

socialist standard



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

Trigger Unhappy



Capitalism goes gunning for the NHS



End of the
Market?
page 14



G8 in Japan
page 18



David Davis
page 23



12



22



23

contents

FEATURES

- 9 Who pays for health care?**
This year is the 60th anniversary of the National Health Service. Workers like it, but capitalists don't, at least not any more. Why?
- 12 The Selfish Capitalism hypothesis**
Oliver James doesn't like "Selfish Capitalism" and wants to return to the "Unselfish Capitalism" he imagines once existed.
- 14 The end of the market**
Is there an alternative to the market and what is it?
- 16 Beyond capitalism – making everyone count**
Under capitalism most people don't get the chance to develop their capacities.
- 18 Cloudy view from the summit**
Last month's G8 Summit in Japan

REGULARS

- 3 Editorial**
Is it The Big One?
- 4 Pathfinders**
Model Behaviour
- 5 Pieces Together**
- 6 Material World**
Humanitarian Intervention
- 8 Contact Details**
- 11 Cooking the Books 1**
Sinned against not sinners
- 19 Cooking the Books 2**
The world could produce more food
- 20 Reviews**
Sick Planet: Corporate Food and Medicine; Economics for Everyone; Reclaiming Marx's "Capital."
- 22 50 Years Ago**
Depression
- 23 Greasy Pole**
David Davis
- 24 Voice from the Back**
Learning About Capitalism; The Mad House Of Capitalism; How Capitalism Operates, and more.
- 24 Free Lunch**

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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). 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 ONES OWN SAFETY BOOSTS STANDING AND RESPECT AMONG ONES PEERS, AND THUS INCREASES POTENTIAL ATTRACTIVENESS TO THE OPPOSITE SEX.



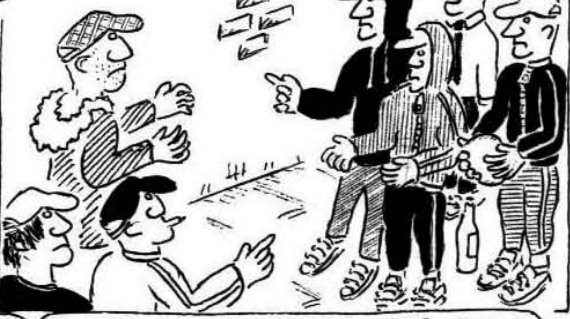
THE INHERENT RISK-TAKING, AGGRESSIVE NATURE OF THE YOUNG MALE CAN BE SOMEWHAT ALARMING TO SOCIETY AT LARGE, WITNESS THE CURRENT MEDIA ANXIETY. ALTHOUGH, AS YOUNG MEN, YOU DOUBTLESS ENJOY THE FEELING OF NOTORIETY IT GIVES YOU.



BUT I FEEL SOCIETY IS RATHER HYPOCRITICAL. WE HAVE NO COMPUCTIONS 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...

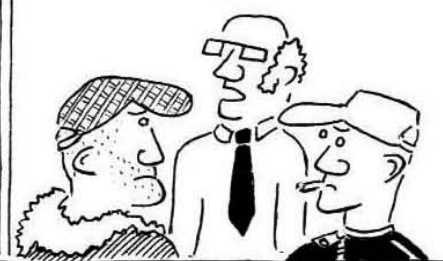
... OR A STREET GANG FIGHTING IT OUT WITH A RIVAL GROUP.



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, NEW REASONS FOR CONFLICT.

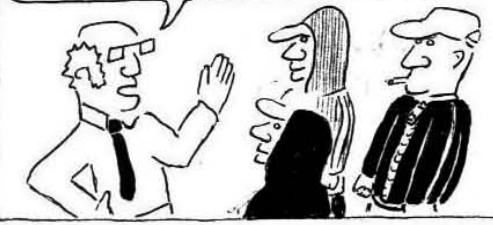
THOUGH, AS WE WITNESS HERE, RITUAL STAND OFFS, LACKING ANY ACTUAL VIOLENCE, ARE QUITE OFTEN ENACTED. TERRITORIAL BOUNDARIES ARE DRAWN, RECOGNIZED, AND RESPECTED.



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)



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Who pays for health care?

This year is the 60th 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). 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) 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/newstoppers/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). 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.thecrj.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))

“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). 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.



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 or 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.

The 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



Cooking the Books 2

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).

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.

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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 warehouse", 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

