet discussion forums, make films presenting our ideas, and contest elections when practical. Socialist literature is available in Arabic, Bengali, Dutch, Esperanto, French, German, Italian, Polish, Spanish, Swedish and Turkish as well as English.

The more of you who join the Socialist Party the more we will be able to get our ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

The Socialist Party is an organisation of equals. There is no leader and there are no followers. So, if you are going to join we want you to be sure that you agree fully with what we stand for and that we are satisfied that you understand the case for socialism.

## Editorial

### Is capitalism crumbling?

Capitalism has never had such a bad press as the last few months. Countless commentators have given more than a passing consideration to the question, will capitalism collapse? Whilst this hopeful question could be expected to emanate from excitable journalists, and from the rump of what remains of the left-wing throughout the world, it should be noted that the likes of Bill Gates and Nicolas Sarkozy have been asking similar questions.

The real challenge to capitalism however is not so much a challenge to its ongoing operation – it will carry on in some shape or form regardless. The last few months are after all nothing other than a “market correction”, albeit a pretty big and widespread one. Rather, the challenge to capitalism is one that is of more interest to world socialists.

For us worthwhile social change cannot come about blindly in knee-jerk reaction to events, nor in the role of passive bystanders as events unfold around us. What has become crystal clear over the last few weeks is the extent to which the experts of capitalism, the self-styled “Masters of the Universe” were flying by the seat of their silk monogrammed pants, with little idea what they were actually buying and selling.

Genuine social change will require more than just restricting executives’ bonuses, or trying to improve regulation of the financial services sector, as many are calling for. Even when it is working right, even when it is booming, the market system fails miserably to do the one thing it claims as its unique selling point. Far from efficiently sending market signals

between supply and demand, between producer and consumer, the market system sends confused, unreliable and skewed information.

And of course there are some areas of demand that the economic system is just not interested in even supplying – because of the low profit returns available. World hunger is one example illustrating how the market operates on the basis of profit, not human need. There can surely be few clearer signs of the priorities of capitalism than the contrast between the painfully slow progress made to address world hunger over the last few decades, and the haste with which politicians around the world have responded to the banking crisis. The sums of money hastily committed to increase banks’ liquidity and stabilise the sector would – if used to meet real human needs – ensure not one person need die of hunger for the next 23 years.

Capitalism won’t collapse of its own accord. But for many millions it has never functioned to start with. Instead the market system must be dismantled intellectually, ideologically and democratically. A genuine alternative society must be agreed before capitalism can start to be dismantled in reality, with alternative mechanisms emerging to replace both the market and the state.

If we want to get rid of capitalism we will need to work at it. That’s why we exist: to try and help as one small part of that massive process. If you want to help out in that process – if you want to become humanity to become a “master” of its universe – then please make contact, and the sooner we may succeed.

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# Crisis? Which Crisis?

A RECENT EU study headed by a Deutsche bank economist reveals that global economic loss through deforestation is vastly greater than economic loss through the current crisis in the world's banks (*Nature loss 'dwarfs bank crisis'*, *BBC Online*, 10 October). The study puts the estimated annual loss at between 2 and \$5 trillion.

Graphs of consumption or growth trends almost all follow a hockey-stick trend, largely flat for a thousand years until 1900 and thereafter rising rapidly to nearly vertical today. These trends include consumption of water, paper, rainforest, ozone, fisheries, and increases of motor car production, population, CO<sub>2</sub> and global temperature, and species extinction. Not surprisingly, the trend for GDP follows the same pattern.

This is capitalism's normal modus operandi, regardless of banking crises. This relentless profit-driven growth goes on year in year out, without respite, and the trends climb higher and higher with no end in sight. The world is burning itself out in an apparently unstoppable quest for economic growth, and nobody seems able to do anything about it.

Scientists can only do so much by reporting the facts. For instance, they can show that the Earth can sustainably support just 200 million people in a North American lifestyle, a figure which is not even large to account for North America's present population. In answer to the much-loved argument that growth is the only way to lift the poor out of poverty, they can point to the fact that, during the 1990's, the poor's share of this growth was just 0.6 percent. According to this argument, for the poor to be even marginally better off, the rich have to become stupendously richer, so that "to get the poorest onto an income of just \$3 per day would require an impossible 15 planets' worth of biocapacity" (*New Scientist*, 18 October).

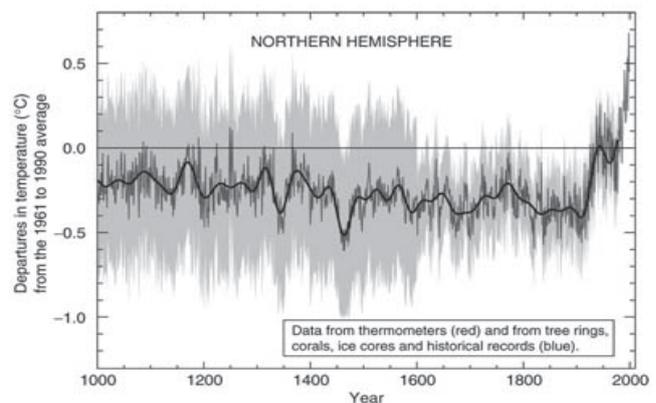
Governments of course are very good at ignoring facts they don't like. One scientist, Tim Jackson, professor of sustainable development at Surrey University, was accused by a UK treasury official of 'wanting to go back and live in caves'. Herman Daly, formerly senior economist for the World Bank, describes how the first draft of its 1992 World Development Report contained a diagram showing the economy as a simple rectangle, with an arrow going into it, labelled 'inputs' and another coming out labelled 'outputs'. When he pointed out that this implied that the inputs (resources etc) appeared to be coming from nowhere and the outputs (including waste) going nowhere, thus suggesting that the environment had infinite productive and absorptive capacities, the diagram was simply removed altogether from the draft. He remarks dryly that 'mainstream economists are mostly concerned with the [economic] organism's circulatory system ... while tending to ignore its digestive system.' (*New Scientist*, *ibid*).

The problem is that when scientists, for all the right reasons, try to get political, they don't seem to realise that they are in serious danger of reinventing wheels and using them to cycle over old ground. Worryingly, they show under-informed prejudices that any socialist can hear any night down their local boozier, to wit, that a global revolution against capitalism is utterly out of the question, and that even if it wasn't, it would be utterly undesirable. Here's Susan George on wealth ownership: "Must we organise world revolution ... to save Earth? Is there a single point of attack? If so, tell me the name of the tsar... Nor would anyone welcome the political systems that shrouded those vast areas where revolution did occur. Somehow... we need a third way between red-in-tooth-and-claw capitalism and

a worldwide uprising as unlikely as it is utopian." Showing a similar knee-jerk horror of what he imagines socialism to be, Yale environmentalist Gus Speth: "I'm not advocating state socialism, but I am advocating a non-socialist alternative to today's capitalism", while Daly maintains that "shifting from growth to development doesn't have to mean freezing in the dark under communist tyranny." (*New Scientist*, *ibid*).

So, having written off as utopia or tyranny any possibility of an alternative to the capitalist system, they are driven of course to consider how best to modify the system from within. What they are left with is a mishmash of reforms which have either been tried in the past (Keynesian inflationary investment), are even more utopian than the 'utopians' (scientists as technocrats dispensing orders to the wealth class), or contradict the internal boom-slump logic of capitalism (zero-growth 'steady state' capitalism), or would bankrupt by capital flight any country which first introduced them (various taxes). At best, the reforms wouldn't work. At worst, they could accelerate armageddon. If capitalism really could be run more equitably and sustainably, don't they imagine that it would already be running that way? No, they don't. They just seem to think that the correct solutions have somehow eluded the rest of us because we're not as smart as they are.

Still, all in all, it is undoubtedly a good thing that scientists are turning their attention to the question of free-market capitalism. They do at least have more credibility than politicians, priests or pop-idols, and one can only hope they don't squander it by failing to sort through their various ill-conceived assumptions and prejudices. After all, that's what the scientific method is supposed to be all about. The worst and most absurd assumption of all was always that science was somehow above politics, and that seems to be changing. What scientists need to do now however is recognise that they are latecomers to the political and economic debate, and that it is unhelpful to cloud the issues with careless ignorance of genuine socialist ideas, or to promote unworkable and possibly dangerous solutions which ignore capitalism's known behaviour. Most of all, they would do well to recognise the importance of class in the debate, and their own class position as workers. If they don't do that, they are always going to be so far behind other workers that they think they're in the lead.



*The original hockey stick. Figure 1(b) from the Intergovernmental Panel on Climate Change Third Assessment Report, 2001*

## My Cupboard is Bare

Dear Editors,

Gordon Brown was said to be a great economist. Whatever model he used to predict an end to boom-and-bust capitalism was wrong, however. His thinking was worse than one who thinks-not. Recently he stated that Labour were committed to reducing poverty at the same time as he doubled the income-tax burden on the poorest earners in society. In Manchester he said this was a "mistake". Are we to take it that the man is simply an idiot? No, he is not an idiot, but a man is revealed by his work. Like most in his position his primary interest is in the retention of power and privilege. The working-poor, whose income-tax he doubled, do not bother voting, (as he knows) for we, the low-paid, realise that there is no-one worth voting-for.

There is no important difference for us, the drivers of buses, the cleaners of houses, the makers of windows, the maintainers of property, the workers in offices, all the low-paid working-men and women of this country, between the Labour and Conservative Parties. What politicians call spin we call bullshit and we want no part of it. Middle-England, on middle incomes, voted Labour into power, and for that voting-base income-tax was reduced in an attempt to retain support for Labour. The books were balanced at the expense of the worst-off, without risk of making the Labour Party worse-off. It was no "mistake", but rather a ploy so transparent that at the next election even fewer of the ordinary hard-working women and men of this country will bother to vote. The real "mistake" made was that of a government without ideology which assumes those of us who vote-not, think-not.

The front page of the *Guardian* (30 September) reported that "opposition from ordinary Americans killed the bill" to bail-out their failing banks. Over here, we are repeatedly told by the chancellor that the economic cupboard is bare. This is certainly true of my cupboard. Yet the cupboards in the homes, second homes and yachts of those who have caused and profited-from the banking crisis overflow. If the British government makes yet another "mistake" of having ordinary hard-working British citizens bail-out British banks and the greedy millionaires who helped cause the problem it will be one mistake too far and I for one may be looking to my pitchfork rather than

the ballot-box. Somehow I do not think I will be alone.

**STEPHEN HAIGH, Barnsley.**

We trust that your threat to use your pitchfork rather than your vote is just poetic licence. – *Editors.*

## Language

Dear Editors

I read with interest your article on Belgium (September *Socialist Standard*). It is also of interest to socialists to note how the ruling classes in Belgium used and in some instances continue to us language to divide and rule. By forcing the majority of Flemish (Dutch) speakers to speak French in education matters and totally ignoring the small minority of German speakers in the East around Eupen they managed to get workers at each others throats just by virtue of the fact that they spoke a different language.

Whether socialist society decides to use English, Spanish, Chinese, Esperanto or any other language as a means of communicating with places which speak a different language will be entirely a matter for the people concerned to decide and will not be imposed by the ruling classes. What is for sure is that in socialism all people will be free to speak and learn whichever language(s) they chose. And I dare venture to say that the enjoyment and pleasure gained by learning a new language because you choose to will be immense compared e.g. to the occupants of a country being forced to learn and/or use the language of someone else choice e.g. British colonies being forced to speak English, state capitalist occupied Czechoslovakia being forced to learn Russian or Hungarian speakers in current Romania being forced to speak Romanian in the Ceaucescu state capitalist dictatorship.

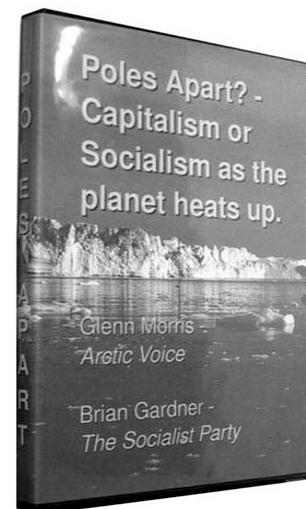
Of course some people in socialism may choose to speak only their own native language(s) and rely on a phrase book if they decide to travel, what is for sure is that that will be a personal choice rather than one forced by economic necessity as in capitalism e.g. Polish speakers being forced to speak and learn English if they want to work in the UK (economic migrants). Of course in socialism people will be free to choose where they want to live and work but that choice will be a matter of personal preference rather than economics driven.

Language of course also plays a part in that scourge of the working classes, religion. Much of the church's hang up about sex probably derives from young lady being erroneously translated as virgin at some point in history. Also they were as thorough as any East German Stasi thug in preventing information getting to where it could harm them. People were burned at stake for the "crime" of publishing or possessing bibles in the English language at a time when literacy was not widespread. So afraid were they that the bible should be stripped of its mystique if common people who didn't speak Latin could read it in their own patois.

**COLIN BROWN, Grantham**

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# The War Business

*Why do capitalist states prepare for and wage war?*

**A**s we socialists never tire of pointing out, the primary function of military power in capitalism is to protect and expand control over resources, markets and transport routes on behalf of the capitalist class of the country concerned. However, the costs and risks that wars and armaments entail for the capitalists themselves often outweigh the benefits to them.

For example, while the U.S. did have real interests at stake in Vietnam in the 1960s and 1970s, those interests were hardly commensurate with the enormous costs of the war it was waging there. Growing awareness of this fact within the capitalist class eventually led to withdrawal.

In other words, states have a tendency to act in ways that appear to be irrational even in terms of the capitalist interests that they are supposed to represent.

## War – a capitalist enterprise

There are various reasons for this apparent irrationality. But the main reason is this. War is not only a service that the state provides to the national capitalist class *as a whole*. War is also – and increasingly – a massive capitalist enterprise in its own right, a “war business” that wields considerable political clout and has special interests of its own.

The core of the war business, of course, is the so-called military-industrial complex. Arms manufacturers, like other capitalist firms, seek to maximise their profits. It does not concern them whether the weapons they sell have a cogent strategic rationale.

The military-industrial complex has a direct interest not only in the build-up of armaments but in war itself. War is the only way of testing weaponry under battlefield conditions. It uses up and destroys old stocks that then have to be replaced – rearmament is now, for instance, the top priority of the Georgian government – and stimulates demand in general.

But nowadays arms firms are not the only large-scale “merchants of death.” Companies like Blackwater sell combat capability directly as the labour of hired mercenaries. Other

companies, such as Halliburton, sell logistics and other war support services.

## Resource wars, “strategic” wars

The argument is not that *all* armed conflicts are irrational in terms of the costs and benefits accruing to national capital. Some undoubtedly make good sense in these terms, as when valuable resources can be acquired at moderate expense. One example might be the “cod wars” of the 1970s between Britain and Iceland over fishing rights in the North Atlantic. Another, perhaps, is the ongoing conflict over the Spratly Islands in the South China Sea, whose

unable to prevail against the political stranglehold of Israel’s military-industrial complex.

The nature of the wars that the US and its allies are currently fighting in Iraq, Afghanistan and Pakistan is less clear-cut. Control of resources, markets and transport routes is certainly an important factor, especially in Iraq, but the likely outcome is hardly such as to justify the enormous costs involved. While the ultimate motive for war may be to arrest the decline in the competitive position of the US in the world economy, the actual effect is to accelerate that decline (see May “Material World”).



## Capitalism and war: two models

So we end up with two contrasting models of the relationship between capitalism and war. In the first model, war appears as an instrument in the hands of the state, which acts as the “executive committee of the (national) capitalist class as a whole” (Marx). The second model, unlike the first, takes into account the fact that war is evolving from an instrument at the service of the national capitalist class as a whole into a capitalist enterprise in its own right -- what we might call the war business. The war business has special capitalist interests of its own, so it cannot function simply as an instrument of more general capitalist interests.

Does the first model represent capitalism in its “normal” form, while the second model represents an “abnormal” ultra-militaristic mutation of the capitalist system? Is the first model rational, in capitalist if not in human terms, while the second model is irrational? At first sight that seems reasonable.

But is there in fact any good reason to regard one model as any more irrational than the other? Each model represents a possible variant of capitalism and a possible form of capitalist rationality. The difference is that the first model assumes the existence of such a thing as “national capital as a whole,” while the second model envisions only separate capitalist enterprises. Some firms sell sausages, some sell computers – and some sell war.

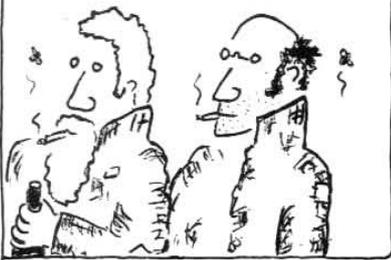
**STEFAN**

oil and gas deposits are coveted by China, Taiwan, Vietnam, the Philippines and Malaysia.

At the other extreme, some wars have no discernible connection with the control of markets and resources. The recent war in Georgia was in this category (see October “Material World”). Although important oil and gas pipelines run through the south of the country, Russia did not contest control over them. Russia’s rationale for war was “strategic” – that is, getting into a better position to fight future wars.

Again, Israel’s wars are senseless from the point of view of the Israeli capitalist class as a whole, which has a clear interest in a peace settlement that will give it full access to the markets and cheap labour of the Middle East. This interest, however, seems

# IRE OF THE IRATE ITINERANT...



IT'S THE ACCEPTED WISDOM NOWADAYS THAT FREE MARKET CAPITALISM IS THE ONLY VIABLE ECONOMIC ROUTE.



COMMUNISM WAS TRIED IN EASTERN EUROPE, - A KIND OF SOCIALISM-LITE WAS TRIED IN WESTERN EUROPE. BOTH FAILED. AGAINST BASIC HUMAN NATURE, YOU SEE...



OH, THE SOCIOBIOLOGISTS AND THE EVOLUTIONARY PSYCHOLOGISTS HAVE PROVED IT. APPARENTLY... WE ARE INNATELY SELFISH.



Y'KNOW IF THAT'S ALL THAT SCIENCE CAN TELL US, MAKES YOU ALMOST WANT TO GET RELIGION... ...WELL ALMOST.

SO, CAPITALISM IS ALL WE GOT. WE ARE ALL CONSUMERS NOW. AND IF WE DON'T CONSUME, IF WE STOP BUYING ALL THAT CRAP WE DON'T REALLY NEED, THEN THE ECONOMY GOES INTO A RECESSION... BAD NEWS. EVERYBODY BROKE.



WE'VE GOT TO KEEP ON CONSUMING, KEEP ON SPENDING. EVEN IF IT'S ALL ON CREDIT CARDS.

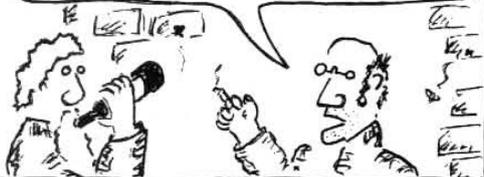


EVEN IF ALL THAT JUNK WE BUY IS MADE IN SOME FAR-EASTERN SWEAT SHOP AND THEN TRANSPORTED HALF WAY AROUND THE WORLD'S OCEANS...

FAIR TRADE? PHOEY. CAPITALISM IS NEVER FAIR. THAT'S THE WHOLE POINT OF IT! AND MAKE POVERTY HISTORY? HA! YOU NEED AN ARMY OF POOR, DESPERATE PEOPLE TO WORK THOSE SWEATSHOPS, KEEP OUR PRICES DOWN HERE IN THE WEST...



AND YOU KNOW THE WORST THING? WHEN THE POWERS THAT BE START PREACHING TO US ABOUT GREEN ISSUES, - 'RECYCLE' 'DON'T OVERFILL THE KETTLE' 'TURN THAT LIGHT OFF' ... BUT PLEASE, KEEP ON CONSUMING! THE ECONOMIC GROWTH FIGURES DEPEND ON YOU...



...WE MIGHT FALL BEHIND OUR MAJOR COMPETITORS... GOD FORBID!!

FANCY A DRINK?

NAH, I NEVER DRINK PAINT STRIPPER BEFORE 11:00 AM. GOT TO HAVE SOME SELF RESPECT...





## BABY, IT'S COLD INSIDE

"The number of households in fuel poverty in the UK rose to 3.5 million in 2006, government figures show. The figures from the Department for Environment and the Department for Business show this is an increase of one million on 2005 levels. Fuel poverty is defined as households who spend more than 10% of their income on fuel. The Unite union said thousands more people are likely to suffer from fuel poverty this winter. The figures include around 2.75 million homes classed as "vulnerable" – containing a child, elderly person or someone with a long-term illness. The number of homes in fuel poverty in England rose from 1.5 million in 2005 to 2.4 million in 2006, including an extra 700,000 vulnerable households." (BBC News, 2 October)

## GOT IT? FLAUNT IT!

"While most of us are tightening our belts, they are planning to increase spending, taking advantage of the falling price of everything from property to private jets. About 80% of those worth £50m or more plan to spend more this year, according to a survey by the US-based wealth analysts Prince & Associates. Take Alwaleed. The small fortune he dropped on the Airbus is, it turns out, pocket change. The 53-year-old

recently bought the Savoy hotel in London for £250m and is spending a further £100m giving the grande dame of the Thames the kind of makeover that would make Demi Moore blush. He is also doing up his other favourite five-star bolt holes, the George V in Paris and the Plaza in New York. But there's no place like home. His £500m palace in Riyadh is constantly being remodelled and enlarged. At the last count it had 317 rooms, including 20 kitchens that can cater for up to 1,000 people." (Times, 21 September)

## WORLD HUNGER WORSENS

"Global numbers afflicted by acute hunger rose from 850 million to 925 million by the start of this year because of rising prices, the head of the UN Food and Agriculture Organisation said Wednesday. The number of people suffering from malnutrition, before the worst effects of global price rises, 'rose just in 2007 by 75 million,' Jacques Diouf, director-general of the Rome-based agency, told an Italian parliament committee,

according to ANSA news agency. An FAO prices index showed global food price rises of 12 percent in 2006, 24 percent in 2007 and 50 percent over the first eight months of 2008, Diouf added – suggesting the number affected is likely to top one billion by the end of the year. 'Thirty billion dollars per year must be invested to double food production and eliminate hunger,' Diouf said, calling the figure 'modest' in comparison with the amount many countries spend on arms and agriculture." (Yahoo News, 17 September)

## A FRIGHTENING FUTURE

"Pentagon officials have prepared a new estimate for defense spending that is \$450 billion more over the next five years than previously announced figures. The new estimate, which the Pentagon plans to release shortly before President Bush leaves

office, would serve as a marker for the new president and is meant to place pressure on him to either drastically increase the size of the defense budget or defend any reluctance to do so, according to several former senior budget officials who are close to the discussions." (CQ Today, 9 October)

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## Cooking the Books 1

# God and the Market

Commenting on the current world financial crisis former 1968 student leader and now a Green MEP, Daniel Cohn Bendit, said that "the belief that the market is god is over" (*Guardian*, 17 September). Someone who should

now more about God, the Archbishop of Canterbury, hopes this is so as he thinks that the Market has become a rival to his god.

In an article in the *Spectator* (26 September) Dr Rowan Williams in effect accused "market fundamentalists" of breaking the First Commandment – "Thou shalt have no other gods before me". He even called in Marx to back up this charge of idol worship:

"Marx long ago observed the way in which unbridled capitalism became a kind of mythology, ascribing reality, power and agency to things that had no life in themselves; he was right about that, if about little else. And ascribing independent reality to what you have in fact made yourself is a perfect definition of what the Jewish and Christian Scriptures call idolatry."

Dr Williams is said to be a learned man and he is right: Marx did see capital as the product of human labour which had come to dominate those who produced it (except that he saw this as applying to capitalism in general not just to "unbridled capitalism").

This was in fact his whole "critique of political economy" (the subtitle of *Capital*), that the economic laws of capitalism were not the natural laws that Adam Smith, David Ricardo, the Rev Thomas Malthus, John Stuart Mill and the others thought but forces that came into operation only because society was organised in a particular way. Market forces were the result of human activity which had escaped from human control and which had come to dominate them as if they were a natural force.

Dr Williams may also be aware that here Marx was applying to economics the theory that Ludwig Feuerbach had applied to religion in his 1841 *The Essence of Christianity*. Feuerbach argued that, far from God making man in his own image, it was the other way round. Humans made God in their image and attributed to him the powers which they collectively possessed, and then bowed down and worshipped this figment of their imagination. If humans were to realise this and take their own destiny in hand there would be no need for God or religion. So, according to Feuerbach, the Archbishop's god was also an idol.

The Archbishop was getting a dig at Marx in when he said he said he was right about this "if about little else". But Marx once made a harsh comment about the Church of England, writing in the Preface to the first edition of *Capital*, that it would "more readily pardon an attack on 38 of its 39 articles than on 1/39 of its income".

It is interesting to speculate what the one article it would keep might be. At one time it would have been obvious – Article 38 that "the riches and goods of Christians are not common, as touching the right, title, and possession of the same, as certain Anabaptists do falsely boast . . ." If he keeps on reading Marx maybe the Archbishop might be prepared to abandon this one too.

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# Crisis and Inflation: Back to the Future?

*Gordon Brown claimed that he had ended the boom and bust cycle. The current economic crisis demonstrates that normal service has been resumed.*

It is one of the ironies of our times that the election of 'New Labour' in 1997 was meant to have left 'Old Labour' and everything connected with it behind. The popular perception (first outside the Labour Party and then inside it) was that Old Labour meant nationalisation, inflation, labour unrest, and a host of other negative experiences that were associated with life in the 1970s. Gordon Brown was the New Labour 'iron chancellor' who had left all this behind, created a low inflation environment and abolished boom and bust.

The current economic crisis has demonstrated that normal service has been resumed. Unemployment is on the up (no Labour government has ever left office with unemployment lower than when it was elected), the financial sector is in turmoil, price rises are at their highest level in years, and state sector

wage restraint means that the unions are (understandably) grumbling.

One of the interesting things about capitalism is the way in which when the economy is booming an economic consensus of sorts has a tendency to break out. The general support for Keynesian economics that developed during the long boom of the 1950s and 60s was famously labelled 'Butskellism' by the *Economist* after Tory Chancellor Rab Butler and his Labour shadow, Hugh Gaitskell. In recent years there has been a similar consensus of opinion even if the Labour and Tory parties don't like to admit it explicitly – it is almost as if when the economy goes well they are afraid to do anything too different, lest they upset the magic formula in the process.

#### **Psychological blow**

What happens when an unexpected

economic crisis breaks out is that politicians, central bankers and pundits all realise that perhaps the magic formula didn't work after all. The realisation in the 1970s that Keynesian economics didn't really work was a psychological and philosophical blow that some never recovered from, and its replacement by something loosely called 'monetarism' was never entirely accepted even by those on the political right who had been most well-disposed towards it.

After a series of crises in the 1970s was followed by the big recession of the early 1980s, and then the recession of the early 1990s, another long boom occurred and with it the latest economic consensus. There was little if any new thinking to underpin it – it was merely a pragmatic amalgam of vague aspects of 'monetarist' practice with some left-over bits of Keynesian theory. For the politicians and economists, these

had emerged by default because they were the bits of these two theories that hadn't been transparently discredited to the satisfaction of all concerned by the preceding crises and recessions. There is no better example of this dubious consensus than current thinking on the (interlinked) issues of inflation and interest rates.

The persistent rises in the price level that have occurred in the UK and most of the developed world since the Second World War have exercised the minds of politicians and economists in the decades since, and various explanations have been put forward to account for it: wage increases above rises in productivity, excessive government spending, high government borrowing, the expansion of credit, and many others besides. In the 1970s and 80s a highly contentious explanation for it was advanced by Professor Milton Friedman and was adopted by the Thatcher government in the UK: the aforementioned 'monetarism'. Loosely, this was the view that inflation is caused by an overly rapid expansion of the money supply that increases monetary demand for goods and services in the economy and pulls up prices. It was often linked or integrated with other views, such as inflation being caused by government borrowing (with government borrowing and money supply expansion allegedly being correlated).

The problem for the Thatcher government's monetarist anti-inflation strategy was that the main definitions of the money supply chosen for the purposes of monitoring monetary expansion were erroneously based on bank deposits. And there was no reliable way they knew of to control their expansion and contraction anyway. Ironically for a Party concerned by government borrowing levels, one method they resorted to was 'overfunding', described by Thatcher as when 'the Government sought to reduce private bank deposits . . . by selling greater amounts of public debt than were required merely to finance its own deficit' (*The Downing Street Years*, p.695).

When this and other anti-inflationary tactics didn't work, the eventual method settled upon by Thatcher and her Chancellor Nigel Lawson was to use interest rates as a policy instrument. In her memoirs, Thatcher stated that in her view 'the only effective way to control inflation is by using interest rates to control the money supply' (p.690) and this was one of the main reasons Thatcher and Lawson famously disagreed towards the end of her reign, because he began to use interest rates as a means of tracking the Deutschmark in the European Exchange Rate Mechanism (ERM) instead.

#### **Brown follows Thatcher**

It is notable that interest rates have

been used as the main policy instrument for controlling inflation ever since, by the governments of Major, Blair and now Brown. This is despite the fact that as a policy it not only arose by default, but has little to practically recommend it. The theory is that when interest rates rise, people borrow less and cut their spending. But this only takes into account one aspect of what happens. Interest rates are the price of borrowing and lending money and when interest rates rise, lenders are affected just as positively as borrowers are affected negatively. A movement in interest



rates changes the terms of the relationship between borrowers and lenders in an economy and can create a short term economic disturbance, but it does not affect the level of purchasing power as a whole and can have no significant and persistent effect on the price level (for example, while those with mortgages and other loans are disadvantaged by higher interest rates, those with savings, interest-bearing investments, etc gain to a similar overall extent).

That raising interest rates cannot halt inflation – or even slow its rate of growth – has been demonstrated by a close look at economic history. During the time when Thatcher was Prime Minister the Minimum Lending Rate (as it was then called) for the banks rose from 9 per cent in 1988 to 15 per cent in 1989 yet the Retail Price Index (RPI) increased considerably across the entire period, having an average annual rate of 4.1 per cent in 1987 that had become 9.5 per cent by 1990.

If that was considered a 'fluke' it has just been repeated, as the UK economy under Gordon Brown has just experienced a similar situation. Base rates reached a recent low of 3.5 per cent in mid 2003 and were progressively raised to 5.75 per cent last year. Yet throughout this time, the RPI has crept up from a recent historic low of well under 2 per cent in 2002 to around 5 per cent now, the highest it has been since Thatcher left office in 1990.

These two examples reflect what really happens when an economy experi-

ences price rises – which is that instead of interest rates influencing price rises *it is effectively the other way around*. Banks make their profits generally by lending money out at a higher rate than they borrowed it at, being concerned with the 'real rate of interest' after inflation is taken into account – and rates tend to rise in order to protect these banking margins (the contrary idea of the 'credit creationists' that banks make profits not by doing this but by effectively creating money out of nothing instead, should never have been taken seriously, and is in present circumstances beyond risible).

#### **Stagflation**

The current rise in the RPI in the UK coupled with the economic crisis has led some economists to argue that capitalism is about to be gripped by the kind of 'stagflation' that existed in the 1970s, so called because economic stagnation coincided with rising prices. With the credit crunch biting and the financial apparatus of capitalism in turmoil, unemployment is now on the rise and growth has come to a standstill, at best.

In the nineteenth century, when the study of economics developed seriously and Karl Marx developed his critique of it, persistent inflation (and therefore the possibility of stagflation) hadn't occurred at all after the Napoleonic War ended. Instead, prices generally tended to rise during booms and then fall away during slumps when demand was lower, and price charts from this period show the cyclical ebbs and flows quite clearly, both in Britain and abroad. By the start of the First World War in 1914, for instance, the overall price level was almost identical to what it had been in 1850.

This general tendency for prices to rise during times of economic prosperity and then fall back when there is economic contraction is still evident today. However, it is disguised by something that only existed episodically before the Second World War, after which it has been a permanent feature – currency inflation.

Since the beginning of the war, the price level has risen every single year and is well over 30 times its 1938 level. The cause of this persistent rise in the price level has been an excess issue of currency (specifically currency that is no longer convertible into an underlying commodity like gold). This is because while interest rates and movements in wages and profits, etc change the distribution of purchasing power in the economy, they do not – of themselves – increase the total amount. An excess issue of notes and coins in circulation does precisely this if it is over and above the amount needed to carry on production and trade.

An over-issue of currency injects

purchasing power into the economy which is not reflective of real wealth generation; put simply, it is too much money circulating given the level of production of goods and services (and the trade associated with buying and selling them). Before this truth was lost in a fog of now discredited economic theories, inflation was routinely called 'currency inflation', to reflect this. And on the occasions it occurred governments could – and did – put a stop to it, like when they withdrew the then significant sum of £66 million in notes and coins from circulation in 1920, which led to a fall in the general price level of around 30 per cent, before the return to the gold standard in 1925.

### Printing presses

In 1938 there was £442 million in notes and coins outside of the Bank of England circulating in the UK economy. Economic growth since then has averaged around two and a half per cent a year (typically going up more than this in booms and down in slumps) yet the amount of notes and coins in circulation has persistently increased far beyond what has been needed for the purposes of production and trade. Today, according to the Bank of England, notes and coins in circulation stand at £50,370 million, up from £47,800 million a year earlier, as the inflationary process that started in the late 1930s has continued apace. This is why, unlike in the nineteenth century when slumps led to overall price declines, prices have risen every single year since the war whether the economy has been in boom or slump (because while slumps have put downward pressure on prices this has always been outweighed by the effects of the ongoing currency inflation).

It is true that for some years prices rises in the UK and other countries – while still positive and persistent – haven't been at quite the levels seen in the 1970s, 80s and early 90s. The main reason for this appears to have been the entry into the world market of vast amounts of low cost goods produced by the massive emerging market economies of the Far East, including China. As rising productivity lowers the amount of labour time necessary to produce goods, this phenomenon is to be expected, and its scale in recent years has been colossal with massive price falls in clothing and leisure goods like electricals according to the Office for National Statistics (prices of many goods have fallen by between a quarter and a half in the last 10 years). Without this effect, overall rises in the basket of goods that comprise the RPI measurement would have been higher still, as has been evidenced by the continuing big price increases of goods not directly affected by this phenomenon, such as fares, catering and leisure services.

What's happened over the last couple of years is that this low-cost goods effect has started to lessen because of the world economic boom that built up, especially in commodities like oil, metals, wheat, and so on. The persistent, ongoing currency inflation plus the effects of this well-documented commodities 'bull market' have meant large price rises are once more a major policy



*Bust again: the Credit Crunch*

concern (in the 1970s, when price rises took off and peaked at nearly 27 per cent in 1976, this again was a combination of the background effect of currency inflation with a massive bull market in commodities like oil).

### One club golfers

Here lies a big current problem for Gordon Brown and other world leaders, and in some cases the central bankers to whom they have devolved responsibility. Unaware of the real cause of inflation, which has been lost in the mists of time, they have reached a stage – more by default than design in some respects – whereby they have only one policy instrument to deal with inflationary pressures (raising interest rates) and one main policy instrument to deal with a declining economy drowning in debt (lowering interest rates). When asked to deal with the two problems simultaneously, they have only confusion, as the two solutions they would have proposed are mutually exclusive of one another.

In reality, such have been the problems on the money markets and the declines in the stock markets in recent weeks – and such is the evidence that the credit crunch is now having a significant effect on the real economy – they have belatedly decided to lower central bank base rates as the lesser of the two evils.

What is germane to this is that in the nineteenth century, Marx wrote that while the market economy's periodic crises and convulsions cannot be eradicated through government policy, there are occasions when it can make

matters worse (he cited, in particular, the 1844 Bank Act which kept interest rates abnormally high). This is in some respects the history of recent times too, as after the credit crunch began last summer base rates have been higher than they might have been because of the view of governments and central bankers that high rates were needed to stave off inflationary pressures.

During any slump, interest rates tend to fall away from their peak reached at the end of the boom as the demand for money capital eases, this being one of the many conditions for an eventual improvement in production and trade, but on this occasion it has been slow happening (especially given the severity of the housing bust and the associated financial crisis). The irony now is that such is the magnitude of this crisis, with a major bank filing for bankruptcy or being rescued almost literally every week (Bear Stearns, Lehman Brothers, Wachovia, Fortis, Bradford and Bingley, HBOS, the entire Icelandic banking system, etc) that wherever central banks decide to pitch base rates, these are being effectively ignored by the banking system as a whole, where the key London Inter-Bank Offered Rate ('Libor') is still nearly two per cent above base rates with the credit markets locked into a state of fear-driven paralysis.

The severity of the current crisis, with big falls in demand in the economy and increasing unemployment, may well lead to pressure on retail prices easing somewhat despite the government's continuing recourse to the printing presses. But whether this happens or not, there is a sense of real danger and panic in the market economy at the moment as the lubrication that keeps the capitalist machine running – the money markets – are dysfunctional.

So, with inflation concerns (and no clue how to handle them), the effects of a recent oil price spike, stock market crashes, soaring unemployment, the most significant financial crisis in most people's lifetimes, and the return of nationalisation as a means of propping-up failing businesses, it is certainly a case of 'back to the future' for Britain's Labour government.

Most market commentators don't know whether the most appropriate comparison is with the 1930s slump after the Wall Street Crash or the 1973-4 UK secondary banking crisis and bear market which followed the 'Barber Boom' and housing bubble. While capitalism never repeats its history precisely, it may be an especially severe dose of the latter rather than the former ... nevertheless, given the general panic and helplessness of recent weeks, you wouldn't want to bet your Collateralised Debt Obligations on it.

**DAP**

# The end of “neoliberalism”?

What the critics of “neoliberalism” want is a “regulated capitalism”, but they are not the only ones.

Let us”, President Sarkozy of France told the UN on 23 September, “rebuild together a regulated capitalism in which whole swathes of financial activity are not left to the sole judgment of market operators, in which banks do their job, which is to finance economic development rather than engage in speculation.”

This would normally be regarded as a position taken up by leftwing critics of what they call “neoliberalism”. Thus Green Party MEP Caroline Lucas, when asked for her views on the global financial crisis by the *Guardian* (17 September), answered that “we are going to have to return finance to its role as servant rather than master of the global economy”.

Neoliberalism is not a word that Sarkozy would use. In fact, when he was elected President in May last year he was widely seen as France’s equivalent of Mrs Thatcher. But then “regulated capitalism” is not how Greens and the other critics of free-market capitalism would describe what they stand for either.

Neoliberalism is a term coined by opponents of the policies pursued by many governments since the 1980s of privatisation and deregulation, of allowing market forces to operate with less state interference. “Neo” because it was seen as a revival of the anti-state, laissez-faire philosophy of 19th century liberalism. As supporters of these policies often call them simply “capitalism”, some opponents also presented themselves as “anti-capitalist”.

But this is a false distinction. Capitalism is not just private enterprise, free market capitalism. That is just one of the forms it has taken historically. To see this as the only form of capitalism, and therefore to use the term “capitalism” to refer to it only, is to ignore two important experiences of the last century: the nationalisation measures carried out by Labour and Social Democrat (and other) governments, and of course what existed in the ex-USSR and its satellites. Capitalism, in other words, can also take the form of state capitalism.

The essence of capitalism is not any form of ownership – whether legal property rights vested in individuals or companies, or state property from which bondholders draw a legalised income, or state property where a bureaucratic elite exercises a de facto control of it. Capitalism is indeed based on the exercise of a monopoly over the means of production by a minority, but so have other class societies such as ancient slave society, feudalism and oriental despotism.

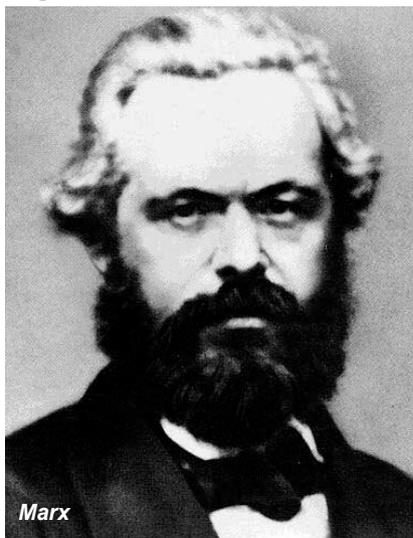
What distinguishes capitalism from them is the way in which the producing class is exploited – via the wages system. Denied free access to the means of production, the vast majority of the population are forced to sell their working abilities – what Marx called their “labour power”

– to an employer for a wage or a salary. Labour-power has the unique property of being able to produce a greater value than its own, but the employers have to pay only the value of the labour-power not the total value it produces. Marx called the value which workers produced over and above their wages, and which went to the employer, “surplus value”.

Capitalism is this economic mechanism of the extraction of surplus value from the wage-labour of the producing class and of the accumulation of most of it as new capital. Marx called it “the self-expansion of value”. Capitalism is an economic mechanism rather than a form of property ownership, a mechanism which is in fact compatible with various different forms of ownership. Wherever there is the exploitation of wage-labour for surplus value, there there is capitalism. Which is why the ex-USSR where there was state property and a strongly regulated



Sarkozy



Marx

market was still (state) capitalist.

In any event free market capitalism without any state regulation has only ever existed on paper. Capitalism and the state are not opposites or incompatibles. They have always co-existed and in fact capitalism could not have come into existence or survived without the support of the state. It was the state that helped dispossess peasants of their land so that they became factory fodder for the capitalist factory owners. It is the state that creates and enforces private property rights, without which the capitalist class would not be able to monopolise the means of production and extract surplus value from the wage-labour of their employees. The predominant form of capitalist enterprise – the limited liability company – is in fact entirely the creation of the state. The state has to issue the currency and set up bodies to interpret and enforce commercial contracts. It has to maintain armed forces, both to keep law and order internally and to protect and further the interests of the capitalist class abroad. It has to set up bodies to make laws and regulations at national and local level and other bodies to apply, police and enforce them. All these activities essential to the functioning of capitalism have to be paid for. So the state has to levy taxes.

There is, then, no such thing as capitalism without the state. That said, there are still degrees of state regulation at different times and in different countries. The state is supposed to represent the general capitalist interest, but in practice is subject to all sorts of lobbying and pressures from special interest groups who want it to make laws and regulations in their interest, to which it often gives in.

From time to time, however, the state does genu-

continued on page 22

# Good Cap, Bad Cap

*The credit crisis has tarnished the image of capitalism but its defenders may help it live on by pinning all of the blame on financiers.*

Investment bankers have gone in the past few months from being the “masters of the universe” to the object of universal scorn. Across the political spectrum in the United States, particularly at the fraying ends of its two main political parties, criticism of Wall Street can be heard. Even McCain and Obama – whose presidential campaigns have been generously funded by Wall Street – have had to make half-hearted statements about how “greed is, um, bad.”

This criticism is richly deserved, of course, but many of the harshest critics of speculators are fond of capitalism itself and take a rather benevolent view towards other types of capitalists. Greedy bankers and stockbrokers are lambasted, but in the next breath the capitalists involved in the actual production and sale of commodities are portrayed as unfortunate victims of the credit crisis. This one-sided criticism suits the capitalist class as a whole just fine.

Now that capitalists themselves are at least exposing some of the high crimes and low comedy connected to their own financial system, and so much popular attention is focused on the role of money capitalists, it seems particularly necessary for us to attack the false notion that there are “good” and “bad” capitalists; and that crisis could be avoided and capitalism perfected if the bad ones could be kept under control or swept away.

## Den of thieves

This idea that bankers – particularly investment bankers – are any worse than other types of capitalists is not convincing to anyone aware that the revenue of *all* capitalists flows from same source: the exploitation of labour. The dirty little secret of capitalism is that the capitalist class as a whole, and all of the individual capitalists, enrich themselves thanks to workers adding more new value to the commodities they produce than the value of the wages received as payment for their labour-power.

Any party to this exploitation of labour – whether the capitalist who advances the investment funds, the capitalist who supervises the commodity production process, or the capitalist who is tasked with selling the commodities – is entitled to a piece of the action and merits an equal share of the blame. It is nonsense to argue that one type of capitalist is more or less culpable than the others.

The relations between capitalists are very much like those between a group of thieves, who cooperate to pull off a heist and then divide the loot among themselves. Conflicts easily arise from such an arrangement: as a bigger share for one means a smaller share for the others. Such squabbles, however, are of little concern to the person who has been robbed. Likewise, for workers, divisions within the capitalist class should be of secondary interest to the more fundamental conflict between the exploiters and the exploited.

Yet we need to do more than simply prove that the idea of “good” and “bad” capitalists is wrong: it is also neces-

sary to explain how this false ideology has a basis in reality that makes it seem plausible to many. That basis, as just touched on, is the antagonism that actually exists between different types of capitalists with regard to how surplus-value is divided between them. This fosters the notion that *fundamental* differences exist between capitalists and that some are more deserving of their revenue – an impression that is further deepened by the fact that revenue takes

different forms that appear to be independent of each other.

This means that we can better understand why money capitalists and industrial capitalists tend to be viewed differently by examining the division of surplus-value between them and the specific forms of their revenue. Marx does this in Volume 3 of *Capital*, where he examines “interest” and “profit of enterprise” – the former being the revenue that the money capitalist is entitled for loaning capital to the industrial capitalist, while the latter is the profit the industrial capitalist receives after paying that interest to the money-capitalist.

Marx’s discussion of “interest” and “profit of enterprise” is not directly related to the economic

activities of the now-disgraced stockbrokers, as they have made money in more imaginative ways than simply earning interest, yet his observations reveal why it is so easy for bankers to be cast in the role of villains, while those capitalists owning actual means of production appear in a more favourable light.

## Magical money

We can begin by looking at *interest* – or “interest-bearing capital,” to be more exact. The loaning of money to function as capital is the first step in the overall circuit of capital,  $M-C-M'$ ; and that money ( $M$ ) is then used to purchase the labour-power and materials of production needed to produce commodities ( $C$ ), which embody more value than the value of those inputs, making it possible to sell them for a greater sum of money ( $M'$ ) than initially invested. Part of this surplus in value generated through production is paid to the money capitalist in the form of interest.

With the form of “interest-bearing capital,” however, we only the two extremes of the circuit above, or:  $M-M'$ . In other words, nothing more than the money capitalist loaning out money that returns eventually in a greater amount. Money seems to have the magical power to breed more money. Overlooked is the intervening process of production, which is the actual source of the interest earned. As long as interest successfully flows back to the money capitalist, whatever happens between  $M$  and  $M'$  is a matter of indifference. It thus appears at first glance – to this capitalist and others – that profits can emerge regardless of production.

This illusion is reinforced by the fact that individual money owners can indeed loan money for non-productive



uses. Everyone knows, for instance, that credit card companies make huge profits by charging ordinary “consumers” usurious interest rates. Yet that freedom to direct money towards non-productive sectors, or to engage in speculation on fictitious forms of capital, only holds true for individual capitalists. If a large portion of the industrial capitalists were to withdraw from production, so as to become money capitalists, the ultimate source of profit would quickly dry up and the rate of interest would plummet.

Nevertheless, if we view the capitalist world from the perspective of the individual interest-bearing capital, it seems that profits can materialize out of thin air, without actual production. Marx thus calls interest-bearing capital the “most superficial and fetishized form” of the capital relationship, where capital “appears as a mysterious and self-creating source of interest, of its own increase.” Instead of appearing to be one part of the total surplus-value, interest seems to arise from an inherent property of capital itself, so that any owner of it is entitled to interest.

With interest, we are one step removed from the actual process of production; and from the exploitation of labour that occurs within that process. This fact is at the root of the tendency for people to view money capitalists – and for them to view themselves – as inhabiting in a rarefied world where it is not necessary to get one’s hands dirty. The money capitalists who engage in this mysterious process, whereby money is able to breed more money, both dazzle and disgust those who must earn a living in more pedestrian ways.

#### Capitalist workers?

If the interest that the money capitalists earns seems to spring out of thin air, the industrial capitalists, in contrast, seem to earn their profits from the sweat of their brow. Their “profit of enterprise” – which is what remains after they pay money capitalists interest – appears to be the fruit of *functioning* capital, rather than the fruit of owning capital. Just as there is an abstraction from the actual production (= exploitation) process in the case of interest-bearing capital, in the case of profit of enterprise the production process is separated from capital itself, so that it appears merely to be labour process. Profit seems to accrue to industrial capitalists as payment for a useful function performed in that labour process.

There is in fact an important role played by the industrial capitalist, and that is to ensure that the production process is carried out in a manner that facilitates the greatest extraction of surplus-value from workers. Not exactly a noble calling, but exceedingly necessary under the class-divided capitalist system. The profit of the industrial capitalist thus seems to be a “wage” received for this supervision of labour. It appears, as Marx wittily put it, that the “labour of exploiting and the labour exploited are identical, both being labour.” If the former receives far better wages for that labour, it is said to be compensation for its more “complex” character.

This false impression that the industrial capitalist is a sort of worker seems plausible because the act of supervision, necessary in any class-divided society, is confused with the coordination function necessary when numerous workers engage in production together. We need to distinguish between the supervision needed to extract surplus-value from wage-slaves, and the coordination necessary in the case of combined or social labour. In the latter case, the workers themselves can quite easily work things out for themselves and determine the most appropriate way to

combine their labour – there is no need for the menacing supervisor. Under capitalism, however, there is a blurring of the two functions, so that it seems as if capitalists (or whoever is hired by them to supervise workers) are performing a necessary function that is intrinsic to the labour process itself.

The fact that industrial capitalists play an active role in the production process, however reactionary it may be in fact, provides a basis for the claim that they are preferable to the money capitalists who do nothing more than provide the investment. Yet even in the case of the industrial capitalists, who are disguised as wage-workers, the labour process is simply a means to an end. It is only because that process is the direct source of their profits that industrial capitalists take such a keen interest in it.

#### The real task

Strange things occur when surplus-value is divided up among different types of capitalists, taking the form of different types of revenue. It seems that each form exists independently and has a separate origin – with none of them traceable to the exploitation of labour. With this quantitative

division of surplus-value, as Marx notes, “it is forgotten that both [interest and profit of enterprise] are simply parts of surplus-value and that such a division can in no way change its nature, its origin, and its conditions of existence.”

The theory of surplus-value brings to light the connections that actually exist between capitalists, by revealing the ultimate source

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**“If workers end up concentrating on the antagonisms between capitalists, it becomes harder to see the conflict between wage-labour and capital”**

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of capitalist wealth, but that theory itself can be hard to grasp precisely because of the existence of those different revenue forms. Once we take those forms as fixed premises, without considering their origin, it seems natural to judge some capitalists more harshly or kindly than others.

If workers end up concentrating narrowly on the antagonisms between capitalists, it becomes harder to see the more fundamental conflict between wage-labour and capital; and harder to see the real solution to the problems faced. Here we have the old “divide and conquer” approach with a new twist: instead of dividing the working class, the internal divisions of the capitalist class are emphasized to deflect attention from the class divide.

The criticism of Wall Street today that is being voiced by defenders of capitalism is one example of that divide-and-confuse method in action. The current crisis is framed in terms of “Wall Street vs. Main Street” or “the financial world vs. the real economy” – never as a manifestation of the contradictions of class-divided capitalism. With so many criticizing the financial world, while singing the praises of good old commodity production and the capitalists in charge of it, we need to remind ourselves that the production process under capitalism is a process of labour exploitation, a means of generating profits for capitalists.

The task for socialists is not to drive out speculators from capitalism, so as to somehow perfect the system, but to move beyond a world where production is merely a means of capital accumulation. So yes – by all means – let’s chomp down hard on the middle finger Wall Street has been pointing at us all these years, but we should also keep an eye on the hand that robs workers every day on the job.

**M. SCHAUETRE**

Even 90 years after the Russian revolution there are still some who claim that the event shines as a beacon for socialism. We were able to say at the time that whatever was happening in Russia it was not a socialist revolution.



A representation of the seizure of the Winter Palace

## The Russian Revolution recalled

In August 1918 the *Socialist Standard* pointed out that, while there were industrial towns in Russia, the country was largely agricultural with about 80 per cent of the population still living on the land. The answer to the question whether “this huge mass of people” (about 160 million), which indeed included some industrial and agricultural wage slaves, was “convinced of the necessity and equipped with the knowledge requisite for the social ownership of the means of life?” was “No!”; beyond the fact that the leaders in the November movement claimed to be Marxian socialists there was no justification for terming the upheaval in Russia a Socialist Revolution.

Our analysis of the situation was based upon Marx’s definition of capitalism as a relation of wage-labour and capital and on the conditions necessary for that relation to be ended and replaced by socialism. Before “the Communistic abolition of buying and selling, of the bourgeois conditions of production”, as the *Communist Manifesto* put it, can happen, there must be a sufficient development of the productive forces, and the class which has to sell its labour power in order to live – the working class – must fully understand what is involved and be ready to take the necessary political action.

The conditions envisaged by Marx to be necessary for the ending of capitalism and establishing socialism did

not exist in Russia in 1917, so why have the events been claimed as socialist?

### Russia in 1917

The country had suffered huge losses during the war against the more heavily industrialised Germany, the economy was in a mess and there were food riots. The Tsar had been forced to abdicate in March 1917 – while both Lenin and Trotsky were out of the country – and the situation was confused. There was a provisional government which included capitalist and landowning representatives. In July Kerensky became leader with support from the Committee of the Duma (the Russian parliament) but with increasing support from the councils of Workers and Soldiers – the Soviets. However he continued with the war despite its unpopularity.

There was widespread discontent with soldiers, workers and peasants reacting against the adverse conditions, which the Bolsheviks were able to take advantage of the discontent. They gained control of the Soviets using slogans like “All power to the Soviets”, and crucially “Peace! Bread! Land!” In other words, this was what the war-weary, hungry workers and peasants wanted – they were not after socialism. That there was not a majority ready for socialism would not have concerned Lenin. The situation

fitted his vanguard theory that the working class by its own efforts is only able to develop trade union consciousness and needs to be led by professional revolutionaries. There were enormous difficulties including the backward state of the country and the civil war; also the expected uprisings in other European countries did not take place. The development of capitalism was all that could happen and the Bolsheviks as the new rulers would have no choice but to do their best to aid it.

That it was a minority revolution is illustrated by the way in which Lenin dealt with the political situation. The All-Russia Soviet Congress had met in November 1917 and had passed resolutions in favour of peace, ending land-owners' rights to possession of the land, and the setting up of a 'workers and peasants' government, headed by Lenin and dominated by the Bolsheviks, pending the election of a democratic 'constituent assembly'.

However when the Constituent Assembly was elected the Bolsheviks did not have a majority and it was dissolved. Trotsky's excuses for this are instructive – the election had taken place too soon after "the October Revolution" and news of what had taken place spread only slowly. "The peasant masses in many places had little notion of what went on in Petrograd and Moscow. They voted for 'land and freedom'". Precisely, for that, not socialism. So, not only did the Bolshevik takeover not have majority support, majority support for socialism not present either.

By the middle of 1918 the Communist Party (as the Bolsheviks were now called) had firmly established its dictatorship and freedom of the press and assembly were restricted. The All-Russia Soviet Congress had ostensibly taken all power to itself but this was a façade. The Congress elected the 200 members of the Central Executive Committee but the credentials of delegates to the Congress were verified by Communist Party officials. Lenin claimed that what he called "Soviet Socialist Democracy" was "in no way inconsistent with the rule and dictatorship of one person; that the will of the class is at times best served by a dictator" and this was approved by the Central Executive Committee in 1918 (Martov *The State and the Socialist Revolution*, p.31).

### Labour discipline

Raising the productivity of labour was a priority. In an address before the Soviets in April 1918 (*The Soviets at Work*) Lenin declared that not only was it necessary to halt 'the offensive against capitalism', they also had to employ capitalist methods which included strict discipline at work. They should immediately introduce piece work and measures which "combine the refined cruelty of bourgeois exploitation and valuable attainments in determining correct methods of work." The previously stated aim of equal wages for all was abandoned and a "very high remuneration for the services of the biggest of the bourgeois specialists" was agreed. State control was seen as the "means to establish the control and order formerly achieved by the propertied classes" and he chided those who considered the "introduction of discipline into the ranks of the workers a backward step".

In January 1920 the Bolshevik government abolished the power of workers' control in factories and installed officials who were instructed by Moscow and given controlling influence. Democratic forms in the army had also been abolished.

The need to use capitalist methods to control and dis-

cipline workers in order to increase production, illustrates the absence of the absolute pre-requisite for socialism – the conscious participation of the majority of the working class.

### State capitalism

In 1921 the Bolshevik government adopted a New Economic Policy. In proposing it Lenin argued that permitting some private industry and allowing peasants to keep surpluses were not dangerous for socialism. "On the contrary, the development of capitalism under the control and regulation of the proletarian state (in other words 'state' capitalism of this peculiar kind) is advantageous and necessary in an extremely ruined and backward peasant smallholder country...in so far as it is capable of immediately improving the state of peasant agriculture."

Our criticism of Lenin, Trotsky and the Bolsheviks is not that they did not achieve what was not possible at the time, i.e. socialism. It is rather that they adjusted theory to suit the circumstances: seeing the necessity for capitalist development they claimed that state-monopoly capitalism was socialism. In *Can The Bolsheviks retain State Power?* Lenin wrote about the "big banks" as the "state apparatus" needed to bring about socialism. "A single state bank...will constitute as much as nine-tenths of the socialist apparatus".

It was also Lenin who said in *The State and Revolution* in

August 1917 that the first phase of communism was usually called socialism, when Marx made no such distinction between the terms. (In the 1888 Preface Engels refers to the *Communist Manifesto* as the most international of all *Socialist* literature). In Marx's conception of the first phase of communism there was still common ownership, an end to buying and selling, and no money. (Marx mentions the possibility of labour time vouchers despite their obvious drawbacks). What happened in Russia did not qualify even as a "first phase of communism".

Contemporary Trotskyists still call their aim of state capitalism socialism. The former Militant Tendency (now called SPEW) think that nationalising 150 big corporations would express in today's language the demand in the *Communist Manifesto* for the "abolition of private property". They also support Lenin's vanguard theory that a revolutionary minority can by their leadership turn protest movements into a 'socialist' revolution. So it is hardly surprising that they claim the events in Russia in 1917 to have been a socialist revolution, blaming the backward state of the country, civil war and Stalin for what went wrong.

Both Lenin and Trotsky thought that democracy was not appropriate to their situation. Having taken power in a minority revolution they had to rule by force. This included the use of secret police – the Cheka. Trotskyists excuse Lenin's red terror on the grounds that it was the outcome of civil war necessity, likewise with the measures taken to deal with the problems of production. However, it was precisely the conditions and the absence of a majority for socialism that made capitalism the inevitable outcome.

The rule of Lenin supported by Trotsky paved the way for Stalin. The legacy of the Russian Revolution, of Lenin and Trotsky, is that socialism/communism has come to be identified with state capitalism. It was not a victory for the working class, but a tragedy since it brought socialism into disrepute and diverted attention away from the vital need to reject capitalism in whatever form.

**PAT DEUTZ**

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**"The peasant masses had little notion of what went on in Petrograd and Moscow. They voted for 'land and freedom', not socialism."**

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# Socialists and the First World War

*This month marks the 90<sup>th</sup> anniversary of the end of WWI. We recall the socialist opposition to it.*

The historian George Haupt has written that in July 1914 the workers movement did not consider war a possibility. Speaking six years later the German Social Democrat Karl Kautsky admitted that:

“It is surprising that none of those present at the meeting thought of raising the question of what to do if war broke out...or which attitude the socialist parties should adopt in this war” (cited in Georges Haupt: *Socialism and the Great War: the Collapse of the Second International*. Oxford, 1972. p. 220.)

Haupt comments that it is impossible to say whether the leaders of the International were “captives of their own myths or whether their reaction was the classical manifestation of that characteristic trait of the Second International: Reformist practice screened behind verbal radicalism.” (ibid. p. 221.)

The parties of the Social Democrat Second International shared our view that capitalism causes war and, like us, called for the international solidarity of the working class but when war broke out in August 1914 this proved to be mere talk.

To their disgust, but not to their surprise, the members of the Socialist Party saw workers and their leaders line up behind their respective governments ready to take part in the slaughter. Labour leaders such as Keir Hardie, Ramsay Macdonald and George Lansbury assured the government that “the head office of the Party, its entire machinery, are to be placed at the disposal of the Government in their recruiting campaign.” (*Labour Leader* 3 September 1914)

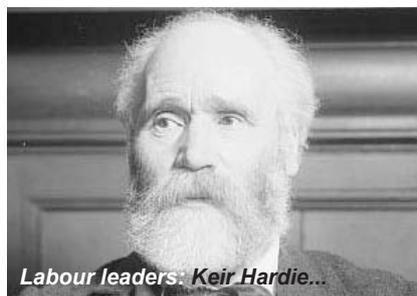
The British Socialist Party (successor to the SDF) war manifesto declared that it recognised:

“...that the national freedom and independence of this country are threatened by Prussian militarism and that the Party naturally desires to see the prosecution of the war to a speedy and successful issue.” (*Justice* 17 September 1914 cited in H. W. Lee and E. Archbold *Social-Democracy in Britain: Fifty Years of the Socialist Movement*. London, 1935. p.225.)

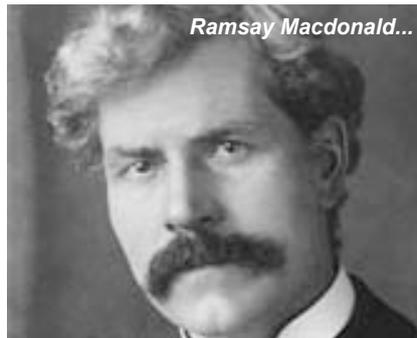
The Socialist Party on the other hand denounced the war as none of the workers business. It was a war of capitalist interests,

“...the workers’ interests are not bound up in the struggle for markets

wherein their masters may dispose of the wealth they have stolen from them (the workers), but in the struggle to end the system under which they are robbed...The Socialist Party of Great Britain...declaring that no interests are at stake justifying the shedding of a single drop of working class blood, enters its emphatic protest against the brutal and bloody butchery of our brothers in this and other lands...



Labour leaders: Keir Hardie...



Ramsay Macdonald...



... and George Lansbury

Having no quarrel with the working class of any country, we extend to our fellow workers of all lands the expression of our good will and Socialist fraternity, and pledge ourselves to work for the overthrow of capitalism and the triumph of Socialism.” (‘The war and the Socialist position.’ *Socialist Standard*, September 1914)

In common with most political parties the Socialist Party carried on a vigorous programme of in-door and out-door meetings. From street corners and open spaces Party speakers on platforms propounded the socialist case against war. In his memoirs R.

M. Fox (an early member of the Party) recalls the almost mesmeric effect of one Socialist Party member, a man called Anderson, who could project his voice above the noise of a brass band hired by local shopkeepers to drown him out. (R. M. Fox: *Smoky Crusade*. London. 1938.)

But even the most redoubtable speaker could not withstand the onslaught of a crowd whipped into fever pitch by jingoistic propaganda. There survives in the Party archive a bound minute book recording out-door meetings held in North London. It records in a neat italic hand each meeting held by the branch giving details of date, time and speaker and chairman. Also recorded are the size of audience and occasional comments as to the kind of questions asked and the temper of the audience. Audience size seems to have fluctuated between 100 and 250. The meetings in August 1914 increased in size and the entry “Many questions mainly about the war. Good meeting” occurs a number of times. On Sunday August 30th a member named Wray addressed an audience this time of around 800:

“Many questions mainly about the war...Hostility shown by the audience so soon as the speaker began to reply to the opposition and the police closed the meeting leaving Party members to get away with the platform amongst the hostile audience that had closed around it and damaged it one side of the steps torn away and lost thus rendering the platform useless for further propaganda meetings.”

A later entry for September 20<sup>th</sup> records:

“Opposition by Grainger of Daily Herald League [sympathetic to the Labour Party] supported by several members of B.S.P. [British Socialist Party] in the audience with design of raising prejudice against the SPGB and so of breaking up the meeting.”

On a Sunday in mid September one Hyde Park meeting was the subject of a concerted attack. The organiser of the meeting reported

“...There was a determined attack made to smash up the meeting. Just as Elliot was closing the meeting the police intervened and told him to close down. As he did not close down as quick as they wished they arrested him. Elliott was however, charged with insulting the British armies and fined 30/-. The crowd numbered over

a thousand and the organised opposition attempted at the conclusion of the meeting to smash [the] platform but only succeeded in doing a little damage to it.”

At a meeting held on 11 October the speaker replied to questions about the war but “On the speaker replying to the opposition the audience started the National Anthem and the raising of cheers” and the meeting had to be abandoned. It says a great deal for the character, optimism, and bravery of these early members that they could face hostile audiences week after week. Undeterred the branch repaired the platform and were by the end of the week again holding meetings.

Some branches reacted to the threat of physical attack by banding together to continue open air meetings sometimes at new venues. In West Ham three branches got together to hold a meeting in Stratford Grove, an area not previously covered by the Party and its limited resources. It was possibly chosen to avoid marauding gangs of jingoists who were well aware of all the regular meeting places where anti-war sentiments might find expression.

Other branches had better luck. The secretary of East London branch reported that they had abandoned a meeting at Victoria Park after an obviously sympathetic Park Keeper

had informed him that there were eight plain clothes men present for the purpose of arresting the Speaker and the Chairman as soon as the meeting started. It would appear that some anti war meetings were having some effect and it is likely that the Party’s informant had listened to the speakers over a period of time, and was at least unwilling to see our views suppressed.

But speakers did not have to oppose the war from the platform to get into trouble. A member named Baggett reported that he had been arrested and bound over in the surety of £50 to keep off the platform for six months. The reason being that he had read out an British Army circular issued by Lord Roberts regarding the supply of prostitutes to the British Army in India.

In view of increasing hostility, and the fact that a number of branches had ceased to hold meetings on account of the difficult situation, the Executive Committee had to consider the suspension of outdoor political activity. Every effort had been made to maintain outdoor meetings but had to recognise the

“...brutality of crowds made drunk with patriotism. The prohibitions by the authorities, and the series of police prosecutions of our speakers, compelled the rank and file of the

Socialist Party to put an end to the fruitless sacrifices of their spokesmen by stopping outdoor propaganda.” (‘A Year of War.’ *Socialist Standard*, August 1915.)

A further consideration was the issue by the Government of stringent Defence of the Realm Regulations outlawing the uttering of statements likely to cause disaffection. The decision appears to have been a difficult one as the minutes record that it was taken after a discussion lasting about two hours. The Party at a special meeting held to discuss the situation ratified the decision. There was clearly a small number within the Party opposed to this course of action and willing to “tough it out” but a motion approving of the Executive Committee decision was carried by a substantial majority.

Explaining that “...our object was not to bid defiance to a world gone mad, but to place the fact that in this country the Socialist position was faithfully maintained by the Socialists.” (*Socialist Standard*, January 1915.) The Party continued as best it could, male members, under tremendous social and economic pressures, took what measures they could to avoid being called up. Those not so lucky ended up in Dartmoor prison.

**GWYNN THOMAS**



## M - C - M'

The person who wrote the editorial in the *Times* of 17 September must have had their dictionary of quotations handy. At the end of the editorial, entitled “Crisis and Capitalism” and which argued that “the Lehman collapse shows, paradoxically, that the mechanisms of the market are working. What is not needed now is government intervention”, they tagged on a quote from Marx:

“Capital is money, capital is commodities . . . By virtue of it being value, it has

acquired the occult ability to add value to itself. It brings forth living offspring, or, at least, lays golden eggs”.

The relevance of this quote is not clear but the editorialist seems to see it as a justification for leaving the capitalists – described as “rational actors in the marketplace” – alone in case they stop creating new value, stop laying golden eggs. Marx of course never held that it was capitalists who create new value. He identified the source of capital’s “occult ability” to increase itself as the exploitation of the unpaid labour of the workers capitalists employed. It was their labour that added value to the original money capital. They were the ones that laid the golden eggs.

The quotation is taken from Chapter IV of Volume I of *Capital* on “The General Formula of Capital”. The formula for the simple exchange of commodities, Marx explained, is C - M - C. A person starts with a particular commodity (C), sells it, i.e. converts it into money (M), which they then use to buy a different commodity, some use-value they need. In other words, they sell in order to buy.

Under capitalism, Marx went on, the aim is rather to buy in order to sell, M - C - M, but this is pretty pointless if you are just going to end up with the same amount of money as you started with. So, in fact, the aim under capitalism is not just to buy in order to sell, but to buy in order to sell at a higher price, to end up with more money than you

originally had, or M - C - M':

“More money is withdrawn from circulation at the finish than was thrown into it at the start. The cotton that was bought for £100 is perhaps resold for £100 + £10 or £110. The exact form of this process is therefore M-C-M', where M' = M + ΔM = the original sum advanced, plus an increment. This increment or excess over the original value I call 'surplus-value.' The value originally advanced, therefore, not only remains intact while in circulation, but adds to itself a surplus-value or expands itself. It is this movement that converts it into capital.”

Marx commented in a passage the *Times* could have quoted more relevantly:

“As the conscious representative of this movement, the possessor of money becomes a capitalist. His person, or rather his pocket, is the point from which the money starts and to which it returns. The expansion of value, which is the objective basis or main-spring of the circulation M-C-M, becomes his subjective aim, and it is only in so far as the appropriation of ever more and more wealth in the abstract becomes the sole motive of his operations, that he functions as a capitalist, that is, as capital personified and endowed with consciousness and a will. Use-values must therefore never be looked upon as the real aim of the capitalist, neither must the profit on any single transaction. The restless never-ending process of profit-making alone is what he aims at. This boundless greed after riches, this passionate chase after exchange-value, is common to the capitalist and the miser; but while the miser is merely a capitalist gone mad, the capitalist is a rational miser. The never-ending augmentation of exchange-value, which the miser strives after, by seeking to save his money from circulation, is attained by the more acute capitalist, by constantly throwing it afresh into circulation.”

So, the capitalist – or whoever personifies capital, these days, the top executives of capitalist firms – is more a “rational miser” rather than a “rational actor in the marketplace” (who, presumably, would go for C - M - C). Not that “the appropriation of more and more wealth in the abstract” can be described as rational. Doubly irrational is the behaviour of finance traders who think that golden eggs can be laid independently of the “occult” activity of production.

## Socialist Party Merchandise

### Teeshirts:

**Blue** with polar bear and 'If you were a polar bear, you'd be a socialist' plus party website address.

**Yellow**, with blue and green globe 'The world is a treasury for all' plus party web site address on.

Sizes: Small, Medium, Large, Extra Large.

### Mugs:

One style: 'Duet' - Red and white with 'Only sheep need leaders' (pictured) and website on,



with "Famine? War? Pollution? Capitalism is the Problem. World Socialism s the Solution" and party tel. number on.

### Pens:

Blue and white, with blue ink 'Only sheep need leaders' and a sheep plus party website

Red and white, with blue ink 'Workers of the world unite' plus party website  
Black with black ink. 'Only sheep need leaders!' and a sheep plus party website

### Baseball caps:

navy blue, with embroidered "World Socialist Movement" on.

### Balloons:

different colours, with "World Socialist Movement" on.

### Prices:

Tee shirts £7.00 each (**state size when ordering**). Mugs £5.00 each. Pens £0.50 each. Baseball caps £5.00 each. Balloons 15p each.

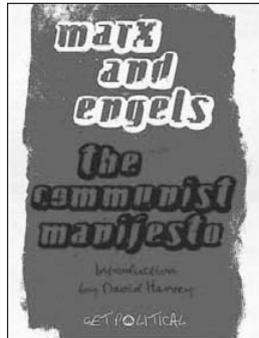
### Postage and packaging

£2.50 for the first £10 and then £1.50 for subsequent £10 worths or part thereof. Please send cheque or postal order (no cash) made payable to SPGB SW Regional Branch, c/o Veronica Clanchy, FAO: South West Regional Branch, 42 Winifred Road, Poole, Dorset. BH15 3PU. Any queries, please phone 01202 569826. Please include own phone number or other contact details.

## Book Reviews

### What revolution?

**The Communist Manifesto, by Karl Marx and Friedrich Engels. Introduction by David Harvey, Pluto Press, 2008. £7.99.**



The publisher's blurb on the back says: "This book truly changed the world, inspiring millions to revolution." Unfortunately, this is not true:

this book has not changed the world, nor has it inspired millions to revolution. The *Manifesto of the Communist Party* (to give it its original title) has been republished many times since its first publication in 1848. And now, 160 years later, in this edition it has a new Introduction by David Harvey. The *Manifesto* needs to be understood in its historical context, in order to sift out the immediate demands of 1848 from its timeless communist content. Marx and Engels emphasised this point in their 1872 Preface where they argued that already part of the *Manifesto* dealing with immediate demands (at the end of Section Two) had become "antiquated", a point which was repeated in the 1888 Preface.

Harvey acknowledges this point but then goes on to claim that some of these immediate demands – such as free education for all children in state schools, a heavy progressive or graduated income tax – are still "wholly sensible proposals ... to rid ourselves of the appalling social and economic inequalities that now surround us". But that was then and this is now: however progressive those reforms appeared then, it is clear now that reforms of capitalism do not reduce social and economic inequalities. Harvey argues that eradicating class privilege requires an organised association of workers backed by democratic control of the state, and then adds in brackets "this is as far as the *Manifesto* goes". But this is untrue: in the paragraphs preceding the immediate demands the *Manifesto* calls for the revolutionary "communist abolition of buying and selling" and other specifically *communist* demands. Astonishingly, Harvey has nothing to say about this.

Harvey refers to the collapse after

1989 of "actually existing communisms" without irony and asserts that the former Soviet Union succumbed to "capitalist counter-revolution". But there is nothing in the *Manifesto* which would warrant such claims. The Soviet Union and similar regimes did not institute the abolition of buying and selling and are best characterised as state capitalist dictatorships over the proletariat. Harvey has an online course "Reading Marx's *Capital*" (<http://davidharvey.org/>), but in this Introduction he alleges that crises can be brought about through underconsumption (lack of effective demand), an economics theory which Marx emphatically rejected. Harvey's Introduction is very disappointing, but the *Manifesto* itself is still an inspiring read.

**LEW**

### Fighting for Profit

**Stephen Armstrong: War plc. Faber and Faber £14.99.**



In a world of privatisation and globalisation, it is perhaps only to be expected that combat and security activities should also be outsourced. Private military companies are being increasingly

used to guard both people and places.

Oil companies, for instance, are starting to set up their own private armies. Aramco is establishing a security force to protect oil and gas fields and pipelines in Saudi Arabia, while the Russian parliament has given permission for gas and oil companies to raise corporate armies of their own. But for the most part it is a matter of private companies that hire their employees out to corporations and governments, companies like Sandline and Blackwater. The latter has its own vast training camp in North Carolina and possesses helicopter gunships and armoured personnel carriers.

The invasion and occupation of Iraq has fuelled the growth in private military companies. In 2006 there were 100,000 private contractors (as they're called) in Iraq, and Donald Rumsfeld regarded them as an official

part of the US war machine. They have increasingly taken on combat roles, and in September last year a Blackwater convoy killed seventeen Iraqi civilians in Baghdad.

Contracting out security tasks supposedly frees up government soldiers to do more actual fighting, though the private forces are, as just seen, getting more involved in combat operations. It is also claimed that they perform a useful service because new states may not at first have properly organised armed forces of their own. They also mean big profits for their owners, partly brought about by hiring cheap labour from Latin America, including former thugs from Pinochet's Chile. And like other companies, they are concerned about their image: one boss interviewed here says, 'Even though it was making us lots of money at the time, we took a view of Iraq and the margins and felt it was dragging our brand down.'

If any contractor is killed or injured, the company employing them will fight tooth and nail to avoid paying compensation. The soldier's family will find their struggle made far more difficult by the complex web of ownership: a person from country X, fighting in Y for a company based in Z but officially registered elsewhere.

Making a profit from war is perhaps the ultimate expression of the profit motive. Armstrong's book gives a good account of these developments, though notes and/or references would have made it more useful. And the publishers have a nerve charging this much for a 250-page paperback that doesn't even have an index.

**PB**

## Anti-war

***Our Country Right or Wrong.* By William Morris. Edited by Florence Boos. William Morris Society, 2008. 95 pages. £7.50.**

Before he became a socialist in 1883, Morris had been a Liberal, towards the end on its Radical wing. As such he was in favour of trade unions, reforms to help the working class and a non-aggressive foreign policy. As this is the text of a talk given in January 1880 he was then still a Liberal, as can be seen from his praise of Gladstone as "a great statesman" and his raising of the Liberal slogan of the day of "Peace, Retrenchment and Reform" ("retrenchment" being what today would be called "cutting back

on government spending", a policy the modern Liberals have recently re-adopted).

Basically, this is a plea for opposing your country's foreign policy if it is "wrong". So, not "my country right or wrong", but only "my country if it is right", by which Morris understood anti-imperialist and anti-war. For him,



Morris

Britain, under the then Tory government of Lord Beaconsfield (Disraeli), was wrong to support Turkey against Russia in the Balkans, to attack the

Zulus in South Africa and to invade Afghanistan (which ended in disaster). Incidentally, in saying that Britain should oppose Turkey (because of its massacre of Christians) Morris was taking up the exact opposite position to that taken by Marx (who thought Turkey should be supported against Russia), not that Marx is a model to be followed here.

Later, after he had become a socialist (partly from disillusionment with the Gladstone Liberal government that came to power later in 1880), Morris argued that war and imperialist adventures could not be avoided by a change of foreign policy – a moral or ethical foreign policy was impossible under capitalism, a lesson the "Stop the War" movement of today has yet to learn.

Florence Boos, in her introduction (which is as long as the text), argues that Morris's position at the time was influenced by the 19<sup>th</sup> century peace movement, whose origin and history she outlines. She seems to exaggerate the extent to which Morris could be regarded as a pacifist. After all, the chapter "How the Change Came" in *News from Nowhere* does envisage violence even if started by the ruling class. But she does quote from a lecture on "Communism" that Morris gave in 1893 in which he argues:

"The change effected by peaceful means would be done more completely and with less chance, indeed with no chance of counter-revolution . . . In short I do not believe in the possible success of revolt until the Socialist party has grown so powerful in numbers that it can gain its end by peaceful means, and that therefore what is called violence will never be needed."

That's not a bad way of putting it.

**ALB**

## Meetings

### London

FILM NIGHTS

Sunday **9 November** 4pm  
Zeitgeist

Sunday **23 November** 4pm  
The War on Democracy  
Socialist Party Head Office, 52 Clapham High St, London SW4 (nearest tube: Clapham North)

### Chiswick

Tuesday **18 November** 8pm  
Discussion on the Economic and Financial Crisis  
Committee Room, Chiswick Town Hall, Heathfield Terrace, corner of Sutton Court Rd, W4  
(nearest tube: Chiswick Park).

### London

Public Debate

Saturday **22 November**, 6pm

Have we evolved to make money?

Yes: Terence Keeley (author of *Sex, Science and Profits*)

No: Bill Martin (Socialist Party)

Room 407, Birkbeck College, Malet St, Bloomsbury, London WC1

(nearest tubes: Russell Square, Euston Square, Euston)

### Manchester

Monday **24 November**, 8.30 pm

Discussion on The Great Bank Bail-Out  
Unicorn, Church Street, City Centre

### East Anglia

Saturday **29 November** 12 noon to 1pm  
branch business.

1pm to 4pm lunch followed by discussion including on economics.

Venue: The Conservatory, back room of the Rosary Tavern,  
Rosary Road, Norwich. All welcome

### IMAGINE

The Fall 2008 issue of the journal of the Socialist Party of Canada has now arrived. A copy can be ordered for £1 (cheque made payable to "The Socialist Party of Great Britain") from the Socialist Party, 52 Clapham High St, London SW4 7UN.

inely intervene in the overall capitalist interest. A classic case was state intervention in the 19th century to regulate the working day. Having machines which could be kept going 24 hours a day, seven days a week, and faced with a glut of factory fodder, capitalist factory owners profited from laissez-faire to extend the working day. A large part of Marx *Capital* is devoted to describing what he called "capital's drive towards a boundless and ruthless extension of the working day" and how "the immoderate lengthening of the working day produced by machinery in the hands of capital

leads later on to a reaction on the part of society, which is threatened in the very sources of its life, and, from there, to a normal working day whose length is fixed by law" (*Capital*, Vol I, Ch.15, section 3c). Society was threatened "in the very source of its life" in that factory owners so ruthlessly overworked their workers that their wealth-producing capacities, on which the future of society depended, were being undermined. Marx supported state intervention to stop this happening but he did not regard it as being in any way socialist. Others did and socialism and state intervention

unfortunately became associated.

It seems to be a pattern that, whenever capitalists are given a free hand to do what they want, they exaggerate and go for short-term benefits, even at the expense of their long-term interest so that eventually the state has to intervene to restrain them in their own interest. This seems to be the situation that has been reached today after twenty or more years of deregulation of financial markets. The banks and other financial institutions are now widely seen by other sections of the capitalist class as having abused their freedom and thus landed the world capitalist system in the crisis it now finds itself in. This is why the cry is going up for the re-introduction of a stricter state regulation of financial institutions and dealings. And not just from the usual suspects on the Left, but from open supporters of capitalism such as Sarkozy and Gordon Brown.

It looks as if the opponents of "neoliberalism" might well get their way, at least as far as financial sector of capitalism is concerned. But there will be nothing anti-capitalist about this. Just a return to the "regulated capitalism" that used to exist in this sector.

**ADAM BUICK**

## The Labour Party Conference



The Labourites went to Scarborough this year, but having arrived, they had nowhere else to go. Why should they? Apparently Labourites have not yet grasped the fact that after the 1945 term of office they had no claim to be considered in the eyes of the voters as an alternative government. In 1945 they went in on a wave of post-war enthusiasm. They put into effect what was for Capitalism a necessary reorganisation of certain sectors of British industry via nationalisation. They initiated the necessary policies for restoring the debilitated condition of the post-war economy and bringing the social services in line with the requirements of Capitalism.

What else was left in their political ragbag? Only dull odd remnants which did not show up

so well with the more brightly coloured Tory jumble sale, and now to vary the metaphor the Labour Party's only appeal to the voters: "Play the game, you chaps, you've put the other side in twice, let us have a turn at batting."

Nationalisation, which was once the great plank of the Labour Party, is now a heap of sawdust and shavings which was quietly swept up. Even the 50 odd year Labour project, land nationalisation was rejected. Nationalisation, which once helped to float S.S. "Labour," is now in danger of sinking it. Nationalisation rouses no enthusiasm among electors and is a source of disillusionment to the Labour rank and file.

(From article by E.W., *Socialist Standard*, November 1958)



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## Declaration of Principles

*This declaration is the basis of our organisation and, because it is also an important historical document dating from the formation of the party in 1904, its original language has been retained.*

### Object

**The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.**

### Declaration of Principles

The Socialist Party of Great Britain holds

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.)

by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom,

the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.



# Lamont - When Cameron Got It Wrong

“Short-lived and relatively shallow”

David Cameron is in the habit of sprinkling his speeches, like throwing stale currants into a stodgy spotted dick, with unfunny jokes intended to persuade us that a ruthlessly ambitious, manipulative politician can have a harmless sense of humour. Remember the crack in what was called his keynote speech at this year's Tory Conference, that he respects entrepreneurs and he knows what he is talking about because he goes to bed with one every night and – in time to get the laughter rocking again – wakes up with the same person every morning. The eagerly tamed audience were enthralled as well as amused and Cameron was able to forget that his bedtime entrepreneur – who, for those who have not been paying attention is his wife Samantha – is a very rich one; her father is an Old Etonian stockbroker and 6<sup>th</sup> Baronet, her parents are divorced and her mother is now Viscountess Astor. Lucky Samantha showed she has the common touch when she said, in reply to a reporter's question, that she lived “near Scunthorpe”; it would have gone some way to expunge the image of a blackened steel town summoned up by that misinformation if she had mentioned that the family's home is Normansby Hall, a lush 300 acre estate which they have owned since the late 16<sup>th</sup>. Century. Clearly, the Cameron family's bit of what the Tory leader calls “this broken society” is comfortingly intact.

## Lamont

In that same speech Cameron raised some embarrassed titters among the laughs when he shyly admitted to having been an adviser to Norman Lamont when he was Chancellor of the Exchequer. The Labour Party, he said, never let him forget this episode in his climb up the greasy pole. Quite right too – all Tories would like to forget Lamont, the memory of whose time in charge of the Treasury tends to undermine any theories about a Conservative government being inherently more able to tame capitalism's crises than a Labour one. Lamont was at Cambridge with some rising stars of the Tory governments of the 1980s – Michael Howard, Kenneth Clarke, Leon Brittan John Gummer. How many fantasy careers, climaxing in occupancy of Number Ten, were sketched out on the backs of cafe menus in those impatient days? Lamont held a succession of jobs until the Men in Grey Suits did for Thatcher; as Major's Chief Secretary to the Treasury he acquiesced in, and so had some responsibility for, the policy of Britain being part of the European Exchange Rate Mechanism (ERM). When Major put himself up in the contest to succeed Thatcher Lamont managed his campaign and he was then rewarded by Major with the Chancellorship.

Lamont's time as Chancellor was not noteworthy for its controlled tranquillity and optimism; indeed his public standing was so abysmally low that years later he recalled a London cabby telling him that one

of his passengers, on seeing Lamont crossing the road, offered five hundred pounds to run him down. (He was not to know, of course, that it could be left to Lamont's political friends to bloodlessly get rid of him later). He



Norman Lamont, former Chancellor of the Exchequer.

was associated with a recession rated in some quarters as the worst since the end of the war and his blithe assurance that it would be “short-lived and relatively shallow” did not inspire any more confidence than his later claim to decry “the green shoots of recovery” all around – although they were not apparent to his struggling colleagues. This fixation with mouthing statements so unwise that they could only haunt him throughout his career was typified by his telling the Commons, in May 1991, that “Rising unemployment and the recession have been the price that have had to pay to get inflation down. That price is well worth paying”. (He did not view his own projection into unemployment, when it came, in quite so positive a light).

## Panic

The big crisis in Lamont's time so near to the top of the greasy pole was “Black Wednesday”, that day in September 1992 when he oversaw Britain's withdrawal from the ERM. This was especially embarrassing for him because only weeks before he had given a categorical assurance that nothing of the kind would happen: “There are going to be no devaluations, no leaving the ERM. We are absolutely committed to the ERM. It is at the centre of our policy” (26 August 1992). Little wonder that Lamont was looking so unkempt when, on 17 September 1992, he emerged into Downing Street to face the voraciously waiting hacks. Amid the panic that day interest rates were dizzily raised from 10 per cent to 12 per cent and 15 per cent, then brought back to 12 per cent. The Treasury was not alone in its panic; workers who were buying their homes through a mortgage were desperately worried about how they were to afford the higher payments and whether there were more, similarly chaotic, days to come. They were probably too anxious to notice on their TV screens, as Lamont came through the door of Number 11, that he was followed by a shadowy figure, caught briefly and fuzzily by the cameras. It was his “political adviser” – David Cameron, future Leader of the Opposition, who would one day bellow his scorn at Prime Minister Brown for floundering among the multi-crises of capitalism and who would then be anxious to conceal his association with the ludicrous failure who was once his boss.

Habitual optimists may rejoice that a new age of transparency and candour has dawned with Cameron's confessed embarrassment at the memory of his time with Lamont. But forgetting a fretful past has been developed to a very fine art by suitably ambitious politicians. There would be, after all, an awful lot of embarrassment for them to misremember. Judge for yourself if this is likely to happen or whether they will continue to see their future as survival through concealment and deceit.

IVAN



# Voice from the Back

## KIDS AND CAPITALISM

The author of the Harry Potter books JK Rowling recently donated £1 million to the Labour Party because she thought they were doing more to solve the problem of child poverty than the Tories would. She obviously could have not seen the following news item. "Millions of children in the UK are living in, or on the brink of, poverty, a report claims. The Campaign to End Child Poverty says 5.5 million children are in families that are classed as 'struggling' - 98% of children in some areas. The campaign classifies households as being in poverty if they are living on under £10 per person per day. ... The Campaign to End Child Poverty is a coalition of more than 130 organisations including Barnardo's, Unicef and the NSPCC. According to its research, there are 4,634,000 children in England living in low income families, 297,000 in Wales, 428,000 in Scotland and 198,000 in Northern Ireland. It says 174 of the 646 parliamentary constituencies in Britain have 50% or more of their child population in, or close to, the poverty line." (BBC News, 30 September) JK Rowling may be a very good writer, but obviously she is not a great thinker.



Living in, or on the brink of, poverty

to Future Combat Systems. It's just a question of adjusting as the world changes, and as the need changes,' Army Secretary Pete Geren told reporters at the annual Association of the U.S. Army meeting. ...The Army's FCS program is a family of 14 manned and unmanned aerial and ground systems, tied together by communications and information links." (Yahoo News, 6 October) Lots and lots of money to kill, buggers all for starving kids. That is how

capitalism operates.

## A MUCH BETTER IDEA

Robert Reich, former US secretary of labour, commenting on the recent economic crisis showed that he understood that China was a capitalist country when he said "There are still only two kinds of capitalism. There's authoritarian capitalism as in China and Singapore, and there's democratic capitalism as in US and Europe. If there's anyone out there who has a better idea, I'm sure the world would love to hear it." (Newsweek, 13 October) If someone can get us Mr Reich's address we will send him a subscription to the *Socialist Standard* so he can learn about the socialist alternative. Although we don't think he would be too impressed, because we want to get rid of the exploitative system that gives him a privileged existence.

## PUTING HIS FOOT IN IT

Last year when he was Chancellor of the Exchequer Gordon Brown outlined his annual budget speech with these words - "Britain's growth will continue into its 60th and 61st quarter and beyond ...Inflation has fallen from 3% to 2.8%, and will fall further this year to 2%

...Looking ahead to 2008 and 2009 inflation will also be on target. And we will never return to the old boom and burst." (quoted in *Time*, 13 October) He was warmly applauded by the Labour benches and praised by the press for his sagacity and prudence. What a difference a year makes. Inflation stands at about 4.7 percent, banks mortgage lenders have been taken over on the verge of bankruptcy and a deep economic recession looks likely. Capitalism is an anarchic, uncontrollable system. Boom and burst are the very foundation of capitalism. No doubt a future Conservative Chancellor of the Exchequer will in turn pretend that he can control this mad profit system. Capitalism makes fools of the politicians who claim to be able to control it.

## ANOTHER REFORM OF CAPITALISM?

When socialists see workers cram into buses and underground trains on their way to work, we often remark that if cattle were crammed into transport like that on their way to the slaughterhouse there would be a public outcry

by Animal Rights groups. Workers are often treated worse than animals but this latest outburst against the working class takes a bit of beating.

"An Australian politician has

used his first speech to parliament to call for unemployed idlers to be stung with a cattle prod to get them to work. John Williams, a former truck driver, shearer, farmer and small business owner who only took his place in the Senate on July 1, said he had seen many people living on employment benefits who were 'determined not to work'. 'They are simply getting a free ride on behalf of tax payers of Australia and it is about time they received a touch on the backside with a cattle prod to get them off their butts and actually do some work,' he said." (Yahoo News, 16 September) To use his fellow Australians use of the language - what a bahstard!



A prod in the right direction?

## CAPITALIST PRIORITIES

We live in a society where millions try to survive on a \$1.25 a day, where children die for the lack of clean water and yet this society spends billions of dollars trying to find more efficient ways to kill people. The priorities of socialism would be to feed, clothe and shelter its citizens but capitalism has other priorities. "Top U.S. Army officials on Monday said a \$160 billion Future Combat Systems modernization program managed by Boeing Co and SAIC Inc was 'on budget, on track,' but could see changes over time. Army Chief of Staff Gen. George Casey said the Army was going through a detailed review of 14 separate weapon systems included in the program to ensure that the technologies involved were on schedule. 'We're committed

## Free Lunch in the Future



# socialist standard

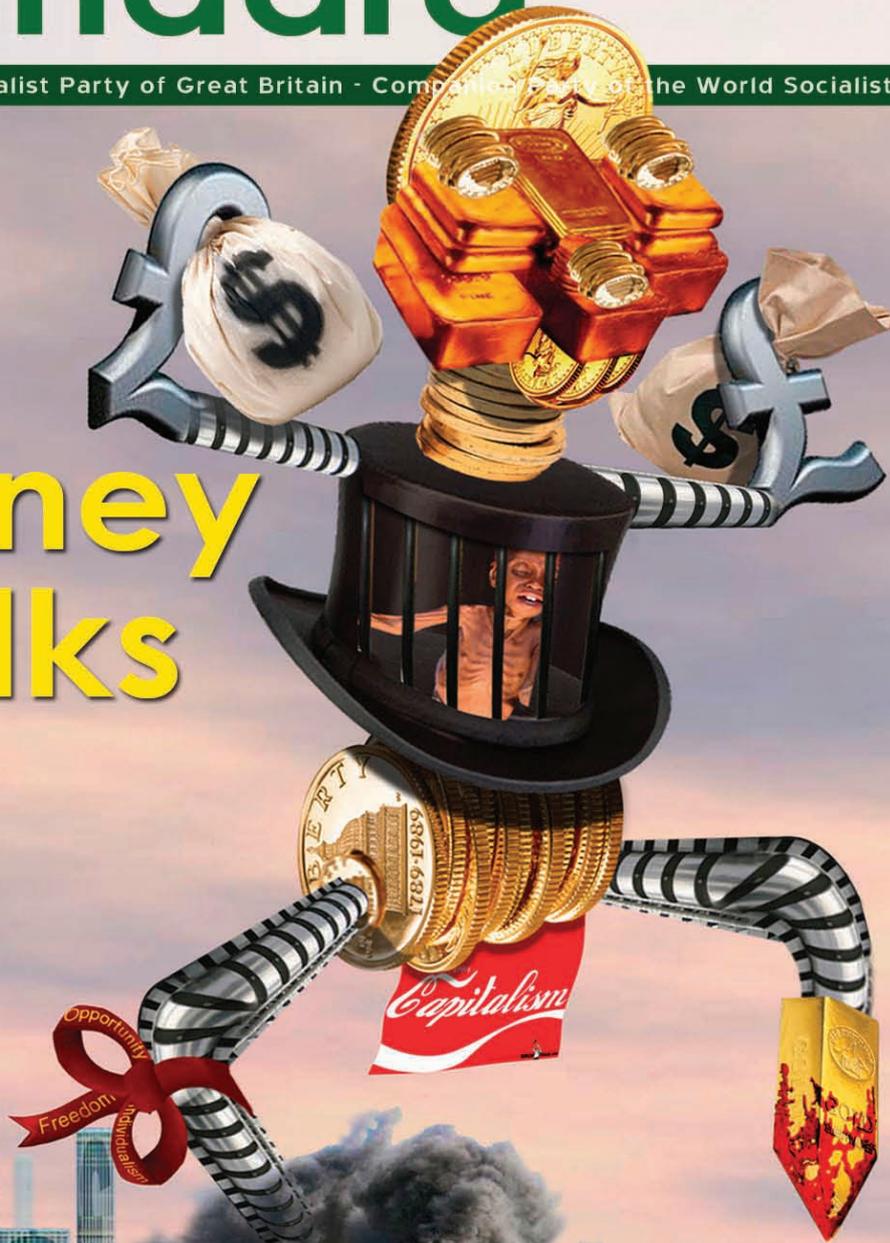


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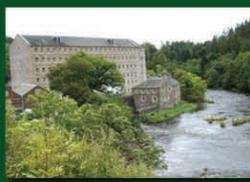
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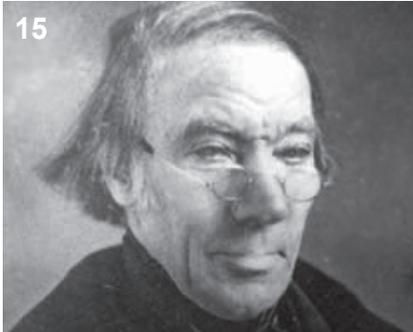
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#### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 6 December** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High Street, London SW4 7UN.  
 tel: 020 7622 3811  
 e-mail: [spgb@worldsocialism.org](mailto:spgb@worldsocialism.org)

## Introducing The Socialist Party

The Socialist Party is like no other political party in Britain. It is made up of people who have joined together because we want to get rid of the profit system and establish real socialism. Our aim is to persuade others to become socialist and act for themselves, organising democratically and without leaders, to bring about the kind of society that we are advocating in this journal. We are solely concerned with building a movement of socialists for socialism. We are not a reformist party with a programme of policies to patch up capitalism.

We use every possible opportunity to make new socialists. We publish pamphlets and books, as well as CDs, DVDs and various other informative material. We also give talks and take part in debates; attend rallies, meetings and demos; run educational conferences; host internet discussion forums, make films presenting our ideas, and contest elections when practical. Socialist literature is available in Arabic, Bengali, Dutch, Esperanto, French, German, Italian, Polish, Spanish, Swedish and Turkish as well as English.

The more of you who join the Socialist Party the more we will be able to get our ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

The Socialist Party is an organisation of equals. There is no leader and there are no followers. So, if you are going to join we want you to be sure that you agree fully with what we stand for and that we are satisfied that you understand the case for socialism.

## Editorial

### How to lose friends and alienate people

It would be hard to devise a scenario more likely to set the UK media drooling than the storyline that developed during late October. A couple of indiscreet politicians and an aristocrat enjoying the hospitality of a Russian oligarch's superyacht moored off Corfu is not newsworthy in itself of course.

What really attracted the attention of the media was the Tory shadow chancellor (George Osborne) and his indiscreet breach of the code of honour of his old upper-class binge-drinking club, and particularly his friend Nathaniel Rothschild, - who's guest he was - and who is also apparently worth a bob or two.

Osborne made the mistake of gossiping about a conversation he had on board with Peter Mandelson. At the time he was messing around in boats this summer he was an EU Commissioner for Trade but has since returned as a peer to Labour (previously known as New Labour), after various spells as the "architect" of New Labour (previously known as Labour).

If you're feeling confused, don't worry - what is of interest to socialists is how the whole episode has lifted a grubby stone to uncover many examples of the shenanigans of our ruling class. For example, one person in the vicinity was Rupert Murdoch's daughter Elizabeth who had her own boat nearby and was spending a week in the Mediterranean just to plan her 40<sup>th</sup> birthday celebrations. (If that's how long the planning takes, what were the actual celebrations like?).

Anyway, upset that his mates were bitching about each other only a few weeks after the yacht-party, Rothschild dropped Osborne right in it by accusing

him of soliciting funds for the Tories, from the yacht owner. His name is Oleg Deripaska and he actually comes over better than most in this episode, despite being alleged to be a thug who has effectively extorted billions of roubles out of the state-owned industry through close involvement with the Russian mafia. This is of course outrageous, but if we are being consistent, it is pretty much how most of today's capitalist class got their wealth, whether a few centuries or a few generations earlier.

This story of thieves falling out in the playgrounds of the rich sheds a little light on how our increasingly interconnected economic and political upper-class spend their money and time (what Peter Mandelson might term "serious relaxing"). But all parties to this grubby exchange - the economic sugar-daddies and their political lapdogs - appear to have now conveniently agreed to call a truce rather than risk damaging their collective reputation.

Discretion in their discussions with each other obviously counts for more than transparency and accountability to the rest of us who actually create the wealth they go to such lengths to consume. Entering a period of rising unemployment and re-possession is probably not the best time for the "have-yachts" to rub our noses in the details of the marvellous parties they always seem to be throwing for each other.

Any workers who share our anger with, and analysis of the problems of, capitalism are encouraged to apply to join via the address on page 2. Needless to say, this address can be used also for any billionaires wishing to make a donation.

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## Future al Fresco, or the House of Cards that Jacque built

After the popular documentary film *Zeitgeist* (2007), with its dodgy bank-credit economics and global conspiracy theories, socialists were not expecting much from the sequel, *Zeitgeist Addendum*, which came out in October of this year.

*Addendum* however turns out to be a surprise. To be sure, it does reiterate the dodgy economics, overlooking the fact that when banks do try to create money out of nothing, they crash and burn, as has been happening recently. But then the film gets really interesting, because it proposes, as an alternative to capitalism, a global resource-based society of common ownership, without governments, hierarchies, markets, trading or money. Were the makers explicitly to use the term 'world socialism' most socialists would scarcely blink.

Not that there's any such reference, or indication of Marxian antecedents. Clearly the intention is to avoid triggering any knee-jerk reflexes from audiences schooled in the evils of soviet 'socialism'. Instead, they're offered the sci-fi version, with supersonic mag-lev trains, floating intelligent cities, nanotechnology and megamachines. The future is bigger, better and brighter, even if it does look a bit like *Thunderbirds Are Go*. The point being drummed in is that it's steam-age capitalism that's holding back technology, as well as creating a social and environmental hell-hole. Without capitalism, we can reach for the stars.

This is the Venus Project, futuristic creation of Jacque Fresco, engineer, architect and designer, a man on a laudable mission to persuade the world to ditch capitalism and create a practical cooperative alternative. For socialists to come across such a well-worked model which accords so closely with their own is a rare thing, so it seems almost churlish to suggest that the technology may be a bit over-done. It's not only that this kind of chrome-plated futurism looks paradoxically dated, like rocket ship stories of the 1950's, or that it may be off-putting to those yearning for William Morris-like rural idylls. More troublesome is the heavy emphasis placed on science and technology as the source of progress, for instance, as here: "The application of scientific principles... accounts for every single advance that has improved people's lives" (*Designing the Future*, at [www.venusproject.com](http://www.venusproject.com)). Trust a techie to say that. But what about the role of workers, in unions or campaign groups, to raise wages and working conditions, or reduce the working day, or demand civil rights? Did technology have anything to do with recognition of race or gender equality, or gay liberation, or legislation against slavery or child-labour? Instead of recognising that workers won those rights by organised force, Fresco seems to think all improvements in civil rights were 'privileges' which have been 'granted' by the ruling elite (p.4).

This gives a clue to Fresco's attitude to 'responsibility' and 'democracy'. Technology, he thinks, will obviate the need for these. Laws against drink-driving, for example, can be abolished if cars drive themselves. True enough. But can one find a technological fix for every situation requiring humans to have an awareness of their own social responsibility, and even if we could, would we want to? Responsibility is not a burden, after all, it is empowerment, it is personal growth. Make humans responsible, and they become mature adults. Instead, Fresco would let this human quality atrophy.

Similarly, Fresco seems wedded to the strange idea that humans don't want to make decisions. Thus he envisages a 'global neural network' that does our thinking for us, a marriage of automation

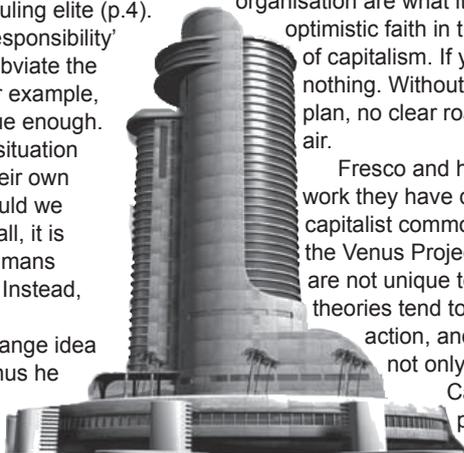
and cybernetic intelligence called 'cybernation'. This column has recently referred to self-adjusting production systems (Sept 08), but running an entire social system that way is surely a leap too far. In answer to the question: Who makes the decisions in a resource-based economy? Fresco gives the bizarre response: No one does. Apparently the cybernation system will decide what we want to produce, as well as how to produce it, because we humans just aren't up to the job.

What emerges sounds less like a socialist society of responsible adults and more like a Tracey Island playground for hedonistic infants with no tough decisions to make and no responsibilities to shoulder. Socialists place participatory democracy at the very core of our social model, irrespective of the technology. For Fresco, it seems to be the other way round. In answer to the question, would there be a government? Fresco answers that there would be a transitional administration of expert technicians, before the process of 'cybernation' is complete. He adds that "They will not dictate the policies or have any more advantage than other people." But how does he know that? What mechanisms would prevent a technocracy maintaining power in perpetuity? Fresco is leaving the matter to trust. Worse still, in avoiding the whole issue of democratic organisation and class action, Fresco has no way to address the even more pressing question, how to overcome the certain opposition of the ruling class. So he dodges it by arguing that there will be no need to, since capitalism will collapse of its own accord. Leaving aside the extreme improbability of this, it begs the question: what should we do then, while we're waiting for that to happen? Spread the ideas perhaps, as socialists advocate? Apparently not! "True social change is not brought about by men and women of reason and good will on a personal level. The notion that one can sit and talk to individuals and alter their values is highly improbable" ([www.venusproject.com/intro\\_main\\_essay.htm](http://www.venusproject.com/intro_main_essay.htm)). Ever the technophile, Fresco has his eye on something more worthy of an engineer, the building of an experimental city in South America, in order to show his society in action. Thus, we have a future, non-market, non-money society with no human decision-making, existing as a sealed bubble inside capitalism, and on a continent famous for its CIA-backed counter-revolutionary guerrilla forces. Well, lots of luck, but this ain't a horse we would back. Besides, the world has been here before - maybe he should read about Robert Owen on Page 15 of this issue.

Socialists rarely have anything good to say about post-modernism, but Fresco's stary-eyed fixation with technology reminds us what was wrong with modernity in the first place. It was enlightenment thinking gone light-headed, before the hangover set in and we realised that, actually, science can't save us from ourselves, in fact science and technology have got buggier all to do with it. Mass consciousness and democratic organisation are what it takes, not fantastical gadgets and optimistic faith in the imminent and obliging demise of capitalism. If you're wrong about that, you've got nothing. Without class action, there's no foundation, no plan, no clear road. It's a house of cards floating in the air.

Fresco and his friends deserve huge credit for the work they have done in setting out a vision of post-capitalist common ownership, and if nothing else, the Venus Project should remind us that such ideas are not unique to us. But visions born of conspiracy theories tend to preclude the idea of democratic mass action, and that is a weakness. For socialists, not only is mass action possible, it is essential.

Capitalism will not collapse. It has to be pulled down. And machines won't do that for us.



## Money must go

Dear Editors

The existence of money and property ownership has become a choke point in the further evolution of mankind. We, in the United Kingdom, as one of the wealthiest nations on this planet, can't afford to keep our pensioners at a level much above abject poverty, and over the next twenty years this will become more acute. We close down hospital wards because next year's budget isn't due yet, despite being able to fill them many times over with people who urgently require treatment. We allow people in the third world to die in the most degrading circumstances, because it is more profitable to cheat them out of their national resources. We stand by and watch helplessly, as the drug barons infect out richest resource, our children. Big business rapes and pollutes the limited resources of our planet and encourages us to keep buying, and wasting, to keep the cash flowing. It doesn't make sense. Fortunately, there is a solution which can wipe out these ills and many more.

The two root causes of most human misery are money and violence, and the existence of money is the catalyst for most violence. By removing money and the individual ownership of any and all of Earth's resources from existence, we instantly remove the barriers to the further evolution of mankind. An evolution away from war, crime, and inequality. An evolution toward global prosperity, universal peace and understanding.

So how could this be peacefully achieved, and what would be the net effect? All we have to do is to decide, as a species, that at a pre-determined point in time, we will stop using money. From that time on, changes will begin to occur which will positively enhance our existence on this planet. All we have to do is keep working, to produce all the goods and services that we need and want. But instead of producing poor quality goods, we can take the decision to produce the best quality, most up to date goods we can imagine, for everyone.

Constricted only by the paramount rules of ensuring the safe availability of the raw materials we require, the safety of the people producing them and the overriding factor of its minimal impact on our planet.

With expert planning, and the positive will of all the people

of the Earth, we can build new communities with safe, efficient, integrated transport, energy, waste management, health and entertainment systems, sited in the most geologically and climatically stable environments on the planet, using fully recyclable materials. For all of us.

We can detoxify areas of our planet which have been previously adulterated by industry. We can grow unadulterated food all year round, using the most fertile and suitable areas of our planet for our crops. We can provide first class training for everyone to carry out their job efficiently and knowledgably. We can make those jobs as safe and pleasant as possible, with hours and holiday entitlements pre-calculated by statisticians, so that we do enough to maintain and improve our environment without it impinging too much on our new found social life.

We can gather the finest minds on the planet, equip them with all the materials and technology and help they require, and stand back in awe as they produce solutions to whatever befalls us. If it is humanly possible, and good for our planet and our species then why not? We, the human species can have all of this, and so much more.

As soon as we realise that we are all intimately related. We are one family, estranged by time, distance, environment and philosophy. And as soon as we realise that here on Earth, we are living in a life support system which is, to our certain knowledge, unique. Because it contains the only species in the known universe with which we can fully communicate, and it is composed of all the raw materials we will (hopefully) ever need.

We already have the world we dream about, we can award ourselves undreamt of fringe benefits. The only questions you really need to ask yourself are – why not.....and when? KEN SCRAGG, Livingston, West Lothian

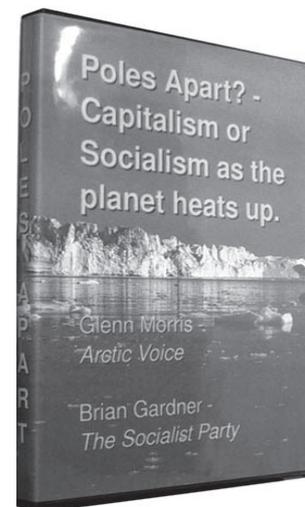
**Reply:** We of course agree that the production and distribution of wealth could, and should, take place without money, but we don't think it will as easy to get there as you seem to imply. We will need to organise to struggle politically against those who currently own and control the means for producing wealth and benefit from the money-wages-profits system. There will have to be an (essentially peaceful) democratic social revolution to end their monopoly and make the

means of production the common heritage of all, which will make money redundant. This done, the benefits you mention will become possible – *Editors.*



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Over recent centuries, one region of the planet after another has been “opened up” to capitalist plunder, with rival powers fighting over the spoils. In the 19<sup>th</sup> century the “scramble” was for Africa. Now it is for the resources of the Arctic, as technological advances and global warming make them accessible to exploitation (*Socialist Standard*, September 2007).

Once the Arctic and Antarctic are brought under the sway of capital, what next? Is that the end of the story, the closing of the last frontier? True, there remains the cosmos. But surely the costs of extracting resources and transporting them to earth will be prohibitive?

In fact, the strategists of the six space powers -- the US, Russia, the EU, China, India and Japan -- already have their sights on the commercial and military potential of the moon.

### Helium-3

On October 22 India launched the Chandrayaan-1 satellite. On November 11 it entered moon orbit. One of its main tasks is to map deposits of Helium-3 (He-3). This isotope, mixed with deuterium (H-2), is the optimal fuel for nuclear fusion. In particular, it minimises radioactive emissions. It is very rare on earth (by one estimate just 30 kg) because the solar wind that carries it is blocked by the earth’s atmosphere and magnetic field. The moon’s surface layer contains millions of tonnes of the stuff.

It has been calculated that a single shuttle flight bearing a load of 25 tonnes (currently valued at \$100 billion) would meet energy demand in India for several years or in the US for one year. Three flights would keep the world going for a year.

The main problem is extracting the He-3 as gas from the moon dust. This requires heating the dust to 800° C. in furnaces or towers powered by solar energy. (Silicon for solar cells is also abundant on the moon.) 360,000 tonnes of dust would have to be processed to collect enough gas for one load. Technologically this appears feasible; modern furnaces do actually process such huge quantities of material. However, some experts question the economic feasibility of strip mining the moon in this way.

Despite uncertainties, Indian strategists hope that the Chandrayaan-1 satellite will enable India to “stake a priority claim” on He-3 resources when lunar colonization begins. India’s main rivals in this field are the US, which has “re-energised” its moon programme and plans to establish a manned base by 2020, and also China.

### Enough for everyone?

Given the abundant supply of He-3 relative to foreseeable demand, why should India need to compete with other space powers for preferential access? Surely there is enough for everyone?

Yes, but some locations on the lunar surface are much better for mining than others. Identifying the best locations is the aim of satellite exploration.

First, the nature of the terrain will obviously matter when building bases and installations, whether operated by humans or robots. It will be a great advantage to have water (ice) nearby.

Second, it will be least expensive to work in areas where deposits are richest, so that less dust has to be processed for each unit of gas extracted.

Third, reliance on solar power for soil heating (and other purposes) puts a premium on parts of the surface that have almost continuous exposure to sunlight. These are also the warmest regions (by lunar standards). An example is the Shackleton Crater at the South Pole. India is especially interested in this area, and the US also wants to establish its base there.

### Militarisation of the moon?

Certain places on the moon are already seen as “strategic locations.” Thus, the topography of Malapert Mountain makes it an ideal spot for a radio relay station. Near the Shackleton Crater, it enhances the strategic value of the crater area.

Such considerations will become more important if the moon is militarised. This may happen as a result of competition for land and resources on the moon, or as an extension of military preparations on earth -- for instance, with lunar stations serving as reserve command centres.

Even if international agreements constrain militarisation and divide the moon into zones belonging to the various powers, military threats may arise from “dual use” technologies. Suppose that instead of mining He-3 some country decides to generate electricity on the moon using solar cells and transmit it on microwave beams to a receiving station on earth. The problem under capitalism is that these same beams may equally well be used as powerful weapons against earth targets.

There is also potential for conflict between the space powers and countries that have not yet launched space programs. Like the nuclear weapons states, the space powers may form an exclusive club and take aggressive action to thwart “space power proliferation” -- i.e., prevent other countries from acquiring space capabilities.

### Space programs and socialism

It is absurd for our species to venture into the cosmos while still divided into warring states and dominated by primitive mechanisms like capital accumulation. Even the first people in space, almost a half century ago, could see earth as a single fragile system.

A world socialist community will have to decide which elements of existing space programs to retain and which to freeze or abandon. National programs will be merged into global programs, eliminating the wasteful duplication inherent in interstate competition. Programs of purely scientific interest may be deferred pending the solution of more urgent problems.

Attitudes in a socialist world toward reliance on space activities may diverge quite widely. Some may seek the benefits of a complex high-consumption lifestyle made possible by nuclear fusion and off-earth technologies. Others may prefer to avoid the irreducible risks of these technologies and solve earth’s problems as far as possible here on earth.

STEFAN



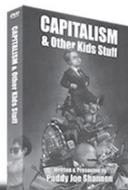


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## HOW THE OTHER 5% LIVE

"Once it was the Greeks who commanded the best boats. Aristotle Onasis's yacht, Christina O, hosted Marilyn Monroe, Frank Sinatra, Eva Peron and Sir Winston Churchill who were all photographed on board. Then the Arabs became involved. Ten years ago, Diana, Princess of Wales, was photographed sunbathing on Mohamed Al Fayed's yacht the weekend before she died. But in the past five years the Russians have turned it into a different league. Your bog-standard superyacht now costs between £40 and £70 million depending on the interior specification. The running costs tend to be about £5 million a year for the bigger vessels." (*Times*, 23 October)

## YOU SHOULD BE SO LUCKY

"If it was not evident already how much developers in Dubai value the input of a celebrity name, the news that Kylie Minogue is to be paid about \$4.4 million (£2.8 million) to officially open the \$1.5 billion Atlantis Hotel on November 20 should silence any doubters. The Australian singer's first performance in the Middle East will be part of a \$35 million extravaganza billed as the most expensive party yet held - the fireworks alone are to cost \$6.8 million. But why bother with such expenditure? The Atlantis has already attracted huge publicity over its £13,000 a night suites." (*Times*, 31 October)

## AIN'T RELIGION WONDERFUL?

"A 13-year-old girl who said she had been raped was stoned to death in Somalia after being accused of adultery by Islamic militants, a human rights group said. Dozens of men stoned Aisha Ibrahim Duhulow to death Oct. 27 in a stadium packed with 1,000 spectators in the southern port city of Kismayo, Amnesty International and Somali media reported, citing witnesses. The Islamic militia in charge of Kismayo had accused her of adultery after she reported that three men had raped her, the rights group said." (*Yahoo News*, 1 November)

## AMERICAN NIGHTMARE

"Families are flooding homeless shelters across the United States in numbers not seen for years, camping out in motels or staying with friends and relatives, homeless advocates say. "There are lots of families hemorrhaging into homelessness and we need to figure out how to put a tourniquet on the hemorrhaging," Philip Mangano, the homelessness czar appointed by President George W. Bush in 2002, told Reuters. There is little time to waste. The U.S. unemployment rate is at a 14-year high and more job losses are forecast, while the Mortgage Bankers Association says nearly 1.5 million homes are in the process of foreclosure." (*Reuters*, 12 November)

## TURN THE OTHER CHEEK?

"Israeli police rushed into one of Christianity's holiest churches Sunday and arrested two clergyman after an argument between monks erupted into a brawl next to the site of Jesus' tomb. The clash between Armenian and Greek Orthodox monks broke out in the Church of the Holy Sepulcher, revered as the site of Jesus' crucifixion, burial and resurrection. The brawling began during a procession of Armenian clergymen commemorating the 4th-century discovery of the cross believed to have been used to crucify Jesus. The Greeks objected to the march without one of their monks present, fearing that otherwise, the procession would subvert their own claim to the Edicule -- the ancient structure built on what is believed to be the tomb of Jesus -- and give the Armenians a claim to the site." (*Associated Press*, 10 November)

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### Cooking the Books 1

## Keynes rides again

It is not just the ideas of Marx that the current crisis is getting people to look at again. It's also those of Keynes. In fact it now seems to be official government policy. In October the Chancellor Alistair Darling declared that "much of what Keynes wrote still makes sense" (*Sunday Telegraph*, 19 October). Then last month Gordon

Brown himself, in America for a summit of the G20, "invoked the memory of John Maynard Keynes", according to the *Financial Times* (15/16 November), proposing a typically Keynesian approach to the current crisis, right down to exactly the same terminology:

"Gordon Brown yesterday heralded an anti-recession strategy founded on tax cuts for low earners and further cuts in interest rates, in the hope that Britain will spend its way out of the downturn. Mr Brown . . . suggested that the government would use tax credits to help poor families since they were more likely to spend any money handed out. People on low income had 'a higher propensity to spend if their credits are higher', Mr. Brown said."

Keynes was an inter-war years economist who was at one time credited with having saved capitalism. He argued that capitalism did not automatically tend towards full employment and that government intervention to increase spending was needed to ensure this. He was himself a Liberal, but his ideas were embraced by all three main parties in Britain. He was particularly liked in Labour Party circles as his theories seems to justify their reformist attempt to redistribute income from the rich to the poor with their "higher propensity to spend".

As it happened, post-war Britain did have more or less full employment for twenty or so years after the war, but this was more due to the expansion of world markets than to Keynesian "demand management" policies. When, in the mid-1970s, world market conditions changed, Keynes's policies were shown not to work. Instead of stimulating a revival of industrial production they added a new problem – rising prices through currency inflation, which in turn led to periodic devaluations of the pound. In all previous slumps prices had fallen, but the implementation of Keynesian policies in the 1970s meant that they continued to rise. A new word was invented to describe the result: "stagflation".

In Britain the funeral oration on Keynesianism (Keynes himself had died in 1946) was delivered by the then Labour Party Prime Minister, James Callaghan, at the 1976 Labour Party Conference:

"We used to think that you could just spend your way out of a recession and increase employment by cutting taxes and boosting government spending. I tell you, in all candour, that that option no longer exists and that in so far as it ever did exist, it only worked on each occasion since the war by injecting bigger doses of inflation into the economy, followed by higher levels of unemployment" (*Times*, 29 September 1976).

Or, as Keynes's biographer Lord Skidelsky put it, "Then Keynesian policies suddenly became obsolete and the theory that backed it was condemned to history's dustbin" (*Times*, 23 October).

It is a sign of the desperation of Brown and his government that they have been forced to rummage through the dustbin of history for a policy to deal with the current financial crisis and coming depression. Spending your way out of a crisis was tried by the last Labour government and, as Callaghan was forced to admit, it didn't work. There's no reason to believe it will this time either.

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# Five benefits of not having money

*Socialist society will have no need for money. This will profoundly affect all aspects of life.*



**R**emoving money from the current economic equation would strike most people as impossible, unthinkable, absolutely imponderable. Everything we do, every transaction we make, from a simple cup of tea to sending a space probe to Mars, from birth to death and at every step in between, money has become a necessary part of getting what we require. It has become an accepted, entrenched method of acquiring anything and everything but it wasn't always so and in a genuine socialist system money will be shown to have been an unnecessary, wasteful and divisive way of ordering world communities.

When initially presented with the notion of a world without money the first imperative is the willingness to contemplate a huge paradigm shift, to put aside all familiar long-held views and preconceived notions

and to enter into an adventure of discovery that there is a place for all at the table, that it doesn't entail regression to the Dark Ages and that the welfare and progress of people doesn't have to come at cost to the environment.

## 1. Work



It is well recognised by experts in the health arena that work is one of the most stressful areas of life for reasons such as long hours, extended travelling time to and from place of employment, risk of job loss, lack of security of tenure including competition both within and without, inflexible working practices, difficulty getting release for major personal events such as bereavement, long-term illness of a spouse or partner, or even short-term care of a sick child. Loss of employment can put stress on the whole family, sinking it into debt, causing day-to-day difficulties with the budget and in many cases leading to loss of the home.

When money is not required in exchange for work and when, instead, all contribute their skills, expertise and/or manpower in return for open access to the requirements of life then we can begin to see a

different motivation enter the whole concept of the “work” scenario. A moneyless world will free up millions of workers now tied to some very stressful occupations dealing *only* in (other people’s) money – banking, mortgage brokering, insurance; those occupied in the collection of rates, taxes and utility payments; those in security work such as guards and armoured truck staff engaged only in protecting and moving money and other “valuables” – millions of workers who, when considered logically, currently fulfil no useful function and contribute nothing to society that improves that society.

Right now, worldwide, are millions of would-be workers who are sidelined in one way or another, without employment or scratching on the edges of a black economy and in some of the more “developed” countries we find some termed “scroungers” in current-day parlance.

Within the capitalist system there has to be a pool of workers unable to find work in order to keep the bargaining power in favour of the employers who strive to keep wage levels down, whereas if there is a shortage of suitable labour the bargaining power switches to the employees who try to force wage levels up. The fact that a few “developed” countries have systems which pay a percentage of workers to remain unemployed (receive benefits) is a price the capitalists are prepared to pay to maintain the tensions in society. Encouraging the employed to think that they are the ones subsidising the benefits system maintains one fissure within the working class. Also, allowing a large number of unemployed to be without benefits would cause too many problems for the capitalists with possibilities of mass looting, rioting and damage to their property

When all work is seen as legitimate and deserving of recognition, from the humblest occupations – collecting and sorting waste, stacking shelves in our stores, keeping the utilities working even in the worst weather, repairing our shoes – to those which are perceived as more elite – heart surgeons, ground-breaking scientists or cutting-edge technicians; when all are respected for their contribution simply by having the same right of access to the commonly produced goods, humankind will have truly developed to a higher level. This change in emphasis regarding human worth would, as a matter of course, give all the opportunity for further personal development in areas of

individual choice which leads to the second topic for consideration,

## 2. Increased Leisure Time



With so many extra hands on deck working hours will be able to be considerably reduced which, with the knowledge that one’s work is not tied to the ability to feed and clothe the family, to house them and provide all the other requirements of life, is to remove the stress at a stroke.

Decreased time, but working for the common good rather than increased time working only for personal remuneration. Less working time was the oft-repeated refrain in the early days of the technology era. Workers were to benefit from machine-operated production systems, computers would be able to handle many of the mundane operations previously done manually, the working week would be much reduced, maybe even leading to job-sharing and part-time employment. In fact this state of affairs never materialised and more employees found longer working hours became part of their conditions of employment, earlier agreements having been gradually eroded to the benefit of the employers.

In socialism, with millions released from wage slavery in the then redundant financial sector free to be a part of the production, distribution and services sectors, with the black economy and “illegals” no longer threatening paid workers (pay being redundant) there will be a huge reduction in individual necessary work time. When there is no profit incentive the emphasis will be on the production of quality goods from quality materials and no one need choose an inferior item based on cost. Providers of utilities such as electricity and gas, water and communications will be able to have sufficient workers to install, service, repair and develop their installations more efficiently and effectively. If there is work that no one is prepared to undertake then an alternative will need to be found democratically.

Without the constraints that

we have today the workplace will become a different place, one of cooperation not competition, where we work for the benefit of all, not for the profit of a few. The lines between work and leisure may well be much more blurred than in today’s scenario. People will have *time*, time to be creative, to learn different and multiple skills and to enjoy the time they spend working. Leisure activities seen as hobbies now – vehicle maintenance, gardening, DIY home improvements, baking, the making of all kinds of hand-made items, giving or receiving educational and training courses – could well form part of one’s service to the community, bringing a greater satisfaction and contributing to individual development generally, one of the aims of socialism. With more leisure time available it is also highly likely that more ‘work’ would be created in the leisure area, whether sports complexes, theatrical and music productions and educational courses in the widest sense and with unlimited opportunities for the active participation of those who choose it.

## 3. Housing



Adequate shelter, a “right” for all enshrined in the United Nations Charter, is still unavailable to millions (billions, probably). There is absolutely no automatic right to housing within the capitalist system. All must pay. To pay, all must work. It is no matter that you work long and hard and that your children work long and hard and don’t go to school. All that matters is that you have enough to buy or rent or build. Maybe you did have enough before the housing market bubble burst and the “worth” of your house went down while the interest rates went up. Well, tough! Look around you. See the empty houses and FOR SALE and foreclosure signs. These people must be living somewhere now. There is always housing stock available – if you can pay the going rate.

This is one very obvious benefit of not having money. The recent economic crisis has focussed many home-owners’ minds. Why should anyone be secure one month and the next find themselves in queer street? Can *anybody* justify one



individual's multiple home ownership while others live in slums, in cars, in cardboard boxes on the streets? Please! When the majority of us have eventually decided that this scenario is unacceptably obscene we can at last begin to move to a humanitarian way of ordering our societies. Housing for all. *Decent* housing for all. Materials that are free and belong to all of us. Our architects, builders, plumbers, plasterers, electricians, etc. etc. will all work for free – they also need homes to live in. New housing can be built to the best specifications using appropriate materials, incorporating adequate insulation and services with regard to environmental protection and best use of alternative energy.

Respect for people and respect for the environment. Decisions made democratically as to best use of urban space vacated by the money businesses; by communities wanting to refurbish or upgrade their older stock. The balance between urban and rural will no doubt change. In some parts of the world there will be a mass exodus back to productive farmland, reclaimed for local use and consumption rather than continuing to grow cash crops for export. Decisions will be taken based on the well-being of communities and determined by the requirements of those communities and there will be no constraints or limitations linked to profit for a third party.

#### 4. Health care



As a result of huge stress reduction, no more worrying about salary or wages from the job, no more worrying about keeping up the payments on the house, increased

leisure time – all these various factors will surely result in improved relationships all round and, quite soon, a healthier workforce.

At present there are huge variations in standards of health care around the world and also massive discrepancies in availability and monetary cost to the recipients, Universal health care simply does not exist. Again it is tied in to the ability to pay. Let's remove this barrier to good health and care of the sick by removing the money element and offer all services, treatments, drugs and medicines free of charge. Hospitals and clinics then will be free of top-heavy budget management and will be able to access resources, whether manpower, equipment or drugs, according to their requirements and not limited by financial constraints. Medical researchers, now mostly tied to global corporations and limited by them in the areas of their research, will be able to concentrate on eradicating disease and providing the best remedies for all comers, not just those with insurance. World diseases such as malaria, tuberculosis and polio will soon be a thing of the past when money, too, is history.

Work and training in one of the many varied avenues of health care will be open to those from the pool of post-money redundant sectors. With the shift from a market economy to societies geared to fulfilling human needs there will probably be more priority given to preventive medicine and appropriate information on suitable diet and healthy living, which leads us to consider the topic of food.

#### 5. Food



Currently the growing, processing and distribution of food is largely dominated by transnational corporations solely in the pursuit of profit. The consumer appears to have a huge choice of goods and numerous decisions to make at each aisle of the supermarket but often the choices are superficial, not

actually the choices being sought. For instance, notice the difficulty of buying a processed food which doesn't contain soya. The soya has probably been genetically modified and the labelling could be unhelpful. The choice becomes buy in ignorance or acceptance, or do without.

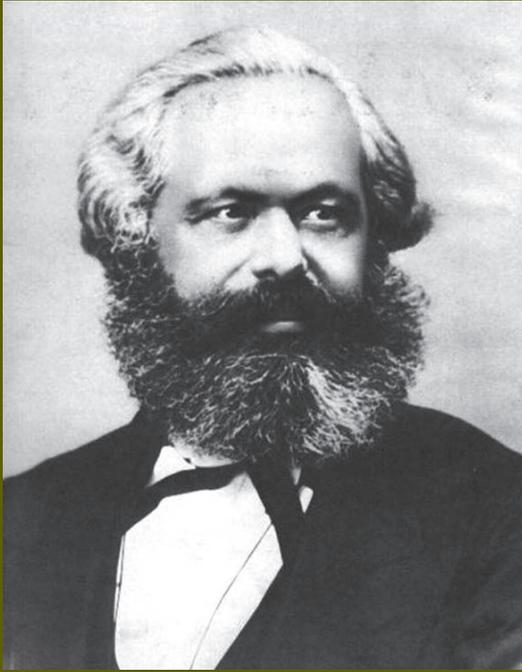
It's well known that products are laced with added sugar, salt, monosodium glutamate etc. to create a certain dependency and craving for more. Last year's problems of melamine-laced pet foods which caused animal deaths in the importing countries were followed this year by melamine-laced milk products causing infant deaths and multiple illnesses in China, spreading fear to importing countries. There can be only one reason for food to be contaminated deliberately (apart from a mass assassination attempt or the desire to spread fear among the population) and that is in the pursuit of greater profit.

Africa, a net exporter of food until the post-colonial days of the 1960s, became a victim again, indebted to the World Bank and IMF. Recipient of highly subsidised dumping of food from rich countries (US and Europe) the result has been that the countries there have to grow cash crops for export in order to pay off some of the growing debt creating food shortages for the domestic population, many of whom had been forced off ancestral lands (for the growing of cash crops) and who were then without the means of subsistence. There have been a number of studies which reveal there is no problem feeding a world population considerably larger than today's. There is an enormous wastage of food in the rich world. The major problem for the hungry in the poorest countries is lack of cash.

Food, if regarded simply as fuel for the body, should be clean – free from contaminants, chemicals and the like; fresh – the more local the better; and nutritious. Free food for all would come with the bonus of knowing there would no longer be any incentive to adulterate ingredients. The question of "FAIR TRADE" wouldn't arise as all along the line farmers, producers, pickers, packers and distributors would have the same motivation to provide good clean food knowing they have the same access as the consumers. This has to be a win-win situation. Another winner in this scenario would be the environment.

**JANET SURMAN**

*Next month, five more benefits from not having to have money.*



# The return of Karl Marx

*A German publisher has reported that sales of Das Kapital have increased dramatically.*

**M**arx is again enjoying something of a revival. After his views on the globalising tendencies of capitalism, it is now his theory of crises that is attracting interest and being discussed in the media. Unfortunately not always accurately. For instance, in an article headlined “BANKING CRISIS GIVES ADDED CAPITAL TO MARX’S WRITINGS”, Roger Boyes, the Berlin correspondent of the *Times* wrote (20 October):

“Marx’s new relevance relates mainly to his warning about the creation of an exploitative capitalism that ends up destroying itself: ‘An over-expansion of credit can enable the capitalist system to sell temporarily more goods than the sum of real incomes in created current production, plus past savings, could buy,’ said Ernest Mandel, the Marxist scholar, quoting his guru, ‘but in the long run, debts must be paid’. Since these debts cannot be automatically paid through expanded output and income, capitalism is destined for a ‘Krach’ - Marx’s word for a crash.”

If the suggestion is here, as it seems to be, that it was Marx’s view that capitalism will end up destroying itself in one big Krach, then it is wrong as Marx never argued that there was some flaw in the economic or financial mechanism of capitalism that would lead to it collapsing for purely economic reasons. In his view, as expressed in the last-

but-one chapter of *Capital* on “The Historical Tendency of Capitalist Accumulation”, capitalism would come to an end by the working class becoming more and more organised and eventually expropriating the expropriators and ushering in a society based on “co-operation and the possession in common of the land and the means of production produced by labour itself”. In the meantime capitalism would continue being subjected to an ever-repeating cycle of boom and slump, with each boom ending in a Krach which would eventually create the conditions for a recovery of production and the next boom . . . and the next Krach.

The following day the *Times* section of the paper had a full-page photo of Marx on its front page saying “He’s back. Does the financial crisis prove that Karl Marx was right all along?”. The main article, by a Philip Collins, was just silly, but some of those asked to comment did have something sensible to say, in particular Mick Hume (introduced as “The *Times*’s libertarian Marxist columnist, launched and edited *Living Marxism* magazine 20 years ago”) who said on this issue:

“Marx was right to identify and analyse the tendency towards crises within capitalism, but he did not predict the system’s ‘inevitable’ collapse. Today too many people who have never read or understood Marx are trying to turn him into

an anti-capitalist Nostradamus who supposedly predicted it all, a soothsayer rather than revolutionary social scientist. Marx always emphasised that the resolution of a crisis would ultimately depend on political factors: that man makes his own history, although not in circumstances of his own choosing.”

Hume has come a long way since, as the Trotskyist editor of what we used to call *Dead Leninism*, he advocated that workers should follow a vanguard party.

One of the others asked to comment was the Labour MP John McDonnell who proposed that “*Das Kapital* and *Wages, Prices and Profit* should be issued to all government ministers as the definitive guides to the causes of capitalism in crisis”. He also recommended a book by Ernest Mandel and another by David Miliband’s father who considered himself a Marxist. If he re-reads *Wages, Prices and Profit* himself he will see that Marx urges workers to adopt the revolutionary watchword “Abolition of the Wages System”, which is the last thing the party he represents in Parliament wants.

Mandel was in fact writing above only about credit crises, not economic crises. And he wasn’t quoting from his “guru”. The passage Boyes quotes is not from Marx but from Mandel (see <http://isg-fi.org.uk/spip.php?article140>). Mandel, who died in 1995 was another Trotskyist, the

leader for many years of one of the many “Fourth Internationals”, did, despite this, have a grasp of Marxian economics (at least, as applied to the West since he mistakenly thought Russia wasn’t capitalist). Even so, it is not clear that Marx would have expressed himself in the same terms. For instance, credit - if it is genuinely credit and not just the issue of more paper currency by the central bank - can’t exceed “past savings” plus savings from “real incomes created in current production” since these are precisely the source of any credit, i.e. of the money that is loaned.

Of course debts do have to be repaid and if for some reason (such as overproduction in relation to the market for some key product) they can’t be, the banks and other financial institutions will be in trouble and a financial Krach or, as we say nowadays, a credit crunch will result. Marx wrote quite a bit about these and, to give Boyes his due, he recognises this even mentioning the articles Marx wrote in the *New York Daily Tribune* in 1857 on “The Financial Crisis in Europe” of that year.

But then he goes on:

“In the manifesto, published in 1848, he lists the ten essential steps to communism. Step five was ‘Centralisation of credit in the hands of the state . . .’

It is true that one of the ten immediate measures, listed at the end of section two of the *Communist Manifesto*, that the Communist League of Germany advocated should be taken if political power in

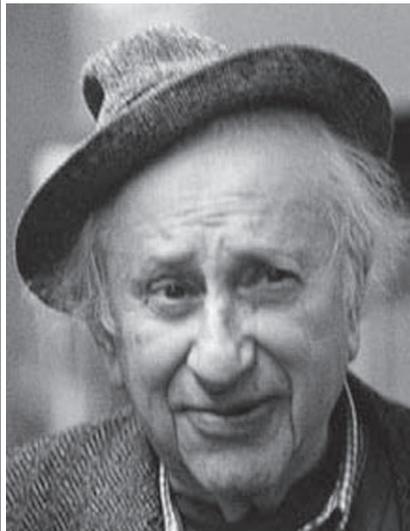


Ernest Mandel

Germany was to fall into the hands of the working class in the course of the anti-feudal and anti-dynastic revolutions of 1848, did include

“Centralisation of credit in the hands of the State, by means of a national bank with State capital and an exclusive monopoly”.

Studs Terkel, a prolific American writer and broadcaster over several decades,



died at the end October at the age of 96. His style and approach is well illustrated by the sub-title of his 1975 book *Working: People talk about what they do all day and how they feel about what they do*. Besides the subject of work, he dealt with leisure, family and education, culture and sub-culture. An article partly based on his writings appeared in the *Socialist Standard* for August 2003.

Some of Terkel’s nine thousand interviews — especially the broadcast ones — were with celebrities of various kinds. But his books were mainly about the life experiences of everyday men and women. He quoted these graphic words of an assembly-line worker: “I stand in one spot, about two or three feet area all

But there was no chance of the working class gaining control of political power at that time, as Marx and Engels later came to realise. In their preface to the first reprint of the pamphlet in 1872 they wrote that “no special stress should be laid” on the ten proposed measures which had “in some details become antiquated”. So to describe them today, in 2008 over a 150 years later, as “the essential” “steps to communism” is absurd.

No doubt the working class, when it does come to win control of political power, will have to have drawn up a programme of immediate measures, but they won’t include setting up a single State Bank as, given the development of the forces of production, society can now move straight to socialism (or communism, the same thing) where there will be no need for banks as there will be no need for money. What the manifesto elsewhere called “the Communistic abolition of buying and selling” can now be achieved immediately.

**ADAM BUICK**

night . . . it don’t stop. It just goes and goes. I bet there’s men who lived and died out there, never seen the end of that line.” Or again: “They give better care to that machine than they will to you . . . If that machine breaks down, there’s somebody out there to fix it right away. If I break down, I’m just pushed over to the other side till another man takes my place. The only thing they have on their mind is to keep that line running.”

Terkel also captured people’s memories of the Depression years and the Second World War. Again and again the themes of solidarity and sharing shine through amidst the destitution and suffering. A woman born in 1911 recalls the ’20s in a mining town in Illinois: “we’d go out picnics, we’d go out fishing, all families. Everything for the picnic. And then when you went to the picnic, there was no money exchanged, no commercial, everything like one big family. They’d cook a pot of mulligan stew and everybody’d share out of that. That was a picnic. Today you go on a picnic, what is it? It’s commercial. You buy your ticket, you buy your popcorn, you buy your beer. If you haven’t got a fistful of money, you haven’t got no picnic.”

As Oliver Sacks once said, “There is no one in the world who can listen like Studs Terkel.” Reading his books provides an unforgettable picture of working-class American life and shows that, contrary to what may sometimes appear, American workers are dissatisfied with their lot and more than prepared to fight for better times.

## IMAGINE

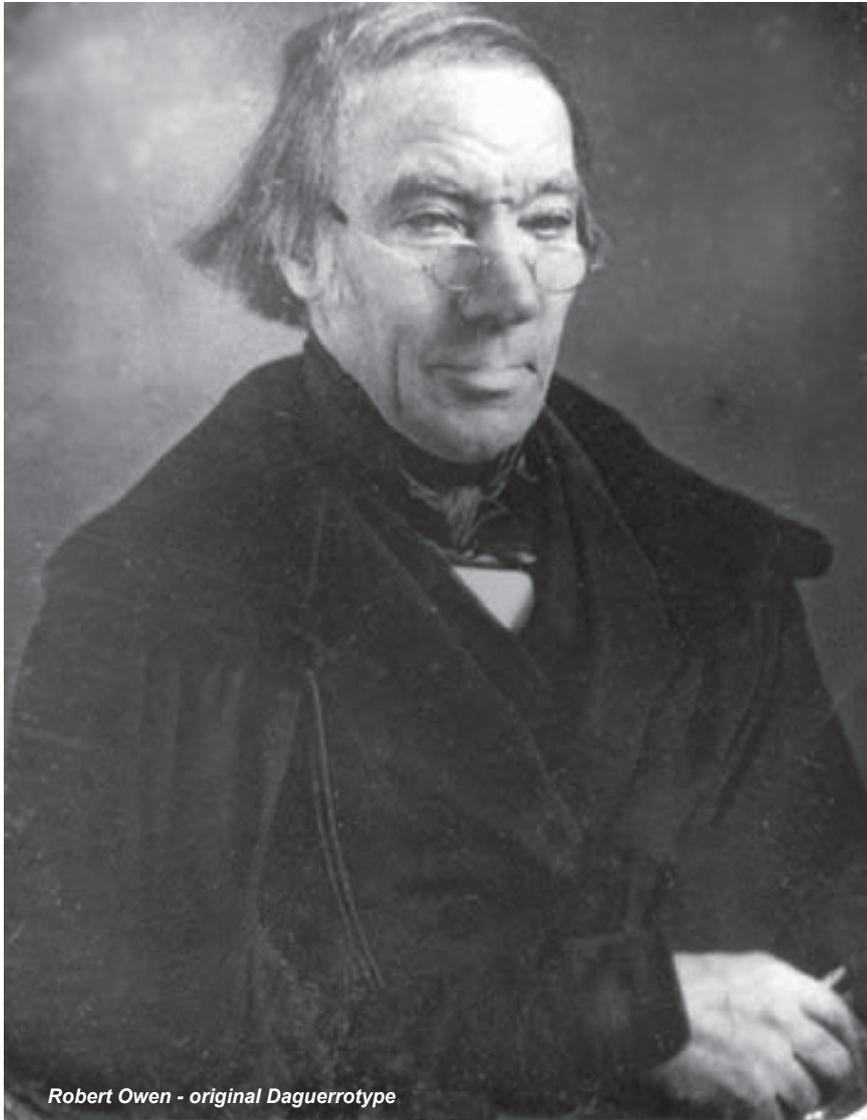
The Fall 2008 issue of the journal of the Socialist Party of Canada has now arrived. A copy can be ordered for £1 (cheque made payable to “The Socialist Party of Great Britain”) from the Socialist Party, 52 Clapham High St, London SW4 7UN.

## Labour, Lib-Dem, Tory



**The Socialist Standard examines their case**

# Robert Owen: paternalist utopian



Robert Owen - original Daguerrotype

*This year marks the 150th anniversary of the death of Robert Owen. The Owenites introduced the word “socialism” but Owen himself always opposed the class struggle.*

Owen's key idea, indeed perhaps his only one, was: “Man's character is made for and not by him”. He thought that it was therefore possible to give a person any character you like. He was, in short, a ‘man moulder’.

Robert Owen was born in Wales. He had little formal education but through hard work and nous (including marrying the boss's daughter) soon became a big cheese

in the cotton spinning business. In 1800, at the age of 29, he moved to New Lanark in Scotland.

This was the real era of the dark satanic mills. Sans unions and sans factory legislation, the workers toiled endlessly for a measly pittance, existing in a degraded condition in filthy slums. Owen took New Lanark (which it must be said was even at the start one of the better mills) and made it a model factory estate. Nice Mr. Owen became well known as a genial entrepreneur and benevolent philanthropist. At his factory at Lanark he improved hours and conditions, introduced schooling, and banned ‘morally harmful’ out of hours activities (outlawing pubs and books and fining extra-marital

sex). He raised the minimum working age from six to ten years. Entertainment for his workers was a little harmless music, some dancing and physical jerks. Military drill was introduced to “give them an erect and proper form, and habits of attention, celerity, and order”. In addition “firearms, of proportionate weight and size for the age and strength of the boys shall be provided for them”. A key element in the workplace was the public display of a block showing the behaviour of the individual (shades of Maoist self-criticism). This was said to be character building but also produced a disciplined and productive workforce. (All quotes are from *A New View of Society* Owen's account of New Lanark).

The aim at New Lanark was made absolutely clear in a letter from Owen to *The Times* in 1834:

“I believe it is known to your lordship that in every point of view no experiment was ever so successful as the one I conducted at New Lanark, although it was commenced and continued in opposition to all the oldest and strongest prejudices of mankind. For twenty-nine years we did without the necessity for magistrates or lawyers; without a single legal punishment; without any known poors' (sic) rate; without intemperance or religious animosities. We reduced the hours of labour, well educated all the children from infancy, greatly improved the condition of the adults, diminishing their daily labour, paid interest on capital, and cleared upwards of £300,000 of profit.” (quoted in GJ Holyoake's *History of Cooperation*).

Like Lord Leverhulme at Port Sunlight, Owen found that treating your workers better makes better workers which makes better profits. The rest of Owen's life was an attempt to recreate the Lanark Mills experience on a large scale. True later on for different reasons. But Owen never really understood that at New Lanark he was able to impose ‘nice’ upon his workers by their very status as workers.

The end of the Napoleonic Wars brought a period of crisis including

mass unemployment. This resulted in a high poor rate. Owen, being a businessman, sought to lower this with a plan for solving unemployment. Again this was the 5 percent philanthropy at work. Concern for the suffering was tempered by profit making – in the form of a lowered tax burden. Some time around 1817 this tax plan became a general scheme for the changing of society.

Essentially society was to be transformed by means of experimental communities. These self-contained and self-supporting complexes were to be built as grand squares, the parallelograms. In the communities the precise form of ownership of property was left open, leaving the way open for ‘community of goods’. However Owen was averse to this. Economics, like the precise form of internal administration in the colony, was unimportant. Education was the key to Owen’s scheme and its purpose was to mould the individual into an ideal social character. Finance was to come by an appeal to the rich and influential. Such was not forthcoming. Owen blamed his failure on his relatively mild criticism of the established church and the family. Doubtless this had some effect but the rich really had no particular interest in solving the problem of poverty. So far as they were concerned the poor could rot.

From 1824 Owen poured his own money into setting up a community in America. New Harmony, in Indiana, failed within a few years, essentially due to lack of discrimination in choosing occupants (the great problem of freeloaders). Without the power that goes with being a factory owner, Owen was unable to make the communists behave as he wished, particularly as, despite his own high opinion of himself, he was not a particularly good organiser, often leaving deputies to deal with problems while he swanned off for parties with the wealthy (Owen was always fond of the Great and Good, dedicating the *New View* to the appallingly corrupt Prince

## “Essentially society was to be transformed by means of experimental communities”

the anti-combination laws to set up trade unions. These were as yet little more than local self-help clubs, often carrying out some form of cooperative trading venture. Many of those involved looked to Owen as a source of inspiration. Owen himself had lost virtually all his money and whatever slight influence he may have had amongst the wealthier classes. Bandwaggoning a little, he began to associate himself with the various self-help schemes – co-operatives, barter schemes and trade unions. Although so far as he was concerned these were only of use in ‘preparing the public’s mind for community’, this short period (1829-34) was the making of Owen as a figurehead of the old Left.

Within a short time Owen had set up his own cooperative (Association for the Promotion of Cooperative Knowledge), union (Grand National Consolidated Trades Union) and labour exchange (National Equitable Labour Exchange) organisations. The latter functioned as an extension of the cooperative store, surplus coop produce forming the basis of its activities. Essentially goods brought in were valued by a committee and a note issued indicating the amount of labour required to produce the item. This could then be exchanged for other goods in the bazaar of the same labour time value.

The various groups were viewed as fund raisers and mind openers – fronts in modern parlance – rather

Regent).

When Owen returned to Britain in 1829 after the dismal failure of his American experiment, he found the situation somewhat altered. Throughout the country the working class was making use of the repeal of

than useful in themselves. Strikes were certainly not on Owen’s agenda. And when the true class war came to a head in the summer of 1834, Owen bailed out, disassociating himself from the GNCTU. Extreme pressure from employers led to the failure of the union, which brought down in its wake the cooperatives and labour exchanges. The latter were probably fatally flawed in any case due to their limited ability to satisfy needs, most goods making their way there being unsaleable on the open market.

In 1835 Owen renewed the attempt to found a community. This time the attempt was made through a distinctly working class body. This was variously named the Association of All Classes of All Nations (1835-39), the Universal Community Society of Rational Religionists (1839-42) and the Rational Society (1842-46). At its peak in 1841 there were 70 or so branches spread throughout Great Britain. In key centres, such as Manchester and London, meeting halls were built (the Halls of Science) and regular indoor and outdoor propaganda meetings held under the auspices of ‘Social Missionaries’. By late 1839 the efforts bore fruit with the opening of a community at Queenwood in Hampshire. This became known as Harmony.

Harmony was however distinctly unharmonious. Owen regarded the whole enterprise as a means towards the perfection of humanity, a great experiment in making people nice. The workers however saw Owenism in general and the community in particular, as a way of abolishing their own poverty. Conflict was inevitably the result, with control of the enterprise swinging back and forth between the paternalist Owen and the self-organising proles. The true downfall of Harmony however was really Owen’s responsibility. Having selected a hopeless site in the chalk uplands, he proceeded to build a



hopelessly ornate 'super workhouse', burdening the society with unsustainable debts. In the summer of 1845 Harmony was sold off. Further details of the Harmony scheme can be found in Edward Royle's excellent *Robert Owen and the Commencement of the Millennium* (Manchester University Press, 1998).

Historically the attitude to the Owenites of the 1830s and '40s has been determined by the semi-religious millennial language that was used and group dismissed (e.g. by GDH Cole) as nothing more than a sect. Although there were elements of this, Owen as the secular saviour leading his chosen people to the glorious paradise of Community, the reduction is a rather unfair slur. Many contemporary organisations, including the Chartists, used flowery language. And the image of Owen as unquestioned leader was certainly far from the truth.

Owen has further been criticised for paying no attention to the main mass movement of the day – Chartism. Chartism was a movement for political democracy and as such was irrelevant to Owen's aim – setting up experimental communities. It must also be said that so far as the starving worker of the day was concerned the issue of mere possession of the vote in itself would not have brought them food. The demand for the ballot was resisted by the upper class largely because it was believed anti-capitalist measures would follow in its wake. Owen recognised, unlike most Chartists, that political democracy is not the solution in itself to capitalist misery. He did not however recognise that it could be a means to this very end.

After 1845 Owen went into a form of retired senility. Seances, bumreadings and other such garbage were the order of the day. Perhaps his greatest contribution of these years was his autobiography *The Life of Robert Owen by Himself*, published in 1857. Although obviously biased it is a great from the horse's mouth source.

The principal practical result of Owen's life was the setting up of utopian communities. The Owenite communities, both the official ones detailed above and the numerous examples in which Owen had no hand, failed to demonstrate Owen's theories of character formation, which was of course their main aim, because they never became properly established. What they do demonstrate however is how easy it is for such a community to fail. And since such communities would primarily be a demonstration of cooperation, providing a haven for a few from capitalism, the amount of enthusiasm and resources invested was surely wasteful.

Perhaps surprisingly, although Owenism was unfruitful in achieving its specified aims its by-products were far from inconsiderable. The Rochdale Pioneers, founders of the modern cooperative movement, were Owenites and the modern secularist movement can also trace its ancestry back to the Owenite movement of the 1840s.

The importance of the Owenites is that they marked a watershed; for the first time a complete change in the nature of society was contemplated by a section of the working class. We also owe them our name. Although previously in use, the name 'socialism' was adopted by the Owenites in 1837 to describe their aims and within a few years Owenism and Socialism were synonymous. The connection was so strong that Marx and Engels were forced to have a Communist Manifesto rather than a socialist one. The meaning of the phrase has altered much since then, primarily due to the influence of Marx and Engels, however the underlying assumptions of Owen and the Owenites that human nature is not eternally fixed and therefore a better world is possible remains the basis of socialism.

**KAZ**



## Cooking the Books 2

## The myth of magic money

One thing that the current banking crisis has done is to explode the myth about banks being able to create credit, i.e. money to lend out at interest, by a mere stroke of the pen. Events have clearly

confirmed that banks are financial intermediaries which can only lend out either what has been deposited with them or what they have themselves borrowed or their own reserves. As the US Federal Reserve put it in one of its educational documents:

"Banks borrow funds from their depositors (those with savings) and in turn lend those funds to the banks' borrowers (those in need of funds). Banks make money by charging borrowers more for a loan (a higher percentage interest rate) than is paid to depositors for use of their money." (<http://www.federalreserveeducation.org/fed101/fedtoday/FedTodayAll.pdf>, p. 57)

Actually, banks don't just borrow from individual depositors, or "retail". They also borrow "wholesale" from the money market. It is in fact the difficulties they have experienced here that has revealed that they cannot create credit out of nothing.

Because some banks had burnt their fingers by buying securities based on sub-prime mortgages in America, other banks were reluctant to lend on the money market for fear that the borrowing bank might turn out to be insolvent. Which meant that one source of money for the banks to re-lend to their customers had shrunk. Or at least had become too expensive as interest rates had risen too high compared with the rate banks could charge their borrowers to allow them to make a profit or enough profit. So, deprived of this source of money, the banks had less to lend out themselves. Which of course wouldn't have been a problem if they really did have the power to create money to lend out of nothing.

But at least one person was unable to see what should have been obvious. On 15 October the *Times* printed a letter from a Malcolm Parkin, in which he wrote:

"Only 3 per cent of money exists as cash. Therefore the rest is magic money conjured into existence, and issued as debt by banks, at a ratio of about 33 magic pounds to 1 real pound, by the quite legal means of fractional reserve banking. In a rising market, it follows that anybody able to create such money, at such a ratio, can soon get rich."

The "fractional reserve" he mentions is the proportion of retail deposits that a bank keeps as cash to handle likely withdrawals. Fifty years ago in Britain it was 8 percent. But, as banks resorted more and more to the wholesale money market to get money to re-lend, the percentage of cash to loans became almost irrelevant. Parkin's figure of 3 percent is the percentage of cash banks hold compared to total loans, including those based on money borrowed from the money market (which even on his definition is not "magic money").

What a "fractional reserve", or "cash ratio", of say, 10 percent means, is that if £100 is deposited in a bank that bank has to keep £10 as cash and can lend out £90. Parkin has misunderstood this to mean that a bank can lend out £900 - and charge interest on it. Easy money, as he says, if it were true. But it isn't.

The theory of "fractional reserve banking" is that an initial deposit of £100 can lead to *the whole banking system*, but not a single bank, being able to make loans totalling £900. The argument is that the initial £90 will eventually be re-deposited in some bank (not necessarily the bank that made the loan), which can then lend out 90 percent of this, i.e. £81, which in turn will be re-deposited, and so on, until in the end a total of £900 has been loaned out.

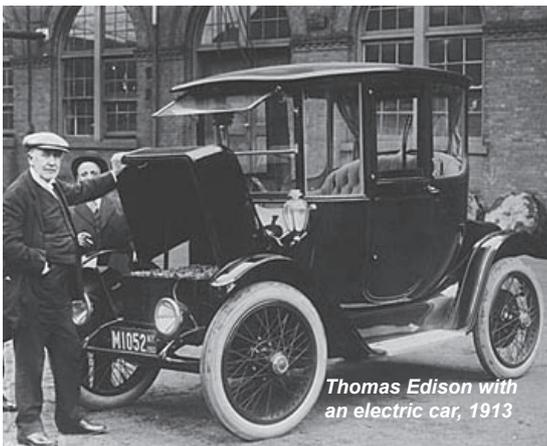
This is theoretically the case as one of the key features of capitalism is that money circulates, but what the theorists never emphasise is that this is based on the assumption that the same money is used and re-used to create *new* deposits. If this does not happen then the process cannot work or continue. So, the banking system has not created any "magic money" out of nothing. It is still dependent on individual banks only being able to lend out what has been deposited with them or what they themselves have borrowed – they cannot magically lend out vast multiples of this, as poor Malcolm Parkin assumed.

# ELEC-TRICKERY

Catweazle was a television comedy series produced by London Weekend Television in the early 1970's. The series was conceived, and written by Richard Carpenter and ran for two seasons starring Geoffrey Bayldon as the irrepressible Catweazle. If, like me, you grew up in the constant presence of Doctor Who and the Goodies it is very likely you will also have fond memories of this well written and charming series.

Catweazle was a magician, who lived in the eleventh century, but however hard he tried, his spells hardly ever worked. One day was different. When Norman soldiers tried to capture him, in desperation he used magic to escape, and it worked! The only trouble was that instead of flying through space to flee his pursuers, he flew though time. Catweazle finds himself nine centuries into the future. Being a magician, everything he experiences in the twentieth century such as motor cars, telephones ("telling bone"), and electric light ("electricrery"), he believes is the result of magic. This basic premise and Catweazle's quest to return to his own time, drives much of the humour in the series as Catweazle finds himself in situations that often become, well, hilarious.

Catweazle came to mind following the Socialist Party's recent showing of the film "Who Killed the Electric Car", as part of its season of free film evenings exploring issues and problems affecting our daily lives. This documentary covers the history of the battery electric vehicle: its birth, limited commercial development, and subsequent death, focusing mainly on the General Motors EV1 which was made



Thomas Edison with an electric car, 1913

available for lease in Southern California following the 1990 ZEV mandate

of the California Air Resources Board. It also explores the role played in limiting the technology's development and adoption by the US and Californian governments; manufacturers of conventional automobiles, hydrogen vehicles, and batteries; the oil industry; and of consumers, whilst also considering the implications of these events for Middle East politics, environmentalism, air pollution and global warming.

Electric car technology has been around for a long time: the first crude electric carriage was invented by Scotsman Robert Anderson in about 1889 and the electric car subsequently caught on in the US, enjoying success into the roaring 1920s with production peaking in 1912.

Its decline was brought about by several major developments. By the 1920s America had a better system of roads that now connected cities, bringing with it the need for longer-range vehicles. The discovery of Texan crude oil reduced the price of gasoline making it cheap and affordable to the average consumer. The initiation of mass production of the internal combustion engine as developed by Henry Ford (Fordism) made these vehicles widely available. And electric vehicles, by and large, were made with expensive materials the cost of which continued to rise: in 1912 an electric roadster sold for \$1,750 while a gasoline car sold for \$650.

Human-induced air pollution has been around at least since humans discovered fire; and everyday five hundred million car exhausts blow out some very nasty emissions as well as CO<sub>2</sub>, in fact roadside emissions are if anything on the increase. Traffic pollution has been blamed for tens of thousands of deaths every year. The *Lancet* has estimated that 6 percent of all deaths per year are due to air pollution. Half these deaths, it says, were linked to traffic fumes. In Britain researchers estimate that traffic fumes were responsible for more than 25,000 new cases of chronic bronchitis and more than

500,000 asthma attacks. Asthma is a chronic disease, in which sufferers have repeated attacks and difficulty in breathing and coughing, which is becoming common place amongst children. In Britain the cost of treating illness associated with traffic pollution amounts to 1.7 percent of the gross domestic product, exceeding the costs arising from traffic accidents.

California has almost perfect conditions for photochemical smog with the necessary ingredients: the type of pollutants put out by cars, and abundant sunshine. So here at least you would have thought the introduction and development of General Motors EVI would have been rationally embraced.. California already leads in electricity generation from hydroelectric power, that accounts for close to one-fifth of State electricity generation, and non hydroelectric renewable energy sources, such as wind, geothermal, solar energy, fuel wood, and municipal solid waste/landfill gas resources. (Interestingly, due to strict emission laws, only a few small coal-fired power plants operate in California, and the Mojave Desert is said to be one of the best sites in the United States for solar power plants. A facility known as "The Geysers," located in the Mayacamas Mountains north of San Francisco, is the largest group of geothermal power plants in the world, with more than 750 megawatts of installed capacity.) These resources could have been harnessed to support the EVI, an emissions free vehicle. But we don't live in a rational or even a remotely reasonable world. Profit and greed of the market are both master and ruler today.

Just ask yourself what sort of a world is it where up to one billion people worldwide consume less than the minimum critical daily caloric intake needed to avoid hunger. In Africa in particular, hunger and disease are a vicious cycle. Hunger, along with many other effects causes the immune system to weaken, making the body more susceptible to other diseases. What kind of a world denies millions the medication to fight off illness and disease? What kind of world is it? Rational and Reasonable? Who killed the Electric Car?

The killers of the electric car are roaming the planet freely plundering it of its resources and all for profit – they will destroy a rain forest, pollute a river and poison the sea let alone empty an oil well or kill a car if there is a profit in it. It's not "Electricrery." NL

# Why we need a theory

*Towards a better understanding of the world, in order to change it.*

The world we live in is a world of contradictions. The environment is in a state of decline, yet industry continues to pump pollutants into the atmosphere whilst non-polluting technologies are neglected. Thousands starve, while food stocks remain unused. We can communicate with strangers from all around the globe, yet no-one knows their neighbour. Automation could free us from involuntary labour, yet we are chained to the machine. We live amongst vast material possibilities, yet poverty is the universal experience – not just in the narrow economic sense but also in terms of the quality of lived experience. “Never in history has there been such a glaring contrast between what could be and what actually exists” (Ken Knabb, *The Joy of Revolution*).

Central to all these contradictions and reshaping all previous antagonisms is the global commodity-capitalist system. A system characterised by the production of commodities, wage labour and the market economy. A commodity is what is produced by the worker under capitalist conditions, its purpose to reproduce and enlarge capital (stored surplus value). The pursuit of ever increasing profits is the driving force behind the whole process – the fulfilment of people’s needs is a secondary and not always occurring result.

Commodities are only available in exchange for other commodities, money being the universal commodity and measure of all others. Since all goods have been turned into commodities and access to non-commodified materials restricted, those without the means of producing anything to exchange must sell the only thing they have, their physical or mental labour-power. The logic of the market economy treats this labour like any other commodity; to be bought, sold and discarded as the market dictates. In effect the worker becomes a commodity. This transformation of living activity into an object creates an alienated or estranged world in which humankind does not recognize or fulfil itself, but is overpowered by the dead things and social relations of its own making.

Capitalist society is therefore split into two camps, the bourgeois or capitalist class (those who own and control the means of production – the land, equipment, machinery, buildings and raw materials necessary to create the things we

need and use every day) and the proletariat (those with “nothing to lose but their chains”), broadly speaking the “modern working class” including the unemployed and unemployable. However the proletariat is not to be understood as a sociological category of people in such-and-such income group and such-and-such occupations, but as a social relation of capitalism. It is all those who have little or no means of support other than selling their physical and mental labour-power. The proletariat is the only class capable of ending class society, as it produces the material conditions of its own enchainment. However, both classes are subject to the laws of the market economy – our concern is with the social relation capital not the individual capitalist – the functionaries of capitalism are more and more disposable as

individuals. While the rag-wearing classical proletariat of Marx’s time has all but disappeared, at least in the developed countries, the fundamental division remains; power and wealth are becoming more rather than less concentrated under the control of a small minority. The modern proletariat is almost everyone; it is the working class which must destroy both alienated work and class.

The “official” history of the working class’s struggle against capitalism is an inversion, what is presented as its greatest triumphs are in reality its most bitter defeats; Leninist “Communism” in the East and reformist “Socialism” in the West were both expressions of a general movement towards state-capitalism. The greatest tragedy of

these times is that in the minds of the vast majority of workers the project for the dissolution of the commodity economy became associated with its exact opposite. “So the light darkened that had illuminated the world; the masses that had hailed it were left in blacker night... By usurping the name communism for its system of workers’ exploitation and its policy of often cruel persecution of adversaries, it made this name, till then expression of lofty ideals, a byword, an object of aversion and hatred even among workers” (Anton Pannekoek, *Workers Councils*).

Though the call for a new society was never thoroughly extinguished; small and often profoundly isolated groups and individuals arguing the case for a social reorganization to bring free access and control of the means of production into the hands of the whole of humanity. “From each according to ability, to each according to need!”

The creation of such a society has two preconditions; firstly that technological production techniques have been sufficiently developed to be able to fulfil the material needs of the whole of society and secondly, that the majority of the population have an understanding of what needs to be done and want to carry it through. Revolutionaries are painfully aware that the first requirement has long since been reached but that the second is still far from being realized.

If we are to avoid repeating the mistakes of the past it will be necessary to develop a theory of revolutionary practice, a theory which seeks to “get to the root of all things” and improve them. It is not a matter of choosing from one of the pre-existing ideologies of the old workers movement and basing our world view around it, but a matter of finding the “moment of truth” in all the theories of the past and synthesising this with our experience of the present.

“Theory itself becomes a material force when it has seized the masses” (Karl Marx, *Contribution to the Critique of Hegel’s Philosophy of Right*).

**DARREN POYNTON**



## Socialist Party Merchandise

Teeshirts:

**Blue** with polar bear and 'If you were a polar bear, you'd be a socialist' plus party website address.

**Yellow**, with blue and green globe 'The world is a treasury for all' plus party web site address on.

Sizes: Small, Medium, Large, Extra Large.

Mugs:

One style: 'Duet' - Red and white with 'Only sheep need leaders' (pictured) and

website on,

with "Famine?"

War? Pollution? Capitalism is the Problem. World Socialism s the Solution" and party tel. number on.



Pens:

Blue and white, with blue ink 'Only sheep need leaders' and a sheep plus party website

Red and white, with blue ink 'Workers of the world unite' plus party website  
Black with black ink. 'Only sheep need leaders!' and a sheep plus party website

Baseball caps:

navy blue, with embroidered "World Socialist Movement" on.

Balloons:

different colours, with "World Socialist Movement" on.

Prices:

Tee shirts £7.00 each (**state size when ordering**). Mugs £5.00 each. Pens £0.50 each. Baseball caps £5.00 each. Balloons 15p each.

**Postage and packaging**

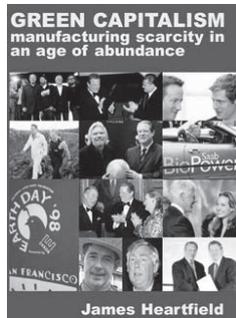
£2.50 for the first £10 and then £1.50 for subsequent £10 worths or part thereof. Please send cheque or postal order (no cash) made payable to SPGB SW Regional Branch, c/o Veronica Clanchy, FAO: South West Regional Branch, 42 Winifred Road, Poole, Dorset. BH15 3PU. Any queries, please phone 01202 569826. Please include own phone number or other contact details.

## Book Reviews

### Manufactured scarcity

*Green Capitalism. Manufacturing Scarcity in an Age of Abundance.*

By James Heartfield. [www.heartfield.org](http://www.heartfield.org) 2008. £7.50



James Heartfield is associated with the former Trotskyist (British) Revolutionary Communist Party (RCP) which used to publish *Living Marxism* (LM)

and has moved on considerably since "the collapse of Communism" at the end of the 1980's and the dissolution of the formal RCP organisation in 1997. These days the so-called "LM network" produces the edgy [www.spiked-online.com](http://www.spiked-online.com) website and organises debates and events under the auspices of the Institute of Ideas and a myriad of propaganda campaigns expedited largely through a robust, sometimes entertaining, and not ineffective style of media entryism.

One area this current has been particularly interested in over the last two decades is in promoting a full-on critique of the reactionary imperatives of the politics of "Environmentalism". In *Green Capitalism* James Heartfield reminds us that the profit system is essentially a system of rationing, which is now, in certain circles and in a variety of ways, being dressed up as "greenwashing" by Big Business and Governments – as the contemporary ruling elites reinvent scarcity in an age of abundance.

Heartfield rightly presents the capitalist mode of production as an epoch in which the force of human ingenuity has sought to ameliorate the exigencies of life through technical breakthrough with the result that happiness is the condition for most of us in Western societies. I do, however, take issue with the notion that one out of any of the 300 workers at the Lombe silk works on the Derwent in 1721 or the 5000 wage slaves at Arkwright's Mill in Cromford in 1771 woke up for work every day with a sense of unmitigated joy. Whilst those long deceased exploited workers are no longer "variable Capital", my modern-day neighbours don't seem to enthuse much about the conditions of their means of living whilst having a sup

on a Friday night in the local pub, either. Nevertheless, the material gains we have made in the interim between the first factories and 21st century capitalism are impressive.

In a summation of capitalist economics Heartfield tackles the neo-classical economists and suggests they were in effect "Rationers by Trade" (my phrase not his) but you get the point. Notwithstanding that, the book opens with a great sense of optimism and opines succinctly upon the gains made by the working class under capitalism. The author explains carefully the concomitant progressive and destructive forces at play within the profit system and hints at transcending towards a more rational form of society founded upon technological progress.

This work sets out to show how modern Environmentalism came about as a consequence of ruling elites ideas about scarcity. Heartfield's argument is that, in Western society, the myth of the "fragile" planet emerged as a consequence of the retreat from production in the original heartlands of industrial capitalism.

Much of the *Green Capitalism* provides an excellent exposition of the fools' errand of "Environmentalism" and the levers of power behind that aspect of the moribund profit system. Meanwhile, at times the prose is poor and plodding, and some of the referencing is both points-scoring and unnecessary to make the more essential issue clear. Do we really need to be lectured about Trotsky's ideas on production? Some of this stuff would leave the general reader all at sea in very short order. Whilst a final extraordinary point is clearly made: the world population grew from 791 million in 1750 to 5.9 billion in 1999, as a consequence of advances in agriculture, transport, sanitation, industry. Many of that number exist at the level of subsistence – and it should not be that way! So, from an editorial perspective the narrative simply peters out – a bang and a whimper! Where is the alternative?

Notwithstanding that, this book has much to recommend it, not least for cocking a timely snook at both the modern-day misanthropes who see mankind as a plague upon the planet and the long-dead 'dismal scientists' of neo-classical economics who could not comprehend a theory of productive growth through collective endeavour. Heartfield puts a well aimed, populist boot into the modern-day Green Capitalists

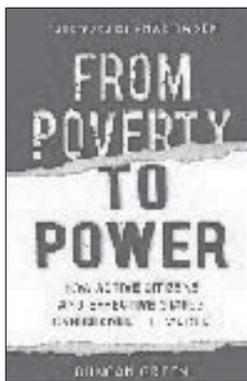
– Branson, Goldsmith, Charles Windsor, Al Gore, Bill Clinton, Lord (Peter) Melchett, and makes reasoned argument that Western Capitalism has got to go Green for the sake of exploiting new sources of profit.

There is an argument that modern socialists need to take on the Green catastrophists and promote technology and real democracy to face down the spectre of Austerity Capitalism in the 21st Century - in order to kill the pernicious profit system once and for all.

**ANDY P. DAVIES**

## From poverty to power

*How Active Citizens and Effective States can Change the World*  
Duncan Green 2008



Duncan Green defines an effective state as one that “can guarantee security and the rule of law,” and has an effective strategy “to ensure inclusive economic

growth”. Such a state should be accountable to citizens and able to guarantee their rights. Active citizens are linked to the state by a “combination of rights and obligations”: making use of these rights to improve their conditions.

He argues that it is the combination of poor men and women and their national governments that provide the main actors in the fight against poverty and inequality. Case studies are given to illustrate how even the poorest people have by their organised and persistent actions brought about beneficent change in their circumstances. Like the Chiquitanos people of Bolivia who after 12 years of “unremitting and often frustrating struggle” won legal title to the 1m-hectare indigenous territory of Monteverde.

He is aware that the scales are weighted against the poor in all areas. For example, research is dominated by the private sector: in agriculture 5 large multinational corporations spend \$7.3bn per year on agricultural research on high value, high profit products while the staple foods of poor communities

are “likely to be overlooked.” In biotechnology the picture is the same with GM crops being genetically engineered to meet the needs of large scale farms. There is no serious investment in the five most important semi-arid and tropical crops.

Half of the world’s population lives in the countryside and the majority of people in absolute poverty live in the rural areas. OECD (Organisation for Economic Co-operation and Development) sources are given for the claim that over the past 20 years aid donors and governments have effectively withdrawn from the countryside. Mention is made of the well known ‘structural development programmes’ which imposed a ‘radical free market’ on debtor countries.

Agricultural growth, Green argues, reduces poverty but is most effective when small farmers are able to capture a fair share of the benefits. Local farmers, he says, should be helped to improve the quality of their produce so that for example retail giants like McDonalds and Pizza Hut use local produce instead of importing produce from the USA. Here his ‘active’ citizens would be small farmers “organising their ability to negotiate a fair deal”. However when it comes to buying fertilizer or seeds, or selling produce or their labour, small producers are dominated by the large corporations. Small farmers are “de facto employees”.

In Green’s view efficient states should take the environment and the enhancement of the daily lives of the poor as prime considerations. Global governance (the “web of international institutions, laws regulations, and agreements”) could help, and the 8 main ways he lists include managing the global economy, redistributing wealth through aid or international taxation, averting health threats and avoiding war. However global governance fails to live up to its ideals. “The WTO is frozen, regional trade agreements are proliferating and introducing profoundly unfair trade and investment rules, the G8 is failing to keep its promises on aid...”, then there is the threat of climate change and “a looming financial crisis”.

The book is well sourced with a 24-page bibliography and three further pages listing background papers. There is much useful information covering more areas than can be dealt with in a review. However Duncan Green takes a moral stance whereas under capitalism the prime consideration

## Meetings

### West London

Tuesday 16 December

SEASONAL SOCIAL

All welcome

Barley Mow pub, Chiswick High Road (opposite Boots)

Nearest tubes: Chiswick Park, Turnham Green

### London

Public Meeting followed by Social.

Saturday 10 January, 6pm

DID YOU ENJOY YOUR CHRISTMAS?

Speaker: Jim Lawrie.

Socialist Party Head Office, 52 Clapham High St, London SW4

(nearest tube: Clapham North)

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cannot be the welfare of citizens active or otherwise, but sale and profit; this drives development (forget sustainable) – and can also inhibit it. And the state that in his view is supposed to facilitate change will only do so to the extent that the interests of the owning class are served.

**PAT DEUTZ**

## OBITUARY

### Carol Taylor

It was with sadness that we learned in mid-October of the death of Carol Taylor, and at a relatively young age. Carol will be best remembered for her work on the now popular socialist film *Capitalism and Other Kids Stuff*, on which she worked as director and editor.

Though no longer formally a member, she had no actual disagreement with the Party case. She was always a fervent defender of the socialist cause and an

ardent critic of capitalism, always keen to expose the insanity of the profit system in whatever way she could. On the discussion forum she attached to the initial Socialist TV website she created specifically to promote *Kids Stuff* she spent hours a day articulately defending the socialist case against our detractors who left messages, and there was a fair few.

Carol can be heard introducing the first ever film we did together here, a short film introducing the Socialist Party and actually put

together within an hour.

<http://socialist-tv.blogspot.com/2008/02/introducing-spgb.html>.

I worked with her on a few films, including one on the "G8" meeting filmed up in Scotland a few years ago, and we spent a lot of time together collecting stock footage we felt we could use on future socialist films. I fondly remember the many encounters we had with the police who tried to stop us filming around London, often under threat of arrest, particularly the day we tried to get footage of HRH and entourage during the State opening of Parliament and the angry argument Carol gave to the police who came to escort us away from the area and, indeed, the way she cleverly managed to blag us media passes to get on to the press wagon at Teeside Airport when George Bush came for his £1 million fish supper in Tony Blair's north eastern constituency.

I'm please to have known Carol closely and will remember her as quite a magnanimous person, warm and affectionate, loathing injustice, deceit and fraud and ever ready to speak out against it.

**JB**

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**p14:** Ernest Mandel - www.marxists.org

**p15:** Robert Owen - original Daguerrotype, from www.history.stir.ac.uk

## Borstal Boy



BRENDAN BEHAN at the age of sixteen came from Dublin to Liverpool with an I.R.A. "do it yourself kit," for the purpose of blowing up Cammell Lairds. He was arrested, and after a stay in Walton Detention Prison, Liverpool, was sent for three years to a Borstal Institution in East Anglia. The book (published by Hutchinson) tells of his experiences in these places. (...)

In spite of all the tumult and violence of the book, it has a monastic quality in that nothing of any significance from the outside world ever seeps in. not even the war which was going on at the time is mentioned, in fact, the author never seems to have really noticed it. There is no serious discussion, not even about Ireland. Behan indulges in rodomontade about Irish politics, religion and history, but never indicates that he has any grasp of the underlying economic and factors of Irish history. (...)

Behan at least went to Borstal wearing a slightly glamorised

would-be Martyr's crown. He came out none the worse, perhaps even a little better for it. But what of the mal-adjusted, the misfits and the unfortunates; what happened to them? That, perhaps, is the most disquieting thing of all, but Behan never mentions it.

He has nothing to say against patriotism or nationalism either of the English, Irish or any other variety. He seems to regard many Englishmen as stiff-necked and arrogant, but sees no reason why they should not be either in their native country or to people who come from other countries. But in a world of conflicting national interests, being pro Irish, English or American, means even at the best of times being negatively anti-something else. In the worst times such feelings take on an active and hostile form.

(From book review by E.W., Socialist Standard, December 1958)

## Declaration of Principles

*This declaration is the basis of our organisation and, because it is also an important historical document dating from the formation of the party in 1904, its original language has been retained.*

### Object

**The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.**

### Declaration of Principles

The Socialist Party of Great Britain holds

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.)

by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom,

the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.



# Lucky Gordon?

*Gordon Brown's new Golden Age*

Some things are helpful, if not actually essential, to top politicians or to those who are high enough up the greasy pole to feel threatened by a fall. There is, for example, what might loosely be termed luck – an unpredicted change of circumstances which so affects a situation that it puts the politician in an unexpectedly favourable light. But as a son of the manse Gordon Brown has to believe in something rather more ritualistic than luck. He would not dream of gambling, especially where his political fortunes are at stake. All through the nail-biting perils of the past year he has carried stolidly on, diverting criticism and the prospects of a catastrophic electoral defeat with ponderous recitations of what he insists are the historic, enduring achievements of New Labour, particularly of himself at the Treasury. While he did this his poll rating sank lower and lower, he was humiliated at one by-election after another and terrified, sullen rebellion simmered along the benches behind him.

## Credit Crunch

And then came the credit crunch and Northern Rock and Lehman and, across the Atlantic, in the financial fortress of 21st century capitalism, the fall of Fannie Mae and Freddie Mac. Suddenly all those precariously mortgaged homes and image-boosting loans ceased to be symbols of comfort; they disintegrated into menace. There was talk of 21st Century South Seas Bubble. Gordon Brown would not, in public at any rate, have called it luck, and neither would anyone with so much as a glimmering about the chaotic workings of the property based system, but the timing of it for him was – well, lucky. Apparently transformed in personality, he coined the phrase, as the climax of his conference speech, which summed up his hope for survival: “Take it from me, this is no time for a novice”.

This was said in the knowledge that Brown would have no problem, in finding and naming the villains who have fed off the groundless dreams of unsuspecting wage earners until the whole diseased edifice of lies and fraud came crashing down. There were enough of them – the bankers, the financiers, the traders in the City whose ideas of a hard, constructive day's work has been pushing other people's money around on paper and betting on the movement, up or down, of share prices.

Brown rubbed salt into their wounds when, as part of the package of state investment in the ailing banks, he ensured that certain City favourites were removed from the boardrooms. This was accompanied by Brown calling for “responsible” behaviour by the banks and then Chancellor of the Exchequer Alistair Darling calling in their top people to lean on them to pass on the 1.5 percent reduction in the Bank of England lending rate. More recently Brown has used that word again, demanding “a new, responsible approach”: by the credit card companies. “I think”, he said “we have got to bring the credit card industry (yes, they call it an ‘industry’) in to talk (yes, they call it ‘talk’) to them to join with us in establishing clear principles to apply to the costs people face on their existing debts”. And in case any bank should still not have understood Peter (sorry, Lord) Mandelson will be meeting them to draw up a “guide on behaviour” (yes, they call it ‘behaviour’).

There may be some questions about Mandelson's

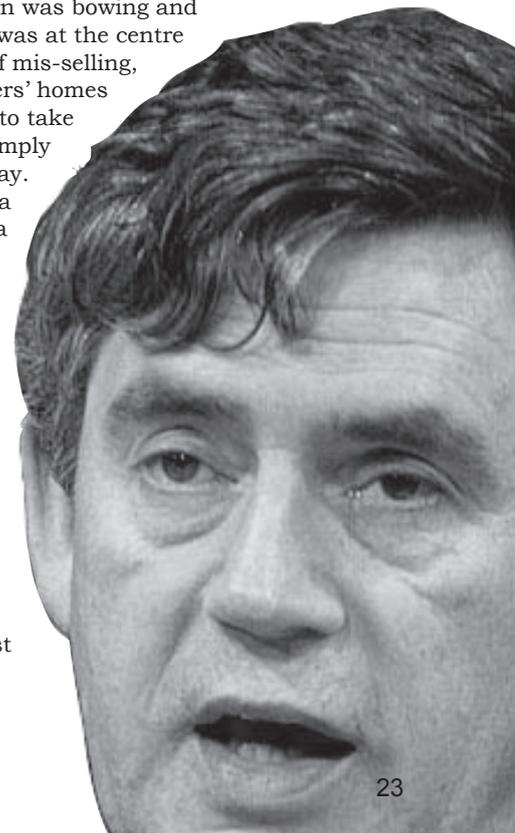
suitability to instruct others in such a matter. He is, after all, the man who made himself famous by informing the City that New Labour are “intensely relaxed about people getting filthy rich”. Then there was his cosyng up to top Tory George Osborne on the yacht of the Russian billionaire Oleg Deripaska, who did not amass his fortune through considerate reticence towards his rivals.

## Lord Mayor's Banquet

Mandelson's boss in Number Ten has a consistent record of sucking up to the overfed parasites of the City, when mellowed by a slap-up Lord Mayor's banquet. There was a time when Brown would make some kind of obscure, ineffective point by refusing to wear the traditional evening suit at this event, turning up in a work-a-day lounge suit. Now that he is Prime Minister he does sartorially as he is told – although he looks far from comfortable in black tie and tails and in any case says roughly the same as before. Here he is in 1998: “London is a city that is creative and responds to change. It has excelled because of the hard work and skills of the workforce and these are the essential British qualities – creativity, adaptability, a belief in hard work, fair play and openness”. In recent times his sycophancy has been more open: in 2005 he blathered “For three centuries ... your enterprise as businesses, your unique innovative skills, your courage and steadfastness and your outward looking internationalism have ...helped Britain lead the rest of the world”. And last June, as the recession was stirring, quite obviously, into life: “Britain needs more of the vigour, ingenuity and aspiration that you already demonstrate. Thanks to your remarkable achievements we have the huge privilege to live in an era that history will record as the beginning of a new Golden Age”. In fact Brown's Golden Age was ushering in what is expected to be the widest deepest, most destructive slump since the 1930s. While Brown was bowing and scraping to the City it was at the centre of a veritable culture of mis-selling, over-mortgaging workers' homes and tempting workers to take on loans which they simply could not afford to repay.

When the South Sea Bubble burst in 1720 a number of the people who were considered responsible, including Chancellor of the Exchequer John Aisable, were sent to the Tower and part of their estate was taken to help the company back into business. There is no need to go quite so far; there would be no point in punishing Mandelson and Brown and the rest for capitalism's brutal chaos.

IVAN

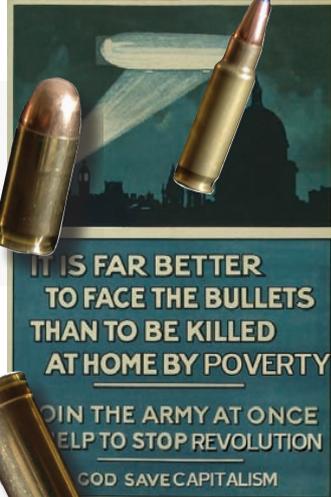




# Voice from the Back

## Poverty Recruits

"The economic crisis could help the military recruit and retain troops, Pentagon officials said Friday, potentially ending years of extraordinary bonuses and waivers that have become necessary to keep enough troops to fight two wars. "We do benefit when things look less positive in civil society," said David S.C. Chu, undersecretary of defense for personnel and readiness." (Yahoo News, 10 October) In other words, when young workers are desperate enough they join the armed services. The best recruiting agency for the armed forces is poverty. You need to eat? - go kill. That is capitalism for you.



## War Is Mental

We are all familiar with the TV ads for the British Army that portray an exciting, fulfilling career but what many of the impoverished youths at whom the ads are aimed may not be aware of are the following facts. "The number of British military personnel discharged from the armed forces following a nervous breakdown has risen by 30 per cent since the start of the Afghan war. More than 1,300 have been medically discharged since 2001 when operation first began against the Taliban, new figures revealed. Of these, 770 belong to the army, which has borne the brunt of overseas operations in Iraq and Afghanistan. ...The rising numbers of service personnel leaving for psychological reasons will fuel concerns that thousands of soldiers face being traumatised by

their experiences in Iraq and Afghanistan. Health charities claim that as many as one in 10 soldiers will develop a mental health problem from the horrors of combat." (Observer, 19 October)

## The Same Difference

Amidst the misguided euphoria about the election of a Democratic Party president it is a sobering thought that whether there is a Republican or Democratic legislation capitalism carries on as usual. "Although there is a widespread belief that Wall Street prefers Republican presidents, most studies show that the market has actually done better under Democrats. Since 1901, the Standard & Poor's 500 index rose 7.2 percent a year on average under Democratic presidents and 3.2 percent under Republicans, according to Ned Davis Research. Looking at a more recent time period - 1944 through mid-2008 - the S&P was up 10.7 percent a year on average with a Democrat in the White House versus 8 percent with a Republican, according to International Strategy & Investment." (San Francisco Chronicle, 4 November) Changing the ruling party doesn't change the exploitation system that is capitalism.

## Another Market Guru

Mr Brown blames the unregulated stock dealers, Mr Cameron blames Mr Brown and socialists blame the slump/boom cycle of capitalism, but here is someone with yet another explanation. "From his base in India's financial capital Mumbai, Raj Kumar Sharma has been tracking the turbulence in the world stock markets and has come to one firm

conclusion -- it was written in the stars. As an astro-finance specialist, he has made a career on predicting whether the Bombay Stock Exchange, Nasdaq, Dow Jones or FTSE-100 will go up or down by studying favourable or unfavourable planetary alignments. Where many blame banks overstretching themselves or inadequate financial controls and policy, Sharma sees a clash between fiery Saturn and its arch enemy Leo as a key factor in the recent financial turmoil. 'Leo is the sign of the sun and the sun is the father in Indian astrology,' he told AFP. 'But the son (Saturn) and his father (the sun) don't get along, so whenever they are sitting in the same house together, they always fight and create ill-will and danger in the market,' he said." (TIME.com, 16 October)

## Vatican Bonuses

"The Vatican has reintroduced a system of clocking in, nearly 50 years after it was last phased out. Senior clerics will have to swipe plastic cards when entering and leaving, all in a drive to improve time-keeping and efficiency. ... Lay and ecclesiastical staff working in the tiny city state, are now using the swipe cards. The cards have been issued to everyone from the lowest office staff to the heads of departments, even if they are priests and archbishops, though there has been no mention if Pope Benedict XVI carries one. ...It is all part of a drive to increase efficiency and to make the Vatican more meritocratic. Next year there are plans to introduce performance-related pay." (BBC News, 3 November) Capitalism is a social system that needs concepts like "performance-related pay", but we wonder how it will operate in the Vatican. One miracle equals how many euros? Two visions equal more or less than one miracle? We foresee some difficulties when disputes go to arbitration.

## Free Lunch

by Rigg

