

# socialist standard



9 770037 825006

October 2009  
Vol. 105 No. 1262  
£1.50

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

## Capitalism 2025

### US spooks make their predictions



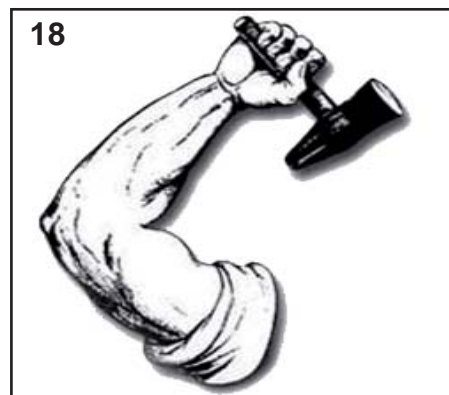
**Independent  
Labour Party**  
page 6



**William Greider**  
page 15



**Roots of conflict**  
page 17



## contents

### FEATURES

- 10 **'Global Trends 2025: A Transformed World'**.  
An analysis of the US report designed to guide strategic thinking and inspire political action on behalf of the U.S. ruling class and its allies.
- 13 **The rise and fall of the ILP**  
With proposals to set up a united leftwing party to challenge Labour, we look at a previous attempt at this.
- 15 **The disease that is capitalism**  
What's better - treating the symptoms or dealing with the cause?
- 16 **Big Brother and the Robots**  
A discussion of a Socialist Party meeting in London entitled 'Here Come the Robots'
- 17 **New roots of conflict**  
The conflicts over oil may give way to another source of military dispute – lanthanide metals.
- 18 **The SLP of America: a premature obituary?**  
By some accounts, the Socialist Labor Party of America has ceased to function.

### SUBSCRIPTION ORDERS

should be sent to The Socialist Party, 52 Clapham High Street, London SW4 7UN.

### RATES

One year subscription (normal rate) £15  
One year subscription (low/unwaged) £10  
Europe rate £20 (Air mail)  
Rest of world £25 (Air mail)  
Voluntary supporters subscription £20 or more.  
Cheques payable to 'The Socialist Party of Great Britain'.

### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 3 October** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.

tel: 020 7622 3811

e-mail: [spgb@worldsocialism.org](mailto:spgb@worldsocialism.org)

### REGULARS

- 3 **Editorial**  
Capitalism and health care
- 4 **Pathfinders**  
Google ga-ga?
- 5 **Letters**
- 6 **Material World**  
Wealth accumulation
- 7 **Cartoon**  
Ire of the Irate Itinerant
- 8 **Pieces Together**
- 8 **Contact Details**
- 9 **Cooking the Books 1**  
It isn't over till it's over
- 9 **Tiny Tips**
- 19 **Cooking the Books 2**  
Funny money
- 20 **Reviews**  
*The Mind of the Market; Made to Break; Reports & Reflections...*
- 22 **Meetings**
- 22 **50 Years Ago**  
The use of the vote
- 23 **Greasy Pole**  
Alan Duncan
- 24 **Voice from the Back**  
*Poisoned By Capitalism; Champagne Socialists; A Modest Sort, and more.*
- 24 **Free Lunch**

## Capitalism and health care

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.

ON BOTH sides of the Atlantic, the last few months have seen various supposedly alternative models for health care inside capitalism being explored. Barack Obama's review of US health care provision within his first year in office has met a predictably heated response from the paid lobbyists and cheerleaders of the health insurance industry, as well as other sectors of the US capitalist class with something to lose from any change to the status quo.

The costs of individual medical insurance being prohibitive, the poor of this so-called first world nation (46 million of them) are left with Third World levels of care and medical support, and daily "life and debt" decisions.

Whilst there are some differences between the US and UK healthcare system, we shouldn't over-exaggerate them. Heated though the US v NHS debate may be, it is essentially a phoney war. From a world socialist perspective, these are just alternative *capitalist* models for rationing healthcare for the working class

The US system places a cash register and swipe card console at the foot of your hospital bed. In terms of the immediacy and impact on the patient, the NHS and similar systems in Europe certainly seem a little more 'civilised'. But there is of course still a reckoning somewhere down the line. The 'socialised' systems just remove that decision from the immediacy of the ward. Instead the decision is made at one remove: by an NHS Trust or the government that allocates its funds. The decision isn't made for you as an individual patient, but for your *class* as a

whole, the working class who constitute some 90 percent of the population.


The reason the US administration is looking again at how their system is – or isn't – working, has little to do with how ethical or plain nice it wants its society to be. Instead it is driven by a need to make economies and find the most efficient way to maintain the health of the US workforce. After all, despite the egalitarian claims surrounding it, the introduction of the NHS to the UK had a solid capitalist 'business case' behind it and was supported by all main parties. (The cost to the US state per head of population is now approximately twice that in the UK).

The NHS – and the other examples quoted of 'socialised' medicine (e.g. Scandinavian countries) – are not socialism, which we would argue means a moneyless and wageless economy as a whole. However at an individual and emotional level (rather than at a political level), it would be churlish of world socialists to dismiss out of hand the strong empathy and support for the NHS that most workers in Britain have. It is after all support for free access, for the idea that healthcare be freely available to all regardless of wealth.

At one level, world socialists entirely empathise with this sentiment. But not to the extent of getting caught up in expressing political support for one type of capitalist healthcare system over another: only a social system based on production for use rather than profit for the few, can truly realise this powerful and fundamentally egalitarian desire.

# FREE

## 3-month trial subscription offer



Journal of the Socialist Party of Great Britain

January 2009  
Vol. 102 No. 102  
£1.2

**YES, I WOULD LIKE A 3 MONTH FREE TRIAL SUBSCRIPTION TO *The Socialist Standard***

Name

Address

Postcode

Country

**socialist standard**

**RETURN TO: Socialist Standard, FREEPOST, London SW4 7BR**

## Is technology making us stupid?

DO YOU ever wonder whether the smarter technology becomes, the dumber and lazier we become?

At one level, of course, this can't be true. Literacy rates in almost all countries are in the high nineties, and the information revolution can scarcely be said to have rendered people more ignorant than they were hundreds of years ago. Advanced capitalism needs workers skilled in the 'knowledge economy', and can scarcely afford for its school indoctrination centres to turn out workers who aren't up to the job.

But still, when you try to have a conversation in a pub with a group of people who are simultaneously writing phone texts, checking their email, Facebook, Twitter accounts and RSS feeds, and looking over your shoulder at the cricket scores on the giant TV screen, while humming along to the rock tune on the in-house speakers, you might be forgiven for thinking that less is sometimes more. It seems as if people don't discuss, think, concentrate, criticise, evaluate. All they're doing is time-slicing in a perpetual multi-tasking environment. What you are dealing with is, arguably, a case of social attention deficit hyperactive disorder. An entire society in need of ritalin.

The world is drowning in an ocean of data, but data is not information and information is not knowledge. Data consists of bytes or small packets, which must be compiled into some kind of order so as to provide meaningful information. Thus the words 'lion', 'fish' and 'eats' are data, while 'lion eats fish' or 'fish eats lion' or 'lionfish eats' are alternative forms of information creatable from the same data.

There is a similar difference between 'information' and 'knowledge'. For knowledge to exist, small pieces of information must be collected and processed into some meaningful agglomeration, like molecules building into more complex organic systems. Knowledge is thus a construct which it takes time, patience, communication and experience to build.

In the Dark Ages, knowledge was a treasure locked up behind monastic walls. In the Middle Ages, it was still the preserve of princes. With the dissolution of the monasteries in Britain knowledge began to be secularised, and the invention of printing revolutionised its spread.

The information revolution which began with printing and has lately accelerated geometrically with the internet has certainly involved a knowledge revolution but the two are not the same and the one does not necessarily entail the other. From a world subdued in ignorance modern workers now face a perpetual storm of information from which it is perhaps becoming harder, not easier, to extract meaningful knowledge.

It is not only the speed and intensity of this 'data rain' which swamps the mind. It is the fact that it is being broken down into smaller and smaller packets,

knowledge being deconstructed, digitised, quantised and miniaturised for faster transmission. And to cope with this onslaught, the mind becomes less reflective and more selective, picking and choosing what it will process according to its preset value judgments, making it less rather than more likely that new ideas will be adopted. Time too is at a premium, and technology is taking knowledge away from the library and the desktop towards the e-reader and the smartphone, from email to Twitter, from debate to mere chat.

Some futurists, like Ray Kurzweil, have been predicting the advent of the Singularity, a technological point beyond which it is not possible to make any predictions at all. The nature of the Singularity is popularly supposed to be the development or evolution of true machine intelligence, but could it be that instead of machine intelligence rising to meet us, we simply sink until we pass it on the way down?

Some say it's Google making us gaga, others that it's screen-burn to the brain. But where most such concerns are merely the same old bourgeois snootiness against youth or the lower orders, socialists have got legitimate reason to worry, because this could all play into the hands of capitalism. The ruling class loves to infantilise us, making us think we're too dumb and childlike to take responsibility for ourselves without their 'guiding' authority. It would be scary to think that this might come to be true.

Our best hope is for a political Singularity, something no techie is predicting. The Zeitgeist Movement appears to be making huge strides in popularising non-market production for use, and another group is calling

for a World Strike against money in 2012. These might grow or they might fizzle out, like the anti-capitalist movement. But for such a post-capitalist society to succeed it cannot be imposed from above or gifted to the world by one or two visionaries. Facebook, Twitter and the blogosphere are all useful means of communicating ideas, but they're not oriented towards what is also necessary: focussed reflection and critical debate. It's not that people are incapable of these abilities, but if they are not accustomed to them they may try to avoid them. The danger is the spread of soundbite socialism at the expense of depth.



**All middle class now?**

Dear Editors

It must be difficult not to write about stereotypes, but I was never against unions - just the way they operated in a modern democracy. I just felt instead of calling a strike at every opportunity to flex their muscles - which is the headbanger approach - the funds they had should've been used for re-training redundant workers, helping other workers set up cooperatives when companies had failed, create savings for workers and their families injured in accidents, etc; and so on. What really pissed me off was that the union bosses during our dispute - and I since discovered in nearly all other disputes - went on paying themselves handsome salaries and driving their big modern 'I'm not a union official, I'm an executive' cars whilst they waltzed around between meetings as their members froze on the picket line.

It's all bullshit created on the back of the working class' aspirations. Truth is we are a middle class society now, as we were becoming during my dispute, but it paid the power brokers at the top of the Labour movement and the trades unions to keep the old class war going so that they could retain their power bases and their trappings of success.

So I object to being told I was an employer who wanted to run my business without trade union interference. In our case, when the trade union tries to control who you can and can't employ, that's the day that people stop running businesses and get out - which would be great for a wealth creating nation, I think not.

The freedom you have to write your periodical without fear of imprisonment, censorship and even death, is something hard fought for by a capitalist society, or by writers in a suppressed state who fight for the freedom of a democratic state.

There are times journalists shouldn't forget that. A free press is the only watchdog of those who would govern us in both a democratic and an authoritarian state.

The trouble with socialism is that it has its head buried in the satanic mills of a hundred years ago. It needs enlightening. It needs a new vision, not a descent into the madness of a suppressed anarchy that never had a chance of catering to a world of technology and freedom of the mass as well as the individual. There are no new visions, yet the world is crying out for them.

**Eddy Shah**

PS. I presume your writing your

stuff on technology we introduced during the dispute. Or are you clacking over an old Underwood typewriter and cursing every time the keys stick? Just think, you could've achieved that if the unions had won in 1982. Welcome to the world of the middle class.

**Reply:**

We too are critical of the knights of the round table at the TUC's Congress House but from a working-class point of view. Unions should be run by their members and officials should not have big salaries, big houses and big cars as many do. We say "working class" deliberately as, for us, this is composed of anyone obliged to get a living by going out and trying to sell their mental and physical energies to some employer. This of course applies to most of the so-called "middle class", as many of them are discovering the hard way as they lose their jobs or see their final salary pension scheme closing. And it is capitalism that forces workers to resist new technologies as a way of trying to protect their livelihoods. If we had socialism nobody would be put in this position. - *Editors.*

**Socialism needed**

Dear Editors

Re: Starvation in Africa; poverty of many kinds. So very much and sincerely appreciate the *NY Times* September 8, 2009 front-page photo of the starving and dehydrated Kenyans. In a world wherein over 40,000 humans starve to death in disease and degradation each day, these continuous international crises should be making front page news every day.

However in a world where state capitalist dictatorships and state ownership and control, proxies for the owning and ruling class, is confused with socialism, which has yet to exist on Earth, real solutions to the problems of war and starvation are endlessly mired in needlessly convoluted problems of opposing interests that simply mean a dimension of pseudo-intellectually evil data structure remains necessary to describe even mere reformist heuristics.

Socialism, which can only exist the whole world over when the majority of Earth's population first understand classism and capitalism, and comprehend and desire socialism and vote it peacefully, legally and democratically into existence, means the solution to ending all wars,

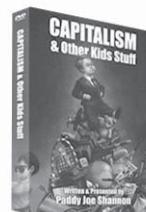
poverty and starvation takes 10 years instead of 1000...but this does not happen unless you, the vast majority of you, understand, desire and vote for socialism, a system of society based upon common ownership of the means and instruments for production and distribution by and in the interests of society as a whole.

So for those reformists who may be exposed to neo-McCarthyism and murdering church violation and prejudice with Earth's trifling little solutions of state-run health care, have no fear. These have nothing to do with socialism or (primitive) communism.

The failed feudalistic dictatorships of Russia and China had a false dream of installation by undemocratic elitism; fascism had a racist, nationalist and proud illusion - state capitalism by another name; the national post office is only an example of state capitalism - not common ownership; humans would like to pretend they are inclusive and democratic and that the tree of knowledge and life have all their fruit intact...the truth is otherwise.

**Samantha Morris** (by email)

**spgb dvd**

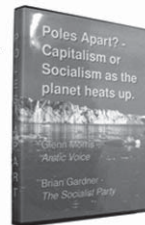


**Capitalism and others Kids' Stuff**

**Takes a fresh look at the world, and challenges basic assumptions about capitalism**

£5.75 (including P & P) from the Socialist Party, 52 Clapham High Street, London SW4 7UN. Cheques to 'The Socialist Party of Great Britain'.

**Poles Apart? Capitalism or Socialism as the planet heats up**



**with contributions from Glenn Morris, Arctic Voice**

£5.00 per copy + £1.25 P & P, from the Audio-Visual Department (rest of address and details as above).

**Corrections**

In the article on "Japan : the road to Pearl Harbour" in last month's issue we referred to the "Sino-Soviet war of 1894-5". It should of course have been the "Sino-Japanese war of 1894-5".

In *Greasy Pole* in the August issue we misspelled the name of Blackburn Rovers' ground: it should have been spelt "Ewood Park".

# Why they keep piling up manure: the psychology of wealth accumulation

*Money is like manure. If you spread it around, it does a lot of good, but if you pile it up in one place, it stinks like hell.*

I CAN'T trace the original author, but it seems to be a popular motto among rich "philanthropists". It has been attributed, in slightly variant wordings, to steel magnate Andrew Carnegie, oil tycoon J. Paul Getty, New York "socialite" Brooke Astor, Clint W. Murchison (chairman of Tecon Corporation) and Kenneth Langone (founder of The Home Depot).

Two questions spring to mind.

First, if these people so hate the smell of manure, why do they keep piling it up? After all, they are free to stop at any time.

Second, what do they want all that money for anyway? Surely a few hundred million should suffice to buy all the luxuries anyone could want? So why chase after the billions?

### An addiction to extravagance

One answer is offered by Eric Schoenberg of Columbia Business School (on the site of *Forbes* magazine). Driving your first Rolls Royce is a fantastic experience, he explains, but as you get used to it you no longer enjoy it so much. So you have to look for new experiences, which for some reason are always more and more expensive.

Presumably, an obsession with money spoils the enjoyment of anything that does not cost a lot of it. The result is an addiction to extravagance that reinforces the drive to make more money.

### Kudos

Besides addiction to extravagance, the most common motive for accumulating wealth appears to be simply the desire to be admired by others. Kudos, however, depends less on absolute wealth than on place in the pecking order, as indicated by lists like the *Forbes 400*. Only Number One can feel fully confident of his superior status – and even he must beware of rivals overtaking him.

Astonishing but true: many people honestly think – indeed, assume – that being rich is something worthy of pride and admiration. They consider having more money than anyone else the greatest of all conceivable human achievements. Never mind where the money came from, how it was acquired. To be a "winner" is glorious, to be a "loser" shameful and pitiable. They were brought up to think so, and can hardly imagine that anyone might be sincere in thinking otherwise.

We might expect there to be an element of subtlety or mystery in the driving impulse at the core of a dynamic that spawns so much evil. Instead, we find something insufferably boring and trivial, the ultimate in banality.

### The "philanthropists"

And yet the worship of wealth need not wholly exclude other social values. Many people feel that just being rich is not sufficiently

glorious in itself: in addition, one should "do good". As a result, some wealthy individuals wish also to be "great humanitarians and philanthropists".

There is actually a special business that makes money by selling "philanthropic" fame. For a fixed sum you can have a concert hall, museum, hospital, college or whatever named after you (or a relative of yours). For example, Brown University named its Institute of International Studies, where I used to work, in honour of Tom Watson of IBM in exchange for \$25 million.

The publicity given to large "philanthropic" donations suggests that in certain circles kudos may now depend on how much money you give as well as how much you have. It is like the potlatch among the Kwakiutl of western Canada, where the wealthy gain kudos by making generous gifts.

### Guilt feelings?

While "philanthropy" is often just a means of cultivating a favourable public image, some wealthy people may be sincere in wanting to "do good". Some authors even attribute the giving of certain individuals to guilt feelings about how their fortunes were made.

Thus, it is claimed that Brooke Astor was ashamed of her family's reputation as New York's biggest slumlords. Carnegie, we are told, felt guilt over the workers killed in the suppression of the Homestead strike of 1892. Yet he also wanted "Carnegie Steel to come out on top" – and that feeling proved stronger than any sense of guilt.

Ashamed or not, Astor gave nothing to the victims of her family's rack-renting. Instead, she gave \$200 million to cultural institutions. Similarly, Carnegie endowed the arts and academia, but gave nothing back to the workers who slaved in the heat of his steel mills at poverty line wages – twelve hours a day, every single day of the year except 4 July

The ruthless capitalist precedes, makes possible and is vindicated by the "generous philanthropist". The capitalist drives the system that causes the misery; the "philanthropist" then does a little to ameliorate that misery. Strangely enough, the capitalist and the "philanthropist" turn out to be one and the same person.

### Piling up and spreading out

Why keep piling up manure just to spread it out again? It seems senseless – even if the manure does not end up exactly where it was before.

Yes, it seems senseless when we focus on outcome. But when we shift our attention to process, it starts to make more sense.

Piling up brings one sort of kudos, then spreading out brings another. One sort does not cancel out the other.

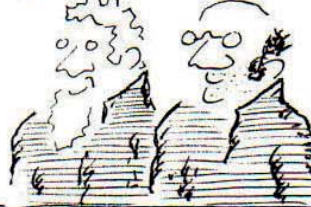
Both piling up and spreading out give the satisfaction of exercising power, making decisions that affect millions of lives – on the sole qualification of the possession of wealth.

So it all makes perfect sense. From a certain point of view.

**STEFAN**



# IRE OF THE IRATE ITINERANT



WHAT IS THE PURPOSE OF RELIGION? MAYBE IT SERVES TO MITIGATE THAT AWFUL CONSCIOUSNESS OF DEATH WE HUMANS ARE CURSED WITH. ALTHOUGH HAVING SAID THAT, ATHEISTS DON'T SEEM TO BE RUNNING AROUND TERRIFIED OF THE ETERNAL VOID AWAITING THEM!



NEVER UNDERESTIMATE THE POWER OF THIS CULTURAL BARRAGE. 'OUR FOREFATHERS BELIEVED IN THIS, - SO SHOULD WE.' THE CENTRAL POINT, TO A RATIONALIST, AS TO WHETHER RELIGION IS ACTUALLY TRUE OR NOT, IS ALMOST BESIDE THE POINT.



PERHAPS RELIGION IS MAINLY A CULTURAL CONSTRUCT. A BADGE OF IDENTITY, - VERY IMPORTANT TO MANY PEOPLE! I'M A SCOT, I'M A GOTH, I'M AN ARSENAL FAN, I'M A MUSLIM, A CATHOLIC, A JEW. IT'S HOW WE DEFINE OURSELVES. TRIBAL BELONGING.



IT'S ALL ABOUT 'FAITH', A TRENDY WORD, NOWADAYS. YOU GOTTA HAVE IT! LOOKED AT COOLY THOUGH, FAITH SEEMS TO BE NOTHING MORE THAN THE ABILITY TO FORCE ONESELF TO BELIEVE CHILDISH SUPERSTITION. IS THAT SUCH AN ADMIRABLE TRAIT?

BUT SIR! I WANNA TALK ABOUT THE COMING IMMINENT END DAYS..

... AND I USE THE WORD 'CULT' DELIBERATELY. ALL RELIGION IS DEEPLY STRANGE, LOOKED AT OBJECTIVELY. CULTS MAY SEEM DANGEROUS, OR LAUGHABLE, BUT THEIR ONLY DIFFERENCE IS THAT THEY CAN'T BOAST THE LONGEVITY, OR MEMBERSHIP, OF THE MAINSTREAM RELIGIONS.



... AND YOU CAN'T WAIT FOR 'EM! I SUPPOSE CHRISTIANITY IS REALLY A STRANGE APOCALYPTIC CULT. YOUR OFFSHOOT IS JUST MORE OPEN, ENTHUSIASTIC, ABOUT IT.

IS RELIGION INCOMPATIBLE WITH SOCIALISM? YES. BECAUSE IN A BASIC WAY, IT REPRESENTS THE ACCEPTANCE OF A SUBMISSIVE ROLE, - THIS DEITY, KING OF KINGS, MASTER, 'LORD' - TELLING CHOICE OF WORD - RULING OVER US FOREVER, UNQUESTIONABLY. IF YOU CAN ACCEPT THAT, YOU MIGHT AS WELL ACCEPT THE RIGHT OF THE GREAT AND THE GOOD TO RULE OVER US. KNOW THY PLACE!



... THEN IT'S MUCH EASIER TO ACCEPT INJUSTICE IN THIS LIFE. WHAT DOES IT MATTER? THE POOR, OPPRESSED, WILL BE REWARDED IN THE NEXT WORLD... ...SO SHOULD MEEKLY ACCEPT THEIR LOT.



PLUS, IF YOU SUBSCRIBE TO A MYSTICAL VIEW OF EXISTENCE, WHERE THIS COLD HARD REALITY IS JUST A PASSING PHASE, A PREPARATION FOR THE REAL THING IN THE AFTERLIFE ...



**FOOD DESTROYED**

“Christophe Voivenel is a dairy farmer, and the son of dairy farmers, in one of the finest dairy regions in the world. At some point in the next few days, he will commit an act of sacrilege. He will rise, as usual, at 6am to milk his 60 cows and then throw away the warm, white liquid which is his family’s life’s blood. ‘You have to understand how hard that will be,’ he said. ‘It is like an artist destroying his own painting or a craftsman smashing one of his own creations.’ Mr Voivenel, 43, a farmer near Vire in lower Normandy, is about to go on strike. Tens of thousands of dairy farmers in 14 European countries, including some in Britain, are preparing to join the first ever pan-European ‘milk strike’: an attempt to push up the farm-gate price of milk, which has almost halved in the last 18 months.” (*Independent*, 29 August)

**THE FAILURE OF CHARITY**

“The spectre of famine has returned to the Horn of Africa nearly a quarter of a century after the world’s pop stars gathered to banish it at Live Aid, raising £150m for relief efforts in 1985. Millions of impoverished Ethiopians face the threat of malnutrition and possibly starvation this winter in what is shaping up to be the country’s worst food crisis for decades. Estimates of the number of people who need emergency food aid have risen steadily this year from 4.9 million in January to 5.3 million in May and 6.2 million in June. Another 7.5 million are getting aid in return for work on community projects, as part of the National Productive Safety Net Program for people whose food supplies are chronically insecure, bringing the total being fed to 13.7 million.” (*Independent*, 30 August)

**FOOD NEEDED**

“Changing weather patterns have decimated crops in several of the world’s poorest countries this year, leaving millions in need of food aid and humanitarian workers warning about the dangerous effects of climate change. Farmers in Nepal have been able to produce only half their usual crop, said an Oxfam International report released last week. Livestock are dying of malnutrition in Yemen, according to the humanitarian news service IRIN. And the Red Cross is bracing for the effects of heavy rains across 16 West and Central African nations. All three are the result of extended atypical weather events – drought, rain, or untimely combinations of both – in places where subsistence farmers have long depended on predictability. In Nepal, more than 3 million people – about 10 percent of the population – will need food aid this year, said Oxfam.” (*Yahoo News*, 2 September)

**Contact Details**

**UK BRANCHES & CONTACTS**

**LONDON**

**Central London branch.** 2nd Weds. 6.30pm. 2nd Wednesday 6.30pm. Coffee Republic, 7-12 City Road, EC1 (nearest Tube and rail stations Old Street and Moorgate).

**Enfield and Haringey branch.** Thurs 8th and 22nd. 8pm. Angel Community Centre, Raynham Rd, N18. Corres: 17 Dorset Road, N22 7SL. email: julianvein@blueyonder.co.uk

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

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

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

**MIDLANDS**

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

**NORTHEAST**

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

**NORTHWEST**

**Lancaster branch.** Meets every Monday 8.30pm. P. Shannon, 10 Green Street, Lancaster LA1 1DZ. Tel: 01524 382380

**Manchester branch.** Paul Bennett, 6 Burleigh Mews, Hardy Lane, M21 7LB. Tel: 0161 860 7189

**Bolton.** Tel: H. McLaughlin. 01204 844589

**Cumbria.** Brendan Cummings, 19 Queen St, Millom, Cumbria LA18 4BG

**Carlisle:** Robert Whitfield. E-mail: rewcb13@yahoo.co.uk tel: 07906 373975

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

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

**YORKSHIRE**

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

**Todmorden:** Keith Scholey, 1 Leevieview Ct, Windsor Rd, OL14 5LJ. Tel: 01706 814 149

**SOUTH/SOUTHEAST/SOUTHWEST**

**South West branch.** Meets every two months on a Saturday afternoon (see meetings page for details). Shane Roberts, 86 High Street, Bristol BS5 6DN. Tel: 0117 9511199

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

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

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

**EAST ANGLIA**

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

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

**NORTHERN IRELAND**

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

**SCOTLAND**

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

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

**Glasgow branch.** 3rd Wednesday of each month at 8pm in Community Central Halls, 304 Maryhill Road, Glasgow. Richard Donnelly, 112 Napiershall Street, Glasgow G20 6HT. Tel: 0141 5794109. E-mail: richard.donnely1@ntlworld.com

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

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

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

**WALES**

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

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

**INTERNATIONAL CONTACTS**

**AFRICA**

**Kenya.** Patrick Ndege, PO Box 56428, Nairobi.

**Zambia.** Kephass Mulenga, PO Box 280168, Kitwe.

**ASIA**

**India.** World Socialist Group, Vill Gobardhanpur. PO Amral, Dist. Bankura, 722122

**Japan.** Michael. Email: worldsocialismjapan@hotmail.com.

**EUROPE**

**Denmark.** Graham Taylor, Kjaerslund 9, floor 2 (middle), DK-8260 Viby J

**Germany.** Norbert. E-mail: weltsozialismus@gmx.net

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

**COMPANION PARTIES OVERSEAS**

**World Socialist Party of Australia.** P. O. Box 1266 North Richmond 3121, Victoria, Australia. Email: commonownership@yahoo.com.au

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

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

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



## It isn't over till it's over

WHEN THE latest figures for business investment were published at the end of August, pro-capitalist commentators were shocked:

"From April to June businesses spent £29.9 billion on investments, from new computers to vehicles, down 18.4 per cent on last year – the biggest annual drop since records began in 1967. Against the first quarter of the year, investment tumbled 10.4 per cent from £33.3 billion – the steepest quarterly decline in 24 years" (*Times*, 28 August).

*Times* journalist Ian King commented:

"Normally sober economists, such as Michael Saunders of Citi, reached for the history books as they pointed out that, in terms of total investment, the annual decline this year is likely to be about 18 per cent – the biggest fall, outside wartime, for more than a century. Judging from these numbers, businesses are simply not spending enough to haul the UK out of recession".

Even though it only amounts to between 10 and 14 percent of GDP business investment – essentially what businesses spend, except on wages and land, on renewing production – is what drives the capitalist economy. It is an increase in this, resulting from the reinvestment of profits not just in maintaining but in expanding production, that results in an increase in GDP.

Businesses investment falls either because profits are down (so businesses don't have the money to spend) or because they are not prepared to reinvest all of them as they don't see themselves making a profit from doing so. Both these factors will have contributed to the current fall.

Marx analysed capitalism as a system of capital accumulation where the amount of capital invested increased over time through profits made out of past production being invested as new capital. However, this was not a smooth process but one that proceeded in fits and starts due to fluctuations in business investment.

GDP does not measure capital accumulation directly, but it is the source of income from which new capital is accumulated. In any country where there is no longer any subsistence farming, GDP can only go up if there has been some capital accumulation. If GDP falls this is a sign that capital accumulation has faltered.

The official definition of a recession is a fall in GDP for two consecutive quarters. The initial fall will be the result of a fall in business investment but, as business investment is only about 10 percent of GDP, a relatively big drop in this will be reflected only as a small fall in GDP. Thus a fall of 10 percent in business investment will reflect itself as a fall of only 1 percent of GDP. (In fact it will be larger as businesses will also be reducing their outlay on wages, another component of GDP).

When quarterly GDP increases again (as it will) politicians and the media will proclaim the end of the recession. But this will only mean that the bottom has been reached, not that it is over. It won't really be over until business investment and GDP reach the levels they were at before the recession began. As GDP has fallen 5.7 percent since the recession began this will be many quarters later.

At the moment the big argument amongst economists and business analysts is what shape the whole episode will turn out to have. The optimists are hoping that it will be V-shaped (i.e. a fairly rapid return to pre-recession levels). Others see it as being more like a tick (i.e. a slower recovery). The pessimists see it like a W (i.e. a double dip, a initial small recovery followed by second fall).

If the worst events can bring out the best in people, why can't that impulse be sustained in everyday life? As Solnit notes, "the real question is not why this brief paradise of mutual aid and altruism appears but rather why it is ordinarily overwhelmed by another world order."

<http://tinyurl.com/mcp52d>

The United States spent \$75 billion over the past year to finance worldwide intelligence operations that employ 200,000 people, according to an unprecedented disclosure by the nation's top intelligence official:

<http://tinyurl.com/ml2t9s>

At the Charter School for Excellence, a school in South Florida inspired by Gothard's draconian principles that receives \$800,000 in state funds each year, children are indoctrinated into a culture of absolute submission to authority almost as soon as they learn to speak. A song that the school's first-graders are required to recite goes as follows:

Obedience is listening attentively,  
Obedience will take instructions joyfully,  
Obedience heeds wishes of authorities,  
Obedience will follow orders instantly.  
For when I am busy at my work or play,  
And someone calls my name, I'll answer right away!  
I'll be ready with a smile to go the extra mile  
As soon as I can say "Yes, sir!" "Yes ma'am!"  
Hup, two, three!

<http://tinyurl.com/pqno1w>

New research indicates that 80% of Afghanistan now has a permanent Taliban presence and that 97% of the country has "substantial Taliban activity."

<http://tinyurl.com/m757ex>

Are you totally reprehensible and feeling lonely? Or maybe you're just a struggling business looking for some instant online companionship? The firm Usocial has the answer for you -- buy Facebook friends and fans:

<http://tinyurl.com/mvmwdf>

"But why should we hear about body bags, and deaths, and how many, what day it's gonna happen, and how many this or what do you suppose? Or, I mean, it's, it's not relevant. So, why should I waste my beautiful mind on something like that?" : Barbara Bush on ABC - Good Morning America, March 18, 2003....Six years later.... The Obama administration's freak out... over the .... circulation of a photograph of a dying US soldier in Afghanistan..

<http://tinyurl.com/qthse5>

A millionaire in northern China paid four million yuan (600,000 dollars) for a dog and ordered 30 luxury cars to come to the airport to greet her and the animal:

<http://tinyurl.com/r2vr7p>



## GLOBAL TRENDS 2025: A TRANSFORMED WORLD

# 'Global Trends 2025: A Transformed World'

**The United States 'intelligence community' has recently produced a report giving a strategic overview of current geopolitical and economic trends, and mapping out potential scenarios by the year 2025. The U.S. is militarily and economically pre-eminent in the world, and the aim of the report is to guide strategic thinking and inspire political action on behalf of the U.S. ruling class and its allies.**

TO MAKE it less incestuous, certain academics, consulting firms and think-tanks were invited to participate. These include the Atlantic Council of the United States, the Wilson Center, RAND Corporation, the Brookings Institution, American Enterprise Institute, Texas A&M University, the Council on Foreign Relations and Chatham House in London.

The report is declassified and available to read online ([http://www.dni.gov/nic/NIC\\_2025\\_project.html](http://www.dni.gov/nic/NIC_2025_project.html)), which means it is considered safe for public consumption. The specific plans for action resulting from it will no doubt be on a strictly 'need to know' basis. There is enough material to fill several issues of this magazine, so we will look at one broad theme: increasing authoritarianism and its implications for democracy.

The Chairman's preamble notes that the study seeks to "identify opportunities for policy intervention ... (which) ... can decrease the likelihood and severity of negative developments and increase the likelihood of positive ones." So, what do they consider to be 'negative' and 'positive'? The plans do not prioritise, for example, alleviating world hunger, preventing war or cutting the emissions that cause global warming (even though going over the climatic tipping point is recognised as a possibility). No. The ruling class concern is how they can continue to protect their interests as these disasters that their system is causing unfold. Their predictions are to some extent their intentions, and we can stand warned about what to expect from them.

### **Nation States**

The global financial crisis is seen as accelerating processes already underway and the report calls for "long-term efforts to establish a new international system." (p.11) As the Cold War era gave way to a unipolar order of American hegemony, in which the U.S. became the self-appointed policeman of the world, this too may have to give way and be replaced by a multipolar international system, with strong regional blocks centred in North America, Europe and Asia. China and India, in particular, are expected to have further economic growth and greater regional and world influence. However, this is also expected to cause (or exacerbate) certain problems. Concerning oil and gas resources, and also food and water (partly due to climate change), "demand is projected to outstrip easily available supplies over the next decade or so." (p.viii) It is predicted that nation states will therefore be taking greater protectionist measures up to and including war.

Capitalism is based on ownership and control by the minority capitalist class, ruthless exploitation of the majority for profit, and thus competition. In this system, the nation state is a mechanism used by capitalists to protect – and extend – their dominion as owners and rulers, and this has always led to international strife. As resources dwindle, due to pollution, over exploitation and climate change - or easily accessible supplies (those that are profitable) are used up - competition and thus conflict can be expected to intensify.

The report's authors "remain optimistic about the

long-term prospects for greater democratization, but advances are likely to slow and globalization will subject many recently democratized countries to increasing social and economic pressures that could undermine liberal institutions.” (p.87) This is something the rich and powerful know all about. U.S. and U.K. governments have regularly intervened to disrupt and sometimes overthrow democratic institutions and to support the installation of military dictatorships when it has been considered good for making money/establishing strategic positions. Such foreign policy has frequently resulted in pro-democracy campaigners being beaten or shot in the street or hunted down, tortured, and imprisoned. U.S. supported coups (and attempted coups) specifically to remove elected governments include: Iran 1953, Guatemala 1954, Chile 1973, Nicaragua 1981, Grenada 1983, Panama 1989, Algeria 1992, Haiti 1994-2000, Venezuela 2002, and Bolivia 2008 (for a full list of interventions see <http://tiny.cc/mm8kL>) Interestingly, in Venezuela and Bolivia the elected government has been retained due to popular pressure.

Democracy is used by the ruling class as both shield and sword: as a cover (legitimation) for the continuing rule of the minority class, and when useful as a justification for aggression against other nation states. Whilst it was suddenly imperative for oil-rich Iraq to be ‘democratised’ by operation ‘Iraqi Freedom’, non-democratic regimes that are ‘friendly’ to U.S. business, such as Saudi Arabia, are not deemed to be a problem.

### State capitalism

There is speculation in the report that economic success for China may lead to other countries adopting state capitalist authoritarianism; which means the state taking a more direct and prominent role in economic management. This might be a regional phenomenon, or become more widespread. It is suggested that a trade-off could occur with domestic populations; the promise of more ‘security’ and ‘economic success’ in return for less democracy. In a complex world of economic crisis, environmental catastrophe and war over resources, democracy may come to be (or is already being) regarded as too unpredictable and uncontrollable – and may

come to be presented to the populace as such. The report notes a “questioning among elites over the ability of democratic governments to take the bold actions necessary to deal rapidly and effectively with the growing number of transnational challenges.” (p.87)

This “questioning among the elites” has long since gone over into action in the U.S. and elsewhere. The enhanced state powers that have been taken following the destruction of the World Trade Center in 2001 marked a speeding-up of processes already underway. In the U.S. we have seen the establishment of the Department of Homeland Security, and the passing of the USA Patriot Act. The latter has legalised greater surveillance of telephone and internet users, searches of premises without consent or knowledge, access without a court order to financial records, library records etc. and indefinite detention of immigrants. This has been accompanied by an increasingly restrictive appeals process in the U.S. judiciary system.

Other countries have also been expanding their anti-terrorism legislation and law enforcement powers. Two significant trends are 1) the broad application of terrorist legislation and 2) moves that have been taken to exclude people who have been labelled as terrorists from having the protections conferred by national and international law such as the right to an open trial. Of course, a state of war – and the ‘War on Terror’ will do – anyway allows for martial law to be imposed by democratic governments on behalf of the capitalist class whenever they see fit.

The report says that “terrorism is unlikely to disappear by 2025.” (p.iv) Given that terrorism is an inevitable consequence of capitalist competition, this is no surprise. And the possibility as well as the actuality of terrorism is a useful propaganda tool. It serves to justify the diminishing of democratic rights – all in the name of defending democracy – and to keep domestic populations sufficiently supportive of state terrorism being carried out by certain liberal democracies (often the U.S. with the U.K. helping) in various parts of the world. We are also told that “counterterrorism and counterinsurgency missions increasingly will involve urban operations as a result of greater urbanization,”

---

**“It is predicted that nation states will therefore be taking greater protectionist measures up to and including war.”**

---



**U.S. supported coups to remove elected governments include (left) Iran 1953, and (below) Grenada, 1983**



including domestically (p70). This accords with the present trend for an increasing percentage of civilian casualties in war.

The capitalist class (or significant sections of it) certainly seems to be preparing to deal with the kind of threats to their system that would be posed by the unrest and disruption that could result from greater societal dysfunction, and also perhaps from the growth of informed types of rebellion that locate the source of our problems as being the profit system itself. The burgeoning of information sharing through the World Wide Web may be something in particular that worries the capitalist class. For a considerable time in the West, propagating deception and distraction has helped to keep the majority of workers compliant, but we should not doubt that the more overtly violent and oppressive techniques that have been used to pursue ruling class interests elsewhere in the world will also be used to control people in the West if it is deemed necessary by the ruling class, and if they can get away with it.

And, to an extent, they are already getting away with it, including in the U.K. As well as the measures mentioned above – and in some cases in close association with them – trade union rights have been neutered or removed, local government has become even more geared to meeting central government targets than meeting local needs, restrictions have been placed on the right to protest, the incidence of ‘stop and search’ by the police has greatly increased and the length of time which people can be detained without charge has been extended. Generally in the West ever larger numbers of people are being criminalized and imprisoned. Hard-won civil liberties and human rights have been removed or limited by law at an accelerated rate during the last few years, and the process isn’t over yet. There are advanced plans for ID cards, yet more CCTV cameras, and further surveillance of telephone and internet use. For the capitalist class, enemies are not just rival capitalists, capitalist groups or states: the enemy also resides ‘within’ – it is us, the working class majority of wage and salary earners.

### **Alienation**

The report notes that “surveys show growing frustration with the current workings of democratic government ...” (p.87), which is not surprising given the current level of democratic deficit. Alienation from existing institutions has profound and diverse effects in society, and changes of popular mood and action may be unpredictable. This presents a potential threat to those in power, but for the moment they have been presented with an opportunity. Lack of democratic involvement has itself resulted in growing apathy and lack of political awareness, which in turn results in the unwitting acceptance of democratic erosions and a grudging acquiescence to authoritarian methods. Unfortunately, in capitalist style democracy, it is *democracy* that is often blamed for not fulfilling the promise, instead of the capitalist structures that place such severe limits upon its function.

Within capitalist limits, democracy exists in a state of flux; the balance altering according to the relative strength of the contending classes, and to the different forces in the capitalist class. Amongst themselves the capitalist class have found use for democracy in solving

disputes. However, concerning wider democracy, the more quiescent we are and the more an alternative to the existing system is deemed to be unrealistic or impossible (the more that capitalist indoctrination is successful), the more we stand to lose that bit of democratic space we do possess. Where it exists, the right to vote has been won through direct pressure, and conceded by members of the ruling class who could see the potential of a more inclusive electoral process conferring legitimacy to minority class rule. Subsequently the use of the concept of democracy in the ideological struggle has helped to establish it around the world. However, since so much propaganda (and hypocrisy) has been expended on extolling its virtues, it might prove difficult to switch off.

Even the better democracies existing in capitalism come nowhere near to fulfilling the potential of what democracy can actually be. What we have presently is a system in which wealth is concentrated in the hands of a minority, who therefore have most of the power –

including in the media. ‘Free speech’ in these conditions simply means that the wealthy – the rulers – still get to put their view foremost and have so far convinced the electorate to faithfully return capitalist parties to parliament.

### **Democratic theory**

Democracy comes from Greek: ‘demos’ and ‘kratia’. It essentially means ‘people power’ or ‘rule by the people’, i.e. it is about the majority being able to make decisions and put them into effect. Mainstream political theory and practice tries to separate ‘politics’ from ‘economics’. ‘Political democracy’ is allowed in an approved form, but economic democracy is impossible because of economic inequality; the majority are deprived of ownership and control of the means of life.

As long as capitalism continues the working class will continue to be exploited for profit, and the system will continue to give rise to waste, war, poverty and famine. The capitalist class will continue to claim that the aim of their actions is to relieve us of these dire conditions, whereas in actual fact their profit-making policies only perpetuate them. For all the expected changes indicated in the report, what we see is business as usual. As such, there are tactical decisions to be made, and we can rest assured that other power blocs have similar concerns. What the thieves are bothered about is that other groups of thieves will take their bounty – or at least take too great a share – or worse still, that the workers will recognise them for what they are and unite to emancipate themselves.

‘Global Trends 2025’ is the capitalist version of the immediate future, but we do not have to be passive recipients of this. It benefits the workers of the world to organise to defend and extend democratic rights; to widen the democratic space as much as possible. For democracy is the way in which we can unite to free ourselves from the insanity of the profit-system and domination by a minority ruling class. We can replace oppression with equality, waste of resources with production directly for use, and systemic competition with cooperation for the common good. We can create the world that we want, fashioned by the majority, in the interests of the majority.

**LB/RW**

---

## **“Surveys show growing frustration with the current workings of democratic government”**

---

# THE RISE AND FALL OF THE ILP

*With proposals to set up a united leftwing party to challenge Labour, we look at a previous attempt at this.*

The Independent Labour Party was born on 13 January 1893 in the Labour Institute, Peckover Street, Bradford. The birth was the culmination of a series of efforts dating back to the creation of the Scottish Labour Party some five years earlier. From the spring of 1891 local 'Labour Unions' were formed, with the similar Manchester and Salford Independent Labour Party following in May 1892. The party and its predecessors were primarily the offspring of James Keir Hardie, ILP chairman 1893 to 1900 and long time (1887-1904) editor of *The Labour Leader*. Hardie had launched his paper (it remained his personal property until 1904 when it was taken over directly by the party) in January 1887 and it would remain the focus of the ILP activity through several renamings (becoming *The New Leader* in 1922 and *The Socialist Leader* in 1946) until its termination in the late '70s. Essentially the party was a radical split from the Liberal Party and its ideology and outlook were determined by this.

The early ILP's conception of socialism was a bit of a joke. In 1896 Hardie defined it as "...brotherhood, fraternity, love thy neighbour as thyself, peace on earth, goodwill towards men, and glory to God in the highest" (*Justice*, 6 June 1896). While, in a 1903 letter to Edward Carpenter (quoted in Stanley Pierson's *British Socialism*) John Bruce Glasier, a near-forgotten ILP bigwig, more obscurely referred to socialism as "a power that began with the beginning of the world and permeates infinitude". I fear he may have been confusing socialism with some form of quantum physics.

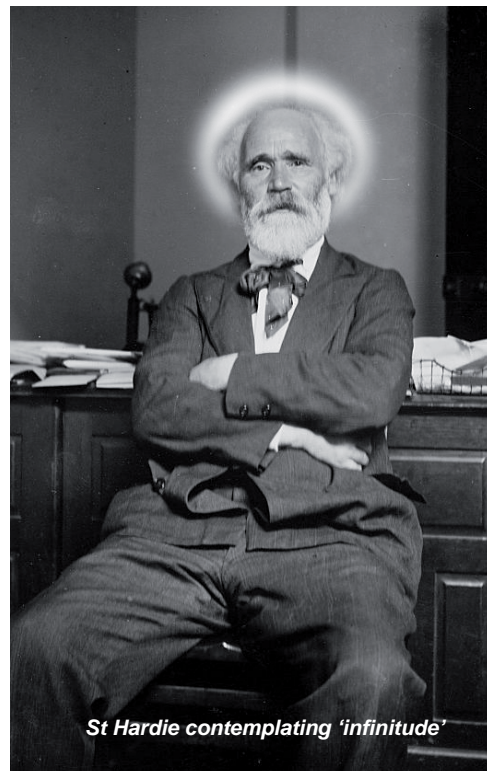
Despite its talk of peace and brotherhood, this is what Glasier, then Party Chairman, said at the 1903 Conference:

"Our foreign trade is flagging; our internal freedom and external defence are less secure; our military glory is dimmer; our national character, our literature, our science, our inventions are in less repute; our young and virile population is quitting the country as if it were a sinking ship, and we are getting in pauper aliens and rich predatory aliens instead."

The ILP was oriented towards parliament from its inception. Hardie had been elected for West Ham South in 1892 but it was not until the formation of the Labour Representation Committee in 1900 that the real breakthrough occurred. The LRC, renamed the Labour Party in 1906, was essentially a tactical move of the formerly Liberal-orientated trade unions but until 1918

the political input was very much from the ILP. In 1906 the party scored seven MPs with a further eleven being trade union endorsed members.

The early strongholds of the ILP were as one might expect in the old industrial zones of West Yorkshire and South Lancashire with considerable support in Leicester, Norwich and Merthyr Tydfil. Scotland, later known as the heartland of the ILP, was to develop later during and after the First World War.



*St Hardie contemplating 'infinitude'*

## **First World War**

If the ILP ever got anything right it was by accident and this is seen most obviously in its attitude to the First World War. Opposition to the 1914-18 war was clearly the correct policy: it is now generally admitted that it was an imperialist war, fought not for 'freedom' but for economic reasons. During the early months of the war Ramsay MacDonald (as might be expected) but also Keir Hardie (as might not be) encouraged young men to enlist. Despite this wobbling the ILP should be acknowledged as the largest organisation in Britain in opposition to the war and both Hardie and MacDonald came out against the war. However its policy originated in a faulty concept of what the war was all about. In a contemporary leaflet the ILP argued that the war was "a diplomatist's war, made by about half-a-dozen men...we sit down and ask ourselves... 'Why has this war happened?' the only answer we can give is, because Sir Edward Grey has guided our foreign policy during the past eight years." (Fenner Brockway, *Inside the Left*, p. 45). That Sir Edward, what a bastard.

Such a conspiratorial theory blended well with the wet pacifism endemic in the lower ranks and the antagonism to Tsarist Russia. But the diplomatic cause theory was

to cause problems for the ILP, as it attracted a host of golden daffodils in the shape of the Union of Democratic Control. The UDC essentially consisted of Liberals, some high ranking who wished for a more democratic and open foreign policy. They also viewed the war as caused by secret diplomacy. The bourgeois intellectuals of the UDC, including HN Brailsford, migrated into the ILP diluting the Northern spit and sawdust of the early party and providing the germ of the London based 'intellectual' (wobbly) ILP of the 1930s and after.

The First World War saw the ILP gain a Red reputation with its somewhat half-hearted backing of the Russian Revolution and its incidental association with the 'Red Clydeside' strikers. The war also saw the death of Hardie in late 1915 and the rise of James Maxton.

### Golden Age

Before the First World War the ILP and the Labour Party were pretty much identical. The ILP leaders, notably Ramsay MacDonald (ILP Chairman 1906-9), were also those of the Labour Party. The 1918 constitution, particularly through the introduction of local Labour Parties, redefined the Labour Party not just as a political wing of the trade unions but as a party in itself. As a result the ILP had to redefine itself and in the 1920s its role came to be that of the left wing of the Labour Party. At first such a role was of considerable use to the party. Boosted by the 'successes' of the Labour Party, the ILP reached unprecedented heights in 1926 with an all-time high of 60,000 members in 1075 branches and a *New Leader* circulation of 70-80,000. Three years later the ILP had 37 MPs plus another 123 who were members of the party standing under other endorsement.

In 1924, to mark the new left turn, the ILP issued the report of its Socialist Plan Committee. Also known as "Socialism in our time", this became the basis of ILP policy. It defined socialism as the establishment of "a minimum living income" and the "nationalisation of the pivots of capitalism" (i.e. "the banking system, land, mining, electrical generation and distribution, and transport." (Fenner Brockway, *Inside the Left*, p. 148) In other words a typical confection of Leftist pseudo-socialism. With the exception of nationalisation of land and the minimum wage this was essentially the programme adopted by the Labour Party in the late 30s and carried out by the 1945-51 government. Given this it might well be asked, "what was the point of the continued existence of the ILP?" The answer is not a lot as we shall see.

### Disaffiliation

Something very bizarre happened to the ILP in the early 1930s. Ordinarily the left wing acts as the shock troops of the Labour Party, brought out at election time to do donkey work for a small pay off after. Despite grumbling this usually works well. However occasionally the left gets ideas above its station - the Militant case is typical - or revolts at the unpleasant doings of the Parliamentary party. In this case the particular left of the era receives the order of the boot. They never want to go despite the sniping and grumbling and the parting is acrimonious. After the McDonald debacle however the ILP left voluntarily. This turned out to be a ghastly mistake from their point of view.

Officially the issue at stake was over Standing Orders - whether ILP MPs should without fail follow the Labour Party line. The ILP MPs, led by Maxton, essentially wanted freedom of action - to justify their separate existence as much as anything else.

The PLP wanted (as well it might) loyalty in exchange for endorsement (which essentially meant actually getting elected). Neither side was willing to give way, leading to an inevitable break. However behind this was the looming shadow of MacDonald. Disaffiliation occurred in the summer of 1932. MacDonald had formed his National Government with his power-hungry toadies and the Tories the previous year. The Labour Party was badly split and in severe disarray. A major realignment seemed certain. To the ILPers it seemed as if their time had come.

After disaffiliation the ILP clearly didn't know what to do. Archibald Fenner Brockway, darling of the old left and big cheese of the '30s ILP, remarked: "Since 1932 the Party has been a crucible of the change from reformism to revolutionism" (*Inside the Left*, p. 237). 'Revolutionism' clearly meant desperately jobbing around for popular leftwing causes. In the course of the seven remaining years of the 30s the ILP

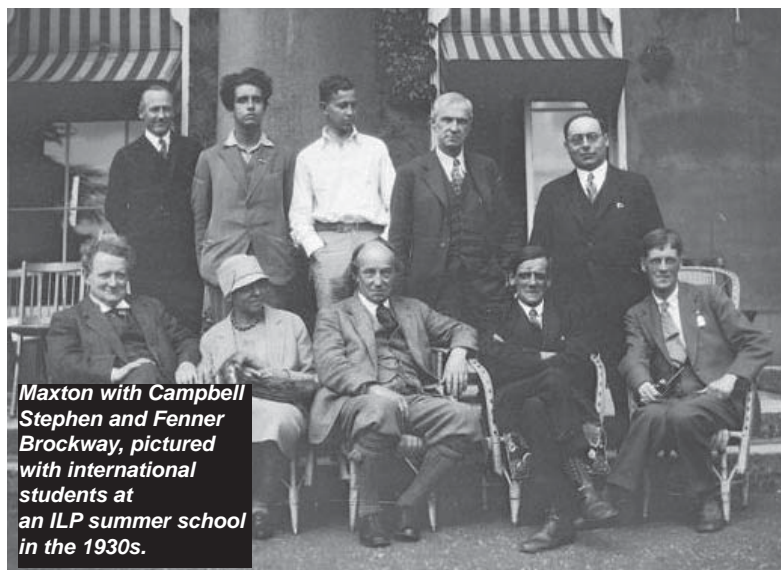
"experimented in many directions, at one time approaching the Communist International, and at another moving towards the Trotskyist position, at one stage attaching its hope to united fronts and at another reverting to purism, at one period going all out to prepare for Soviets and at another recognising again the value of Parliament." (*Inside the Left*, p. 237)

Reflecting this uncertainty of orientation and plagued by internal factions (pro- and anti-CPGB and Trotskyist) membership plummeted. Immediately before disaffiliation the ILP had 16,700 members in 653 branches. By 1935, just three years later this was down to 4,400 members in 284 branches. This was a particularly dramatic decline given the ongoing depression which had boosted almost all other left wing groups and the ILP's relatively firm handling of Spain (sending a contingent including George Orwell) and fascism (giving important backing during the Battle of Cable Street).

Despite this the ILP retained local predominance in parts of Glasgow with numerous local councillors and a range of MPs. This was partly due to an electoral pact with Big Labour and lasted until around 1950. There were other residual centres of strength including Merthyr, Bradford, Norwich, Derby and rather bizarrely Great Yarmouth (where one LF Bunnewell was ILP councillor from 1937 to after 1975).

### Second World War and after

The ILP recognised the Second World War as basically a conflict between rival capitalists. However confusion remained. The ILP's 'Peace Terms' were: 1. Self determination of 'peoples', 2. Subordination of



Maxton with Campbell Stephen and Fenner Brockway, pictured with international students at an ILP summer school in the 1930s.

nations to 'international unity' and 3. "The establishment of an international economic organisation for the distribution of the world's resources according to the needs of all peoples". All of which displays the ILP failure to recognise that whilst the world's resources are still owned and controlled by the capitalist class, conflicts between sections of that class are inevitable.

The 1945 election was rather successful for the ILP with three candidates, James Maxton, George McGovern and the Reverend Campbell Stephen, elected (one more than the Communist Party). Fresh with a new influx the ILP seemed set for revival. The success was not to last

Maxton died little less than a year later. The following year his replacement, James Carmichael joined up with Big Labour. As did McGovern and Campbell. Fenner Brockway also took the jump, in 1947. Maxton had clearly been holding the party together and without him the thing fell apart. Re-affiliation might have saved the day. In 1945 it had knocked on Labour's door, asking very politely for re-affiliation, but Labour (sensibly) didn't open it.

Left out in the cold the ILP fished around for other potential alliances including with us. At the 1947 Conference a motion proposed 'loose links' and joint campaigns (peace, colonial freedom and other 'causes') with the Anarchist Federation, the Commonwealth Party and the SPGB. We said no. Further proposals were made in 1954 ("Need for a United Socialist Party") and late 1957. We debated representatives of the ILP, including in 1928 Maxton himself, on numerous occasions throughout its career, the last being in Bolton in 1972.

The ILP gradually faded from view. It soldiered on however until someone let it back in. In 1975 it re-entered the Labour Party as Independent Labour Publications. Actually this was a bit of a cheat as individual members joined up and on 31 March 1975 the party as such declared itself terminated (a similar thing happened to the trotskyist Revolutionary Communist Party in 1949).

Despite the fact that the Independent Labour Party does not now exist, its ghost may be found haunting Left wing shindigs and the like. It remains well thought of by Leftists of a historical bent, but clearly not well remembered.

**KAZ**

# The disease that is capitalism

*What's better - treating the symptoms or dealing with the cause?*

**W**hen a person is ill a competent doctor will attempt to identify all relevant symptoms: high temperature, site of aches and pains, loss of appetite, heart-rate, blood pressure, etc. etc. Following diagnosis, treatment will be offered in the form of dietary advice, physiotherapy, drugs, surgery or some combination of these or other remedies. If the aim is to cure the illness and prevent its return then the causes of the disease will need to be identified and eliminated. Effective treatment can only follow correct diagnosis of the cause. The doctor will seek to understand family history, working conditions, living conditions, e.g. is the patient living in an area threatened by any form of pollution, etc. Regular check-ups and preventive care are the surest way to avoid the onset of serious illness and an appropriate regimen leading to a healthy lifestyle will more likely ensure non-return of the previous disease.

Political commentary on and diagnosis of society's ills, however, tend to focus on discussion of how to treat the symptoms with scant regard to eliminating the causes. Reform rather than structural change. There continues to be a plethora of books published both criticising and offering reforms to the capitalist sys-

tem; so many, in fact, that it points to the fact that there is a large audience of readers dissatisfied with the status quo, knowing the current system doesn't work for them. An audience aspiring to structural changes?

*One World, Ready or Not - The Manic Logic of Global Capitalism* by William Greider (US writer on economics and politics over several decades, contributor to *The Nation* and former editor of *Rolling Stone*) is one such book. Greider succeeds brilliantly in proving his contention that the global economy is sowing "creative destruction" everywhere by explaining symptom after symptom of capitalism's failure of the majority. What are some of the symptoms of the disease that is capitalism? Widening gaps between haves and have-nots; rising poverty nationally and internationally; rising unemployment - ditto; no lasting gains from union activity extending over a century; a ban on unionised work in many countries; more temporary workers replacing former permanent positions; increasing poverty, hunger and homelessness; declining health care for many; serious environmental problems, etc. etc. Greider exposes all these symptoms and more with detailed background evidence and numerous examples from most parts



*How healthy is your economic system?*

of the globe.

The book is a fine resource of investigation and enlightening statistics including details of interviews with workers, corporate CEOs, government officials and economists. Common cures (reforms) recommended include regulating finance capital, increasing, decreasing or shifting the weighting ratio of tax from one sector to another, regulating trade differently, implementing and honouring stronger workers' and



Above: the author. Right: his book

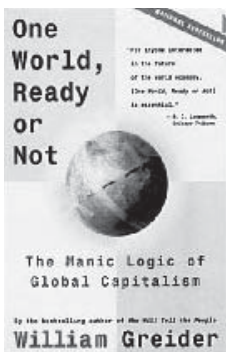
human rights, the restructuring of the World Bank, the IMF and central banks. Greider's recommendations here can be likened to increasing the dose of palliative medicines without treating the cause. Implement radical reforms of the system in an attempt to rein in the most divisive runaway aspects of capitalism (the most invasive aspects of the disease) but leave the system in place and hope it won't run amok again or get hijacked by more pesky capitalists at a later date.

Treating only the symptoms, i.e. reforming the system, is ultimately doomed to failure in society as in the patient. Capital has no interest in that which is not in its own interest. Governments are limited in their ability to implement reforms anyway as they are pulled in various directions by the power of capital's demands and the need to appease their constituents enough to remain in power in the short term. Greider's proposed reforms are laid out with the caveat that he has no expectations that any of them would be implemented (in his case by the US government) and with the additional observation that much of what the government does is useless or harmful to broadly shared prosperity. In other words it allows or even encourages the disease to spread. Markets, money and money markets don't play by rules endorsed or understood by consumers.

"Whilst claiming to promote human freedom capitalism profits concretely from the denial of freedom, especially of the workers employed by capitalist enterprise."  
"Consumer boycotts can be an

effective way to mobilise the political issue but the true target should be the systems of human repression." - There - he said it!

Social consequences are largely ignored by capital. Evidence of this is everywhere from the countries with the richest economies to dirt-poor nations with all populations exploited or deliberately abandoned for economic reasons by local and global capital. More families and individuals are impoverished, hungry and



made homeless each successive year in countries from Africa, Asia, Europe to the Americas and the general public are afraid that they, too, may fall victim to the disease as they tighten their belts and try and

take precautions; but they have been taught to see capitalism as a system "too big to fail." They have also been taught to be afraid of considering the alternative of dismantling the system and they continue to shout "reform." Yes, they willingly keep taking the palliative medicine rather than working together to eradicate the disease for the benefit of themselves and future generations.

Greider's final chapter includes some notes on possible surgery and examples of individuals giving out preventive advice; promoting true sustainable development; evidence from environmental technologists which confirms that saving the world is possible at such time that there is steady-state equilibrium with the natural world. This surgery is possible but not on any agenda to be undertaken by the monetary, for-profit, capitalist system.

What needs to be recognised much more widely is that the whole set-up (capitalism/the free-market economy/monetarism) is one enormous scam against those who produce the wealth, whether globally or locally. Those who produce the wealth are currently all part of a huge lottery; this year, this place, I'm in work; next year, some other place, maybe you'll be in work. But, just like a game of chance, some manage to stay lucky and others never get a look in. If you are one of the multitude who has needed to work in order to live, you have been duped. The causes of the disease have been identified. It's time to remove them completely. Only a structural change will do.

JS

# Big Brother and the Robots

A few weeks ago the Party held a meeting in London entitled 'Here Come the Robots'. It was a look at the impact and implications of technological advance on society. A lively discussion followed with various opinions and reservations expressed.

Few people would deny that among the changes technology has brought there have been tremendous improvements to our productive capabilities, if not always to our personal circumstances, or that in a socialist society modern technology will be vital in making sure everyone gets adequate food, housing and medical care.

Not everyone is happy with the intrusions and impositions made on our lives by new technology, however, or the fact that many of us





seem content to be constantly connected to our computers, mobile phones or iPods. "Don't people read books anymore?" asked one visitor, and he was not entirely reassured when it was pointed out that it is now possible to walk round with a digital bookcase of books in your pocket.

The question that concerns most of us, of course, is who is in control of all this technology? Under capitalism, it's not us. A couple of stories recently in the papers highlighted the question. Ironically, the first one concerned George Orwell's novel, *1984*. "Big brother would have approved", said the article. (*Guardian*, 20 July).

In a mix-up over copyright, Amazon, the online booksellers, have, without warning, used their remote technology to erase customers' digital copies of George Orwell's *Animal Farm* and *1984*. The cost of the books, which had been bought and paid for, was refunded we are assured. But how reassuring is it to know that someone, at an anonymous desk somewhere has the power to do that? In Orwell's novel a device known as a "memory hole" was used to eradicate unapproved literature. Amazon can do the same, it seems, at the touch of a computer keyboard.

The second story is nothing to do with fiction. It involves the latest must-have military toy being tested by the US army. Unfortunately, this is no high-tech cuddly teddy bear.

Rumours have been coming out about the Energetically Autonomous Tactical Robot (EATR for short) an unstoppable military robot that powers itself by devouring any organic material in its path - trees, grass and even, according to some reports, dead bodies on the battlefield.

Its inventors are horrified that such suggestions have been made. Although the EATR does indeed power itself on organic material, it is not intended to be fuelled by dead soldiers they say. "We completely understand the public's concern about futuristic robots feeding on the human population, but that is not our mission" they assure us in the *Guardian* article (21 July).

The machine apparently has a built-in system which helps it determine the nature of the material being ingested. And according to Dr Robert Finkelstein, one of its inventors, "If it's not on the menu, it's not going to eat it".

It's all about good taste, then?

NW

# New roots of conflict

**W**e have had two world wars and countless local conflicts over the struggle for raw materials, trade routes and spheres of influence. Capitalism is a competitive society and the logical outcome of the resultant conflict is military violence.

The first world war was based on the struggle for colonies as well as access to the coal, iron and steel of Europe. It led to the collapse of governments, thrones and empires, and the redrawing of national borders. More importantly to the world's working class it led to mass destruction, death and injury. It was depicted in this country as a war against militarism and in defence of freedom. Shortly after the cessation of that war the

British working class was to enjoy the freedom of the labour exchange and slum housing. The "war to end all wars" saved the British capitalist class from the encroachment on its markets and empire by its German rivals.

The second world war with its advanced armaments was to bring the horror of war home to the civilian population as never before, with cities wiped out and whole countries razed to the ground. Again this was depicted as a war against the evils of dictatorship and in defence of democracy and freedom. The

fact that Britain was united with the dictatorship of Stalin's Russia against the dictatorship of Hitler's Germany was conveniently overlooked. This war like the previous one was fought for economic reasons not ideological ones.

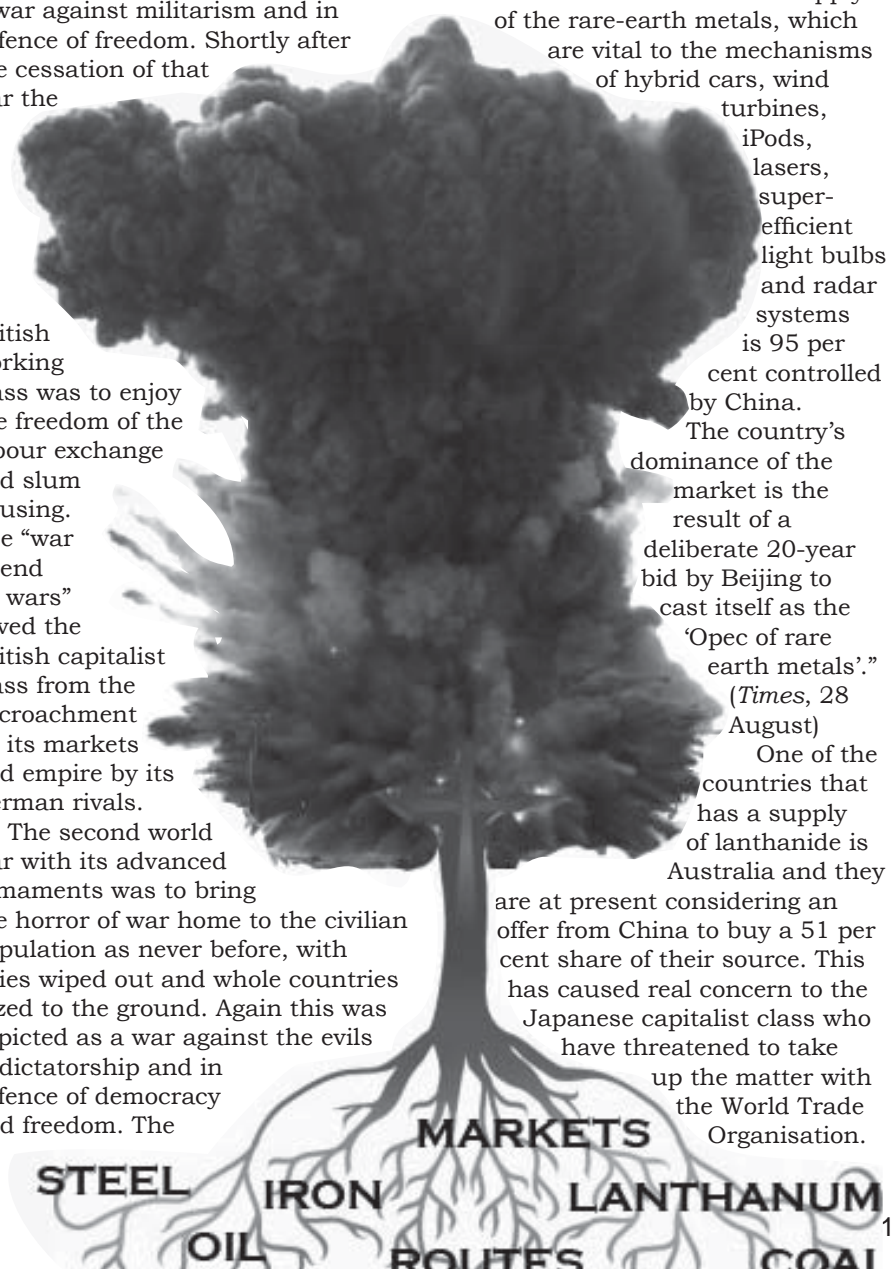
Ever since 1945 the world has experienced local conflicts. Korea, Suez, Vietnam, India/Pakistan – the list is endless. There has not been a day since 1945 when the British army has not been engaged in some sort of conflict, and every one of them has been depicted as something to do with freedom, democracy or some such laudable purpose. The present tensions in the Middle East, however, with its struggles for access to oil so nakedly obvious it has become increasingly difficult for governments to disguise the economic basis of the disputes.

Capitalism is a dynamic system and yesterday's struggle for coal and steel may have been somewhat overshadowed by the conflicts over oil. This in its turn may give way to another source of military dispute – lanthanide metals. "Global supply of the rare-earth metals, which

are vital to the mechanisms of hybrid cars, wind turbines, iPods, lasers, super-efficient light bulbs and radar systems is 95 per cent controlled by China.

The country's dominance of the market is the result of a deliberate 20-year bid by Beijing to cast itself as the 'Opec of rare earth metals'." (*Times*, 28 August)

One of the countries that has a supply of lanthanide is Australia and they are at present considering an offer from China to buy a 51 per cent share of their source. This has caused real concern to the Japanese capitalist class who have threatened to take up the matter with the World Trade Organisation.



“Chinese export quotas of rare earth metals fall below Japan’s demands, forcing even the largest consumers there to rely on smuggled materials to meet about a quarter of their annual needs. A draft of the Chinese plan has been seen by senior executives at several of Japan’s largest trading houses and has sparked fears that China is aiming to step up dramatically its programme of quota reductions. Beijing has cut exports by about 6 per cent annually over the past decade.” (*Times*, 28 August)

It is impossible to foretell how capitalist rivalries will develop but the growing monopoly of the rare metals market by China is a potential source of economic conflict that could lead to a future military struggle. Capitalism by its very nature breeds competition between nations over such sources of raw materials. This produces threats and counter-threats which leads to ultimatums, trade boycotts and eventually

to military action. The awful truth is that it is members of the working class who own no part of these resources who take part in the resultant conflicts and suffer the resultant tragedies of war.

**RD**



## The SLP of America: a premature obituary?

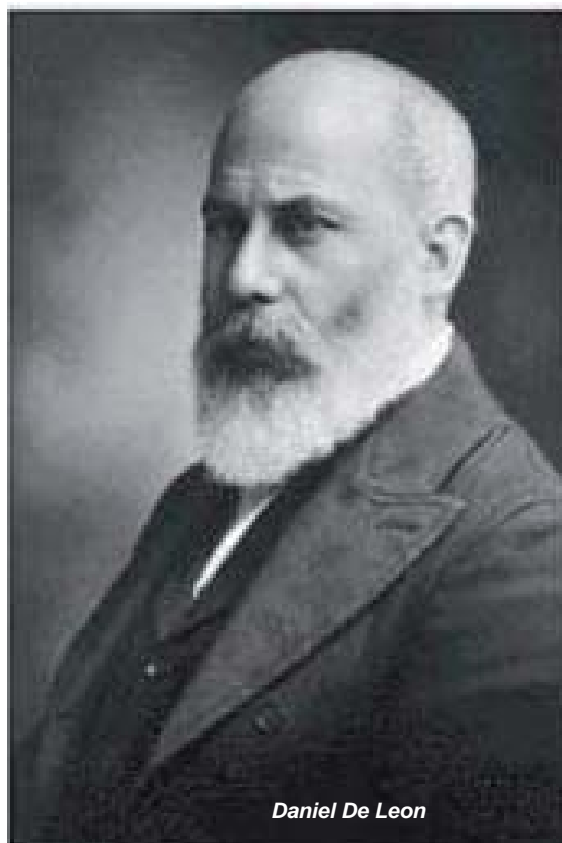
**B**y some accounts the Socialist Labor Party of America has ceased to function. It has lost its premises and its paper, *The People*, has

not appeared for many months. Some of its locals are still meeting and its ideas live on in its offshoots and breakaways but that’s all.

of its leaders, a revolt which led to two breakaways, the first, in 1903, to found the Socialist Labour Party of Great Britain, the second, in 1904, to found us, the Socialist Party of Great Britain.

During this period De Leon’s position on the relative importance of political and industrial action changed. At first he insisted that political action – as action aimed at getting control of political power – was paramount, with industrial organisation as supportive, to back up if need be the verdict of the ballot box as well as to take over and run production immediately after the capture of state power. Later, as the agitation built up that eventually led to the foundation of the Industrial Workers of the World in 1905 (in which he played a prominent part), he changed the emphasis, arguing that it was organisation on the industrial field – to ‘take and hold’ the means of production – that was the more important, with political action relegated to the role of supporting the take-over of industry by neutralising and disbanding the state.

The SPGB in effect adopted De Leon’s original position while the SLPGB embraced his later ‘socialist industrial unionism’. Even though a casual observer might struggle to detect the subtlety of the difference but would see rather the points of similarity between



*Daniel De Leon*

Founded in 1876, for the first twenty or so years it was a reformist organisation – at least, it advocated reforms of capitalism as well as its concept of socialism – not unlike the German Social Democratic Party of which many of its founding and later members had been members before emigrating to America. Things began to change with the entry into its ranks of Daniel De Leon and his election as editor of *The People* in 1892. De Leon campaigned for the SLP to drop its reform programme; which it did in 1900 (which led to a split and the formation of the reformist Socialist Party of America of Eugene Debs and Norman Thomas).

The SLP of America, and its translations by De Leon of Marx’s writings, was one of the inspirations of the ‘impossibilist revolt’ within the Social Democratic Federation in Britain against the opportunism and undemocratic practices

the two parties, ideological battle raged over this issue for decades between us and them until the demise of the SLPGB in the 1970s.

In the meantime other, perhaps more important, differences emerged. Like us the SLP of America recognised that socialism was out of the question in Russia in 1917 (though most of the SLP in Britain went over to the Communist Party when it was formed in 1921, providing some of its early leaders). When, however, it was reported that Lenin had made a passing favourable comment on De Leon's 'socialist industrial unionism' blueprint as a way to run industry, the SLP took a more favourable view of Bolshevik Russia. In fact, until the Russian invasion of Finland in 1939, the SLP held that Russia was some sort of 'proletarian regime' even if its politics were wrong (a bit like the Trotskyist position). Even after 1939 it didn't recognise Russia as state capitalist, preferring to call it 'industrial feudalism' or, later, 'bureaucratic collectivism'.

Another difference to emerge was over 'socialism in one country', especially America. De Leon had always tried to project the SLP as in the American revolutionary tradition (partly to dissipate its early German-American character), for instance praising the founding fathers of the US and criticising schoolchildren who refused to salute the American flag. His successors continued this and in its publications reference to a 'socialist America' and a 'socialist Britain' could be found. Even so, the SLP continued to publish material for pre-1914 immigrants in non-English languages (Hungarian, Bulgarian, South Slavonian) until the 1960s.

Then there was the question of 'labour time vouchers'. Marx had mentioned these as one possible way of distributing consumer goods and services in the very early days of socialism had it been established in 1875. De Leon and, after his death in 1914, his successors turned this into a dogma, insisting that these vouchers had to be introduced and maintained for a number of years as *the* method of distribution, despite the fact that the development of the productive forces since 1875 had made it possible to introduce free access more or less immediately after the establishment of socialism. Believe it or not, this is still a burning issue between us and some DeLeonists on internet discussion forums.

There were similarities too. The SLP had the same definition of working class as us (despite its logo being a working man with bulging muscles wielding a huge hammer). It contested elections – every US presidential election between 1892 and 1976 – on a programme offering no reforms of capitalism. It defended Marx's view against the Leninists about the possibility of a peaceful establishment of socialism. Most SLP members eventually came to see Russia as state capitalist and that free access was *the* socialist method of distribution to be reached as soon as practicable. The SLP also abandoned its policy of setting up rival socialist unions and, like us, joined the existing unions for all their faults.

The SLP has its place in the history of working class ideas and organisation in the English-speaking world. 'Names' such as Jack London and James Connolly passed through it. It made some important mistakes, but was not fundamentally anti-working class like Leninism and its offshoots. Unfortunately, they still survive.

ALB



## Funny Money

WE HAVE received a letter from Paul Grignon, of Canada, ([www.moneyasdebt.net](http://www.moneyasdebt.net)) challenging the analysis in our article "The Myth of Magic Money" in this column last December. He enclosed for review a DVD of his "animated movie series 'Money as Debt' which", he says, "has been viewed by millions worldwide and universally praised as the best explanation of our money system ever produced".

Sorry, but we can't join in the chorus of praise as the DVD incorporates all the myths about money and banks that currency cranks have been propagating for years. It even has a top-hatted banker taking off his hat and using it to produce money out of it just as a magician produces a rabbit.

Apparently, all you need to start a bank is to deposit a sum of money with the central bank and, hey presto, you can start lending out nine times that amount and charge interest on it to boot. Obviously this is nonsense. It's the familiar mistake of assuming that a 10 percent cash-to-other-assets ratio means that, for a given amount of cash deposited with it, a bank can lend out nine times that amount whereas what it means is that it can only lend out nine-tenths of it as it has to keep 10 percent as cash.

Banks are no different from anyone else who lends money – individuals, pawnbrokers or loan sharks – they can only lend what they've got (either because it's theirs or because they've borrowed it themselves). Grignon's confusion is partly the fault of academic economics which teaches that bank loans are a form of money in addition to the money the bank already has (Grignon is right about one thing: money deposited in a bank is a loan to that bank).

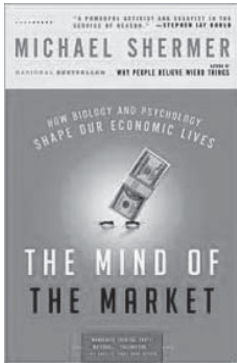
In his letter Grignon quotes from an explanatory booklet *Modern Money Mechanics*, first issued by the Federal Reserve Bank of Chicago in 1975, which says that from an initial deposit of cash the banking system can go on to eventually make total loans of nine times its amount. Quoting this booklet seems to be obligatory for modern currency cranks, but they could quote just as easily quote from any economics textbook (except that they see US Federal Reserve as their main enemy).

This theory, however, does not say or even imply that the extra loans have been created out of nothing by a mere stroke of the pen or, in Grignon's contemporary version, by "the flash of a few keystrokes". If you follow the theory carefully you will see that each extra bank loan has to be preceded by an extra bank deposit of which only nine-tenth can be re-lent. Grignon accepts this for when the first loan supposedly "created out of nothing" finds its way back to the banking system. The bank receiving this, he says (correctly), can only lend out nine-tenths of it. Logically, he ought to accept this for the first deposit and the first loan too.

His ideal is a capitalism in which banks have become like savings-and-loan institutions in the US (building societies would be the nearest here) and where the state has a monopoly in the creation of interest-free money. What he doesn't realise is that this is the actual situation: banks are glorified savings-and-loan institutions and the only the state bank has the power to create money out of nothing. And cash is interest-free.

## Market behaviour

***The Mind of the Market : How Biology and Psychology Shape Our Economic Lives.* By Michael Shermer. Holt Paperback. New York. 2008.**



Some of the chapters in this book are interesting and informative, despite its author being a self-declared follower of the free-market ideologist, Ludwig von Mises and so

an apologist for capitalism and a dedicated opponent of anything that seems to be socialism. Shermer is also a leading American 'skeptic' and a *Scientific American* columnist.

Economics, as now taught, is an odd discipline. It defines itself as the study of the allocation amongst competing ends of resources in short supply. To express this mathematically it has to make the absurd assumption that the ends are infinite, i.e. that people are infinitely greedy. It also assumes that economic actors (corporations, workers, consumers) act entirely rationally. Von Mises in fact regarded economic decision-making as the archetypal form of rational decision-making.

In recent years, some economists, calling themselves 'behavioural economists', have decided to investigate the actual behaviour of consumers, i.e. individual buyers. Not surprisingly they have found that no consumer (not even the writers of economic textbooks) decide what to buy on the basis of some rational calculation about equalising the "marginal utility" of all the things they buy. All sorts of other considerations enter into their decisions as to what to buy (egg what other people are buying, status, etc which the advertising business exploits).

It could be argued that the study of what motivates consumers is outside the scope of economics. Which is the position we Marxists have taken with our criticism of "the final futility of final utility". We have left the study of the satisfaction users might derive from the use-values they acquire to psychology. Shermer goes along with the behavioural economists who have done some useful work in demolishing the myth of the rationally-calculating, narrowly self *homo economicus* that

is one of the basic assumptions of academic economics. He doesn't seem to realise that in doing so he has abandoned one of the key assumptions of the von Mises school of economics. In fact he goes so far as to concede that if people really did behave in this way, then capitalism could never have survived; even capitalism relies on the social nature of humans and their biological and psychological need to trust and co-operate with each other.

Shermer accepts the theories of the "evolutionary psychologists" according to which our reactions and decisions – including in economic matters – are influenced by the fact that our brains evolved when we were hunter-gatherers (as opposed to by purely rational calculations). No doubt our brain did evolve under these circumstances but this does not mean that we are therefore unsuited to live by acquiring what we need to live in any other way. The human brain that evolved is a brain that allows us to adapt to a great variety of ways of acquiring what we need.

We can live just as much under a capitalist system (where Shermer says we are 'consumer-traders') as in a socialist society (where we'd become 'giver-takers'). If, as the evolutionary psychologists claim, that our brains predispose us not to live freeloaders and to get satisfaction out of co-operating, and even helping, our fellow humans, these are features that would fully fit in with socialist society. Shermer thinks that they point to capitalism being the best system for humans to produce and share out wealth.

However, his defence of capitalism is pretty pathetic. On the basis of studies of the behaviour of people who are still hunter-gatherers today involved in face-to-face barter and of the measured effects on the brains of individuals choosing to buy something, he concludes that 'trade' and 'trading' is good for us. This ignores that 'trade' is not the only way of transferring the use of something from one person to another. There is also giving and taking. So, this is not an argument for buying and selling as best suited to our 'biology and psychology'.

But the main flaw in Shermer's argument is that there is an enormous difference between face-to-face barter and shopping and inter-capitalist trade. Inter-capitalist trade is carried on by states and corporations which do act in the ruthlessly calculating way that orthodox economics supposes individuals do. They do aim to maximise monetary profits in

the long or short term. They don't behave as we humans do. In fact some psychologists (as in the film *The Corporation*) have pointed out that if a human behaved in the same way as capitalist firms do – concentrating obsessively on one single aim (in this case, making profits) to the neglect of all other considerations – they would be classified as psychopaths.

Shermer shows up here the flaw in the defence of capitalism put up by ideologists such as von Mises – they assume that present-day capitalism is based entirely on freely-negotiated contract between individuals, as if production and trade were carried on by individual, or at least small-scale producers, and shopkeepers. This might have been the case in Adam Smith's day (mid-18<sup>th</sup> century) but is not the case today. Today production is carried on in large-scale productive units by producers contracted to work for wages, but not by other individuals but by capitalist firms which, while in contract law have a fictitious 'personality', are not really persons which biological brains. Their behaviour cannot therefore be explained by evolutionary or any other kinds of psychology, but only by a study of the impersonal laws of the market and profit-making which impose themselves on those who make decisions within them irrespective of what these human decision-makers might think or want.

ALB

## Made to Waste

***Made to Break. Technology and Obsolescence in America.* By Giles Slade. Harvard University Press. 2006.**



In 1960 the American investigative journalist, Vance Packard, brought out a book *The Waste Makers*. Subtitled "A startling revelation of planned

wastefulness and obsolescence in industry today", it exposed how capitalist firms making consumer goods were deliberately designing them to break down after a calculated period of time so as to encourage repeat sales.

This new book covers the same ground and is a history of

'obsolescence' in America. Slade identifies three kinds: a product can become obsolete because something new, and genuinely better, has been invented (as happened, for instance, to cut throat razors and gas lighting); or because of advertising; or because it had been deliberately built-in to the product (also known as 'death dating').

The manufacturers and their advertisers were quite open about what they were doing. Thus a Justus George in 1928:

"We must induce people . . . to buy a greater variety of goods on the same principle that they now buy automobiles, radios and clothes, namely: buying goods not to wear out, but to trade in or to discard after a short time . . . the progressive obsolescence principle . . . means buying for up-to-dateness, efficiency, buying for . . . the sense of modernness rather than simply for the last ounce of use" (quoted p. 58).

And a Brooks Stevens in 1958:

"Our whole economy is based on planned obsolescence and everybody who can read without moving his lips should know it by now. We make good products, we induce people to buy them, and then next year we deliberately introduce something that will make those products old fashioned, out of date, obsolete. We do that for the soundest reason: to make money" (quoted p. 153).

This provoked a conflict with engineers, who knew they could make solid products that could last for years, but in the end their reluctance was overcome (they, too, are in the end only hired employees who have to do their employer's bidding). It is also enormously wasteful as still useable products, and the material resources that went into making them, are simply thrown away.

Things have got worse since Packard's day, with the use of soldered circuits in electronic devices that are now part of everyday life. These are easy and cheap to produce but their chipboards can't be repaired. According to Slade, there is a growing problem of where to dispose of abandoned (but still useable) cell phones (as mobile phones are called in America) which, together with other 'e-waste', contain materials that are harmful to the environment.

Like Packard Slade blames consumers, if not so much as manufacturers. If, he argues, people take account of the effect on the environment of what they buy manufacturers will begin "to adopt design strategies that include not just planned obsolescence but planned

disassembly and reuse as part of the product life cycle". This assumes that the capitalist economy is driven by consumers. It isn't. It's driven by the drive of capitalist firms to make as much profit as they can.

**ALB**

## Choosing an occupation

**Reports & Reflections on the 2009 UK Ford-Visteon Dispute: a Post-Fordist Struggle. Past Tense, June 2009. [www.past-tense.org.uk](http://www.past-tense.org.uk)**

"On 31st of March 2009 Ford/Visteon announced the closure of three factories in the UK and the sacking of 610 workers... No guarantees were given concerning redundancy or pensions payments. The management had made the workers work up to the last minute, knowing that they would not even receive any wages for their final shifts." In response, workers from the Belfast plant spontaneously occupied the sites and in a few hours were joined by several hundred local supporters. On hearing the news, workers from the Basildon and Enfield plants went into occupation the following day. This pamphlet concentrates mainly on the Enfield occupation, which lasted for 9 days, and is written by a supporter of the workers.

Of particular interest is the author's analysis of the role of the union during the occupation, particularly their role "as mediators and defenders of capitalist exploitation". It is true that the unions role is one of mediation and as such does nothing to challenge the material basis of the relation between workers and employers, however as the existence of the wages system is only questioned by a tiny minority this can be of no great surprise, the unions do not work to establish socialism because their members are not socialists. To write of unions as defenders of capitalist exploitation is a step too far, as the author of the pamphlet accepts, "to be without a union would usually be even worse under present conditions."

The real question is one of internal democracy and the extent in which the union is run by and for its membership. Whilst all unions do have a certain amount of democratic framework the amount of member participation is often lacking, perhaps not surprising when "unions are generally run today primarily as

financial service brokers – "negotiating deals on insurance, mortgages and pensions, medical cover, holidays and car breakdown services" etc – and investment funds with a sideline in industrial arbitration." Unions, sometimes under the well entrenched leadership of full time officials, have at times acted against the interests of the working class but such occurrences should not be understood as a fault of the union form per se but as an expression of the contradictions of the position of workers under capitalism.

The assumption – which is not explicitly stated in the pamphlet but hinted at in certain passages – that capitalism can be overcome through industrial action alone and that this occupation was part of such a process, is not one that should go unquestioned. Workers who struggle to maintain and better their conditions should be commended, but until the working class consciously and politically organise to end the wages system the same battles will have to be fought over and over again. It is true that the bitter experience of the Visteon workers may lead some of them to question the basis of capitalist society, but from start to finish all this struggle was attempting was to get the best from a bad situation, not to bring about world socialism.

A myriad of experiences from everyday life can provide enough motivation for the disenchanted to ask themselves 'why do I have to do this everyday?' To steal a pithy phrase from the Socialist Party of Australia "it is Capitalism itself, unable to solve crisis, unemployment and poverty, engaging in horrifying wars, which digs its own grave. Workers are learning by bitter experience and bloody sacrifice for interests not their own. They are learning very slowly. Our job is to shorten the time, to speed up the process"

The workers at Visteon secured a deal ten times greater than the original offer, their (and our) position as materially dependent sellers of labour-power continues.

**DJP**

### Picture Credits

**cover:** Earth: source, NASA  
ILP Banner, Public Domain  
Rapier missile in Oman - source, MOD UK  
**p2:** James Keir Hardie - Public Domain  
**p10:** Global Trends - [www.dni.gov](http://www.dni.gov)  
**p13:** Keir Hardie <http://lcweb2.loc.gov/pp/ggbainhtml/ggbainabt.html>  
**p14:** Maxton summer school 1930 - <http://gdl.cdrl.strath.ac.uk/maxton/images/maxton041.jpg>

## Winter Film Programme

Sundays at 6pm at 52 Clapham High St.

- 1 November -- **The Fog of War** (life & times of Robert McNamara - 95 mins)
- 15 November -- **Matewan** (mining dispute in 1920's Virginia - 142 mins)
- 29 November -- **Sicko** (American healthcare under scrutiny- 120 mins)
- 13 December -- **Earthlings** (Animals and economic interests - 95 mins)
- 17 January -- **Manufacturing Consent** (part one) (Noam Chomsky & the Media)
- 31 January -- **Manufacturing Consent** (part two)
- 14 February -- **Why we Fight** (U.S. Army training film - 98 mins)
- 28 February -- **Comrades** (part one) (film about the Tolpuddle Martyrs)
- 14th March -- **Comrades** (part two)

Saturday 31 October 11am to 7pm

### BOOK SALE

Sale of novels as well as books on history, politics and economics.  
52 Clapham High St, SW4

## London

Tuesday 13 October 7.30 pm  
NATIONALISM AND DANGEROUS NONSENSE  
Speakers: Gwynn Thomas & Danny Lambert.  
52 Clapham High St, SW4

## Autumn Delegate Meeting

Saturday 17 October 10.30am to 5.30pm  
Sunday 18 October 11.00am to 5.00pm  
Socialist Party Head Office, 52 Clapham High St, London SW4.

## Glasgow

Wednesday 21 October, 8.30pm  
THE ZEITGEIST MOVEMENT  
Community Central Halls, 304 Maryhill Road.

## OBITUARY

### Vincent Littlemore

West London branch are saddened to have to report the death of Vincent Littlemore two days before his 80<sup>th</sup> birthday. He first came across the party at outdoor meetings in Manchester, where he originally came from, joining as a teenager and becoming an outdoor speaker at Platts Fields and Alexandra Park. Later he moved to London where he studied to become a quantity surveyor. While pursuing his profession, getting married and raising a family, his membership lapsed but he remained a steadfast socialist arguing the case for socialism as the occasions arose. On his retirement in 1994 he formally re-joined and became a regular attendee at branch meetings in Chiswick until he suffered a stroke in 2002. After that he kept in regular touch by telephone to discuss books about the state of the capitalist economy and how best to publicise the socialist case. The Party was represented at his non-religious funeral in Leatherhead. Our condolences go to his saughter Sue, the BBC journalist, and to her partner John Denham.

## The Use of the Vote



### The power you have

In the weeks of electoral excitement before polling day you will have been made to appreciate, at least a little, that you are, for the moment, important people. Between elections you look up to politicians and big business men as important, but during elections it is they who go to endless trouble to influence you and win your support for them and their policies. It is you who can make or mar the career of a politician and you who can place power in the hands of a government which during its term of office can, by taxation and tariff policies or by subsidies, raise some industries to prosperity and bring others to their ruin. It is you who give power to governments in whose hands rest decisions about peace and war.

### Power for no use

Since the Socialist Party of Great Britain was formed there have been fourteen general elections in this country: this is the fifteenth.

Fifteen times the Tory, Liberal and Labour Parties have appealed to you to help them with your votes. Fourteen times you, the workers, have used your votes against your own interests.

Although the parties we have mentioned use different names for their programmes and promises of legislation, there is very little of importance dividing them. They are all concerned with trying to administer British capitalism as well as may be in a troubled world of rival capitalist groups. In any big emergency like the crisis of 1931 or in war they come together and form coalition governments

Whichever of them, you, the workers, vote for in an election, it is a defeat for you. a betrayal of your own interests.

(from Editorial, *Socialist Standard*, October 1959)

## Declaration of Principles

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

### Object

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

### Declaration of Principles

The Socialist Party of Great Britain holds

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

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

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

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

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

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

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

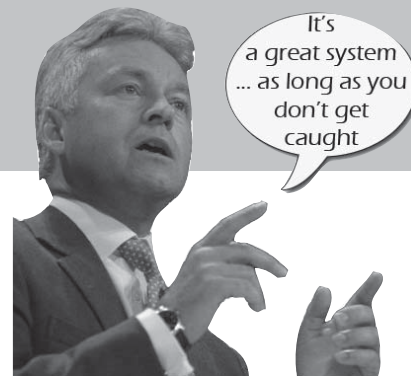
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local,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

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

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



# The Hard Life and Times of Alan Duncan



At this distance the coming general election promises – or should that be threatens – to become a contest between Gordon Brown and David Cameron over who can be trusted to be the more ruthless and speedy as a slasher and sacker. After his expeditious dealing with the crazier expense claims of the more arrogant Tory MPs, Cameron could be seen as a nose ahead – which may explain the manner in which he firmly bumped Alan Duncan down the greasy pole, from Shadow Leader of the House to Shadow Justice Minister. It was all to do with Duncan allowing himself to be recorded, by a man named Heydon Prowse, moaning about the mistreatment and malnourishment of MPs: “No one who has done anything on the outside world, or is capable of doing such a thing, will ever come into this place again, the way we are going. Basically it’s being nationalised. You have to live on rations and are treated like shit”. This raises the question of why there are always so many candidates, in every constituency, fighting each other for a life of rations and abuse – but never mind. Cameron at first tried to draw a veil over the problem by saying that he had “made it clear in no uncertain terms that when it comes to the mess of expenses, the words we use, just as the actions we take, have got to demonstrate completely that we share the public’s real fury at what went on in Parliament. Alan made a bad mistake and he has acknowledged that...I think we should leave it at that”. But then Cameron returned from holiday in a slightly different mood, demoting Duncan rather than condemning him to the impoverishment of the back benches. This may have had something to do with Duncan’s erratic background and standing as a Tory MP.

## Obscurity

Elected in John Major’s surprise 1992 election win for the rock-solid Conservative seat of Rutland and Melton – a nice reward for the offer of his home in Westminster as headquarters for Major’s leadership campaign after Thatcher’s resignation in 1990 – Duncan spent some time in relative obscurity as a faultlessly handsome, immaculate and fixedly smiling participant in group photographs until in December 1993 he blossomed as Parliamentary Private Secretary at the then Ministry of Health. However any celebration of this promising start was cruelly cut off just a month later after the embarrassing news that he had lent an elderly neighbour the money to buy his council house at a cut price under the right-to-buy scheme so beloved of Thatcher’s Tories. But three years later Duncan, who described himself as a libertarian member of the Thatcherite Conservative Way Forward, cashed in on the deal by buying the house from the neighbour – again at a very attractive price. His unavoidable resignation was greeted, with typical asperity, by Giles Brandreth: “little Duncan has fallen on his sword...swiftly and with good grace”. Which characteristic probably also featured in another episode when, as the owner of Harcourt Consultants – advising companies, governments and whoever can afford to pay on matters concerning oil and gas supplies – he made over £1 million through involvement in supplying oil to Pakistan after disruption of the flow from Kuwait in the Gulf War. It might be thought that this said more about the reasons for the British involvement in that war than all the inflated nonsense about rooting out terrorists.

And “good grace” again last year, when it emerged that while he was Shadow Business Secretary, responsible for Tory policy on energy, Duncan’s private office received donations from the chairman of Vitol – one of the world’s top crude oil traders.

## Taliban

To put it moderately Duncan enjoys – and expends a lot of energy in – being the centre of attention. However much this may please him it has also cultivated a significant number of rivals and enemies. After the 2005 general election he declared himself to be a candidate for the Tory leadership in place of the defeated Michael Howard but had to withdraw rapidly after it was clear that there was no support for him – which he put down to the “Tory Taliban”. So it was to be expected, when the MP’s expenses scam was dragged into the open Duncan’s claims would be closely scrutinised – especially in view of the fact that, as Shadow Leader of the House, he oversaw the party’s reform policy on the matter. The *Daily Telegraph* reported that he had claimed £1400 a month mortgage interest on his Rutland home, recouped over £4000 for gardening expenses during a three year period and claimed £598 for maintenance of a ride-on lawn mower with £41 to repair a puncture in the machine. Some residents in his constituency saw this as nauseating enough to justify inviting passers-by to take a ride on a lawn mower which they had set up in the street – and Heydon Prowse to cut a £ sign in Duncan’s lawn. Last May *Have I Got News For You* pursued Duncan by showing a passage from a previous appearance when he boasted about his Second Home Allowance (he also owns two properties in Westminster) and described it as “a great system” – until Cameron went after him, when he agreed to refund the money and called for “the system” to be changed. According to the website *ConservativeHome* – notable for its combative style – a poll of 1600 grassroot Tories in Duncan’s constituency thought he should be sacked.

## Comfort

Members of Parliament come in many shapes, sizes and origins. Duncan’s replacement as Shadow Leader of the House is Sir George Young, an Old Etonian who once complained of having to declare, as an MP, a gift of bottles of champagne and who revealed the depth of his understanding of the meaning of poverty when he described the homeless as “people you step over when you leave the opera”. Young was chairman of the House of Commons Committee on Standards and Privileges when, in 2003, it gave judgement in the matter of the false expense claims by the Tory MP for Windsor, Michael Trend, amounting to over £90,000. Trend, apologising to the Commons, put it all down to his being “muddled and naive”. Young’s committee were not unsympathetic and just suspended Trend for two weeks. A memory to comfort Alan Duncan in the darkest days of his struggles to survive on his rations.

## IVAN



# Voice from the Back

## Capitalism's Priorities

As various pieces of legislation pass through the US governmental machine it is often observed that the process is tortuously slow. An example of this tardy procedure has recently been revealed in the proposed Health Bill. No such delay is evidenced when it comes to military budgets. "With hardly any debate, a powerful Senate committee Thursday approved President Barack Obama's \$128 billion request for military operations in Iraq and Afghanistan for the budget year beginning in October. The move came as anxiety is increasing on Capitol Hill over the chances for success in Afghanistan and as Obama weighs whether to send more forces to the country. The war funding was approved as the Appropriations Committee voted unanimously for a \$636 billion spending measure funding next year's Pentagon budget." (*Huffington Post*, 10 September) The health of the American working class is obviously of less importance than the military needs of the owning class.



years within a few hundred metres of a manganese smelter, had excess lead in their blood. Local officials said that the numbers could rise when further tests were carried out." (*Times*, 21 August)

## Champagne Socialists

In the past when Southern Californian fruit growers were faced with a glut and falling prices they let the fruit rot on the trees. When castigated for this apparent madness they pointed out the quite logical capitalist argument that they would have to pay pickers wages for fruit they couldn't sell. When again they were taken to task for this argument they were offered by some charitable organisations the prospect of them supplying free labour and they would distribute to the needy. Again the fruit growers had an answer to that. "Every year charitable organisations buy at cut-rate prices our unsold surplus. Giving it away would even spoil that source of income for us." The fruitgrowers may have appeared heartless but from an economic standpoint letting the fruit rot seemed the logical action. A similar solution is being followed today by French wine producers. "Hopes of a glut of cheap champagne are set to be dashed when vineyards meet next week to agree on a big cut in production to prop up prices. With sales falling, producers may be ordered to

leave up to half their grapes to wither on the vine in an attempt to squeeze the market." (*Times*, 29 August) Capitalism is a crazy system, obviously inside socialism we would deal with the problem by drinking more champagne.

## A Modest Sort

Away back in the bad old days we had ruthless dictators with over-bearing ideas of their own importance but today's leaders are much more modest fellows. In the past we had people

like the despot Stalin who regularly polled over 100 percent at "elections", nowadays in "democratic" Belarus we have more self-effacing creatures at the helm of state. "The Belarusian strongman, Alexander Lukashenko, admitted that he rigged the 2006 election because, he said, his popularity was so vast that the true margin of victory was unbelievable and had to be cut from 93 to 80 per cent." (*Times*, 28 August)

## Poisoned By Capitalism

Capitalism is a poisonous society. Thousands of coal miners have suffered lung diseases, thousands more in shipyards and factories have been maimed by asbestos. In the mad scramble for more and more profits the owning class have endangered the health and even the life of the working class. From China comes this latest example of the profit system's murderous nature. "More than 2,000 children have been found to have lead poisoning because Chinese factories greedy for profit have spewed out pollutants without carrying out even the most minor environmental monitoring. Officials announced yesterday that 1,354 children under 14, who had been living and going to school for more than two



## Belarusian Democracy

## Free Lunch



## by Rigg

