

socialist standard

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

Kim, All Ye Faithfull

Leaders in the land that time forgot



Louise Mensch
page 9



Where money
comes from
page 13



Sympathy for
the Devil
page 21

socialist standard

FEBRUARY 2012

contents

FEATURES

Death of a dictator	10
Where Money Comes From	13
Policing the proles	16
Carry on campaigning	18

REGULARS

Pathfinders	4
Letters	5
Material World	6
Cooking the Books 1	7
Tiny Tips	8
Halo Halo!	8
Greasy Pole	9
Cooking the Books 2	15
Reviews	20
Proper Gander	21
Meetings	22
Action Replay	23
50 Years Ago	23
Voice from the Back	24
Free Lunch	24

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The next meeting of the Executive Committee will be on **Saturday 3 March** at the address above. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the Editorial Committee.

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Introducing The Socialist Party

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

We use every possible opportunity

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

The more of you who join the Socialist Party the more we will be able to get our

ideas across, the more experiences we will be able to draw on and greater will be the new ideas for building the movement which you will be able to bring us.

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

If you would like more details about The Socialist Party, complete and return the form on page 23.



socialist standard

FEBRUARY 2012

Editorial

SNP hypocrisy

POLITICIANS ON both sides of the border are getting worked up over a referendum on Scottish independence and the media are encouraging the rest of us to get involved. But why should we?

It is of no concern to workers in Scotland whether they are governed from London or by a separate independent government in Edinburgh. This is because the cause of the problems they face is the capitalist economic system of production for profit, not the form of government. And the capitalist economic system would continue to exist in a politically independent Scotland.

The only people to benefit from Scottish independence would be the local politicians, who would be able to award themselves grander titles and grander salaries. For workers on these islands there is a precedent in Ireland, which broke away from the UK in 1922. Can anyone claim that this has made any difference to the position of workers there?

In Scotland's case not even the local capitalists would benefit. An independent Scotland would have no choice but to stay in the EU and so could not erect tariff walls to protect its capitalists as the Irish government did for a while to try to protect the fledgling capitalist class there.

The fuss, however, does illustrate two general political points. First, about how referendums can be manipulated to try to get the result the organisers want. Wily politician that he is, SNP leader Alex Salmond knows that if the vote is a straight yes or no on independence, the chances are that he will lose. So he wants to put two questions to the electorate. One on independence. The other on increased powers for the Scottish Parliament, which he knows would have a better chance of being carried. UK Prime Minister David Cameron has made the same calculation and so

is seeking to impose a vote on independence only.

The second point is about the relationship between declared goal and immediate aims. It's a question that concerned the pre-WWI Social Democratic movement too. As well as having socialism as their 'maximum' programme they had a 'minimum' programme of reforms to be achieved under capitalism. As a result their support came to be built up on the basis of these reforms rather than socialism, and they ended up becoming, in practice, capitalist reform parties, with socialism as a mere desirable long-term aim. Eventually that was dropped too.

The SNP has got itself into a similar situation. Its long-term aim on paper may be Scottish independence but it has built up its electoral support on the basis of being a better administrator of political affairs in Scotland than the Labour Party. Its voters will not have voted for it because they want Scottish independence - which is why Salmond lacks the courage of his convictions.

We don't want or care about Scottish independence (any more than we care or support a "United Kingdom" or an "independent Britain") so it's not our business to advise those who really want this how to best go about getting it. But we do want world socialism and do know that the way to further this cause is to advocate it and it alone and not seek support on any 'minimum' programme of reforms.

That way, support for a socialist political party will be support for socialism and not for something less. When a majority for this has evolved, socialists would have no fear of a referendum on the single question of "Capitalism or Socialism?" and would not want, would in fact indignantly reject, a fall-back, second question on, "Do you want a reformed capitalism?" Unlike Salmond, we'd say bring it on.

The New Untouchables

SOCIALISTS WILL greet with mixed feelings the news that a milestone in genome sequencing has been reached, enabling anyone to have their entire genome sequenced in one day for just £650 (*Independent*, 11 January). This task, until recently a hundred-million dollar enterprise involving tens of years and hundreds of scientists, can now be knocked off on a wet Wednesday by a single bored boffin using a machine the size of a microwave oven. In a year or two perhaps, the same feat will be achieved in ten minutes by licking the end of your smart phone.

That this is a testament to the awesome acceleration of science is undeniable. The benefits for the future management or prevention of diseases through individual designer treatments are also undeniable. Humanity's drive to know itself, to know its essential nature, is irresistible, the stuff of legends. There ought to be no down side.

But this is capitalism we're talking about. Information about your body and health prospects can be used against you as well as for you, and the fact that this information will be of interest to insurers and employers is not merely a probability but a racing certainty. As in the film *Gattaca* (1997), your life and career choices could well be determined and circumscribed by what's in your genes. Genome-profiling could be written into contracts everywhere from pre-school to pre-nuptial agreements. It could become the hot new style accessory, the 'new black', better than the sports car or the Rolex, better than the implants or the permaman. Eyes won't meet anymore across crowded bars, or pheromones traverse the stilly air, nor will courage have to be summoned for the first hesitant approach. Instead, iPhones will poll each other automatically, protocols will synchronise, alerting you to genetically suitable breeding partners according to matched genomic probabilities. Before you've even exchanged glances, your hardware will have exchanged financial histories, bought the first round of drinks and booked the dinner table. While nature remains red in claw, human nature will become blue in tooth.

Disability groups, accustomed anyway to being 'second-class citizens', have every right to worry about all this. From being chronically under-employed, they may soon become regarded as unemployable, a highly disquieting condition in a social system that only values 'productive' workers and which in the past has thought nothing of liquidating 'unproductive' ones. But this technology will have the effect of 'disabling' many more people than those currently bearing the label. The definition of 'disability' will also be extended forward in time to include anyone who is likely to develop a disabling disease in the future, creating a large subset of sell-by-date workers whom employers will not want to bother investing in, whom state institutions like health and education will neglect, whom mating partners will avoid, and whom insurers won't touch with a barge pole. Would this subset, driven by lack of opportunity and perhaps a cold sense of fatalism, turn in desperation to insurrection or to crime? Would they be categorised as a social problem at birth? Could two such individuals, the new genetic 'untouchables', be charged with criminal negligence if one got the other pregnant? Hard upon the arrival of the genomic ID card would follow the inevitable question of

controlled breeding, forced sterilisation, and euthanasia. Capitalism's quest for maximum return for minimum outlay could give rise to a new fascism in which only the genetically 'perfect' have any chance to succeed, or even survive. Eugenics, the dirty word of the Nazi era, could make a comeback.

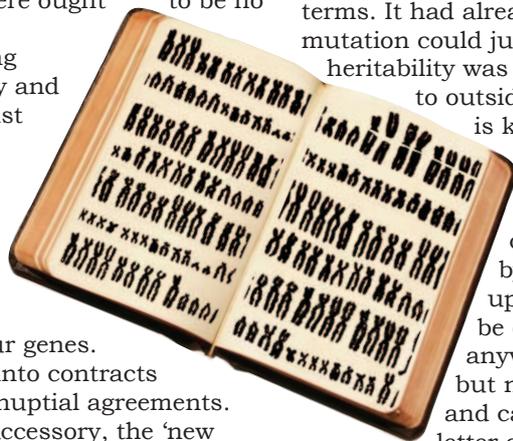
Given what happened in Nazi Germany, people forget that the eugenics movement of the early twentieth century was not initially seen as some right-wing state-backed war on the underdog, but a forward-thinking, progressive and humane project based on good science. The Fabians supported it, as did Bernard Shaw, the Webbs, Darwin's own son, in fact virtually all of the 'right-thinking' intellectuals. Who would not want a purer gene pool, they thought? What justification could there be for allowing pain and disease to proliferate? Wasn't eugenics in the best interests of the whole human race?

The theory wasn't entirely watertight even in its own terms. It had already been shown by 1915 that genetic mutation could jump heritability lines, showing that heritability was not a closed system and was subject to outside interference. Nowadays a lot more is known about horizontal gene transfer through viral drift. This won't stop the modern eugenicists, however, since engineering can build by design what crude artificial selection cannot sculpt by elimination. Even if a mutation crops up in a previously 'pure' strain it can be engineered back out again. In theory, anyway. In practice, the codebook is open, but nobody knows what the letters mean, and can only guess by inference when a letter changes. Even if they could read the code, geneticists may never untangle the complex webs of phenotypic effects influenced by one genetic element, nor identify all the genetic elements necessary to create one – and only one – effect. This unfathomable complexity – pleiotropy – yawns like an abyss between the engineers and their brave new world, but the bridges are being constructed.

There will of course be cries of moral outrage, appeals to civil liberties, and demands for ethical oversight. Capitalism will pay lip-service to these insofar as it has to, but its logic compels it to find out whatever can be found out about the 'worth' of each worker, each human tool, and stock its toolbox accordingly.

The argument that it won't put in its toolbox is the one about putting all your eggs in one basket. Evolution is even more blind and capricious than capitalism. The last thing any thinking species ought to do, if it wants to survive, is confine itself to one tight genetic niche and thereby maximise its vulnerability. That's the way to become beautiful – and extinct. Genetic diversity doesn't lead to a shallow and polluted gene pool, as our elitist, narrow-minded and anally-retentive forebears conceived of it. It leads to the best possible defence against extinction in the event of future diseases. Even if one leaves aside every moral argument about the 'right to life' of all humans, the simple threat of evolutionary extinction alone ought to be enough to annihilate this silly notion of eugenics once and for all. Let all humanity prosper, and bugger the chromosomes.

It's something of an indictment of capitalism that one even has to make this utilitarian argument in the first place. Moral outrage ought to be enough. But it isn't, because capitalism has no brain, no heart, and no foresight. As long as the money rolls in, let the heads roll as they may.



Socialism and the Media

Dear Editors

The Leveson Enquiry is currently looking into the malpractices of the newspapers but it goes deeper than that.

In capitalism there is at present the very large Goliath of capitalist-inspired policies and practices and the very small David of socialist education. The same goes for the media. Newspaper, periodicals and other electronic media are overwhelmingly owned and controlled by capitalist interests. They hardly ever mention the s-word and when they do they invariably equate it with nationalisation or what happened in the former Soviet Union.

In socialism education will be for life and life-long. There will likely be a closing of the gap between teacher and taught. In some cases there will be an interchange of roles. For example the same individual may for a time be a teacher in a subject of which they may have made a special study, while at other times they may learn from others who have different specialisms.

People will derive meaning and satisfaction from the varied contributions they make to the material, intellectual, social and cultural world in which they live. Of course skills and expertise will still need to be taught and learned. But not how to be a professional killer, a persuasive salesperson or a maker of money (except perhaps how to preserve specimens of it in a museum).

In any modern society the media are a reflection of, and a significant part of, the world in which they are located. Regarding the various forms of media in a socialist future, it is easier to say what won't be in them rather than what will be. Property-based crime won't be reported and discussed because there won't be any. That doesn't mean to say that no one will ever behave in an anti-social way or that disputes will never arise, but how these will be coped with is another matter. The salacious events in the lives of media-created 'celebrities' seem unlikely to outlast a capitalist-dominated world. We shall have to work for the growth of socialist media to see what will take their place.

In recent years there has been a rapid increase in technological – and especially electronic – invention and gadgetry. We don't know what the socialist future will bring in this regard. But we can say for sure

that there won't be such things as commercially-inspired advertising, product placement or incitement to consumer addiction. Information about what is or could be made available would be freely accessible by all.

STAN PARKER, LONDON SW8

Something in the air

Dear Editors

Thank you for the articles in the January *Socialist Standard* on the Occupy Movement and the radio series *Capitalism on Trial*. There's definitely something in the air, and I was reminded of a comment in an article in the *Standard* last year - that you know capitalism is in trouble when people start talking about capitalism. And aren't they just? It's as though it's suddenly been noticed that there are obscenely rich people in the world and that the most important division is between them and the rest of us. People are now prepared to talk about the social system as a whole rather than some particular aspect of it, and it's significant that many of the movements responding to current capitalism have stuck to democratic instincts rather than allowing leaders to emerge from their midst and lead them astray. Moreover, the idea that political problems require a global solution (which the Socialist Party strove for years to propagate, in the face of much ridicule) is now a commonplace.

Of course, all the present unrest may come to nothing. The Occupy movements and the Arab spring movements may lapse into a preoccupation with trying to patch up aspects of the existing society and so become mired in futile reformism. But what should be encouraging for socialists is just the evidence

that people can change: they can cease to take for granted what they have accepted so far, they can develop critical attitudes to what has previously been unquestioned, and all of this may come out of the blue. That's a heartening thought in the context of the present miserable phase of capitalist society.

KEITH GRAHAM

Erratum

Re January Pathfinders, Brian Cox writes: "Good article. Only one fact check. I didn't co-author *Things Can Only Get Better*. It was written by Peter Cunnah and Jamie Petri." Apologies for the grievous misattribution.

SOCIALISM OR YOUR MONEY BACK

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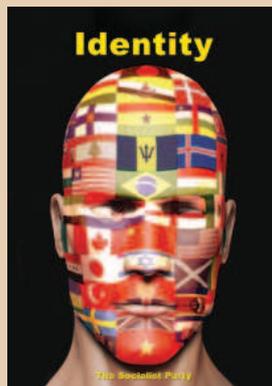
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relationship outside marriage, a charge, which, says Amnesty International, she denies. One of her lawyers Houtan Kian is in jail after speaking to the media. Her other lawyer, Mohammed Mostafaei, was also arrested and forced to flee. He now lives in Norway.

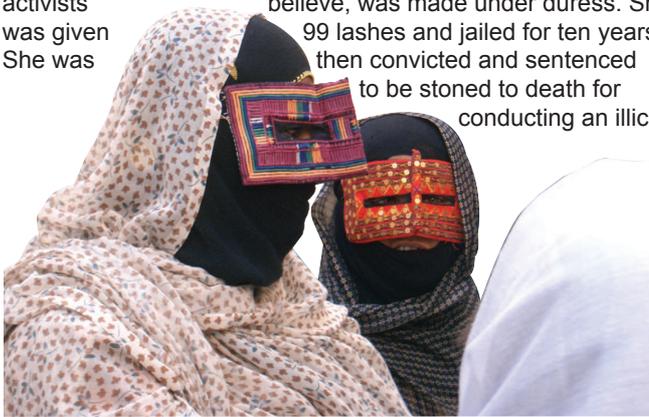
The Love of Gods

“THE THING that convinces people that their religion is true, is that the more they study it the more they realise that God hates the same people as they do”. So runs an old witticism and it’s probably true in many cases.

Another is, “The difference between philosophy and religion is that philosophy is questions which may never be answered, and religion is answers which may never be questioned”. Quite amusing, but the intolerant nature of gods (and their believers) whose answers cannot be questioned is extremely dangerous.

Take the case of Sakineh Mohammadi Ashtiani. By the time you read this she may well be dead. And if she is not it is probably because the bigoted, religion riddled, foolish old men who interpret Allah’s wishes in Iran can’t decide how to kill her.

In 2006 she was convicted of being an accessory to her husband’s murder although her confession, some human rights activists believe, was made under duress. She was given 99 lashes and jailed for ten years. She was then convicted and sentenced to be stoned to death for conducting an illicit



After an international outcry by various human rights groups, Malek Ajdar Sharifi, head of judiciary in East Azerbaijan, said she may escape stoning because her prison did not have the “necessary facilities” to carry it out. “There is no rush” he said. “Our Islamic experts are reviewing Ashtiani’s sentence to see whether we can carry out the execution of a person sentenced to stoning by hanging instead”.

It’s not only in Iran, of course, where Allah’s words and answers must never be questioned. In Derby, as this column is being written, five men are on trial for allegedly handing out leaflets calling for gay people to be killed. One of the accused told police that the leaflet, which suggested three different ways to kill gay people, simply expressed what Islam says about homosexuality and it was his duty therefore, as a Muslim, to condemn it. (*Guardian* 11 January).

Of course Islam doesn’t have the monopoly on religious hatred. In December there were clashes in the town of Beit Shemesh in Israel between secular and moderate Jews on one side, and an ultra-orthodox group known as ‘Haredi’ on the other.

The Haredim have been demanding enforced gender separation on public transport, in shops and in medical centres, and a ban on women soldiers taking part in singing and dancing events organised by the army.

What really upsets the Haredi men though, and has led them to spit, and shout “whore” and other insults at a group of females, is their “immodest” style of dress - knee-length skirts and tops with sleeves to the elbow. The females concerned are girls as young as six whose school happens to be next to an ultra-orthodox enclave.

NW

Tiny Tips

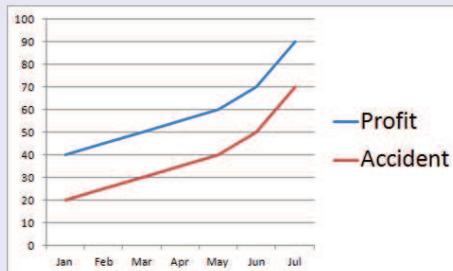
The majority of psychiatrists, psychologists and other mental health professionals “go along to get along” and maintain a status quo that includes drug company corruption, pseudoscientific research and a “standard of care” that is routinely damaging and occasionally kills young children: <http://tinyurl.com/879auco>

If the federal minimum wage had been updated since 1974 using the Social Security yardstick, it would now stand at \$10.74 an hour. In other words, after adjusting for inflation minimum wage workers today are paid less — about 26 percent less — than they were in 1974: <http://tinyurl.com/76zx8e3>

Rape within the US military has become so widespread that it is estimated that a female soldier in Iraq is more likely to be attacked by a fellow soldier than killed by enemy fire: <http://tinyurl.com/84dkcf8>

The number of empty houses in England has risen by nearly 12,000 to stand at 662,105: <http://tinyurl.com/cfaetpv>

Homeless men live to an average age of 47 while women who live rough generally die four years earlier, new figures show: <http://tinyurl.com/dy2udqj>



“At one major investment bank for which I worked, we used psychometric testing to recruit social psychopaths because their characteristics exactly suited them to senior corporate finance roles.”

<http://tinyurl.com/bokuq3m>

She holds in even greater contempt the Islamist parties that have emerged in the first rounds of Egypt’s elections as the revolution’s biggest winners. Though a devout Muslim who covers her hair, she thinks politics and religion shouldn’t mix. The Islamists, she says, “have hijacked the revolution.” “I hate them,” she says. “The real owners of the revolution are the workers.”

<http://tinyurl.com/6orel7l>

With over 20 million internet users and growing fast, Pakistan has managed to secure the number one slot for searching the term ‘sex’ globally for all years:

<http://tinyurl.com/7lvsdzz>

Airlines’ accident risk is highest when they are performing very close to their financial targets, according to a study by a professor in BYU’s Marriott School of Management: <http://tinyurl.com/c46dma5>

Software developed for closed-circuit television systems can identify individuals and track them across entire networks of cameras: <http://tinyurl.com/bw7m6k6>



After the Revolution

IN ITS Review section of 17 December the *Guardian* invited various artists and others to design new banknotes. The subject was introduced by the anthropologist and anarchist David Graeber who broached the question, "what will money look like 'after the revolution'? How will it function? Will it exist at all?" He wrote that with the exception of Pol Pot "no state socialist regime ever attempted to eliminate money", adding, "none, in fact, even attempted to eliminate wage labour." Which is true enough (though we'd call them 'state capitalist').

Graeber blames this on Marx:

"For Karl Marx, money ultimately represented the value of human labour, of those energies through which we create the world. It was a way of measuring and parcelling it out, though, in the process, allowing those who controlled the resources to play all sorts of tricks and games. Since socialist systems insisted that labour was indeed sacred and the source of all value, it would have been hard for them to simply stop paying people for their work. The usual idea was to keep the money, just remove the games."

This is indeed what the rulers and supporters of these state capitalist regimes thought. But it wasn't Marx's view. His Labour Theory of Value was a theory to explain how capitalism works, not a model for a post-capitalist, socialist society. He did agree that work was the source of all economic value and that this was measured and represented by money. But he regarded this as arising only where wealth is produced for sale, as under capitalism. In socialism, where there would be production directly for use, there would be no economic exchange value and so no money.

In his early philosophical writings Marx identified money as one of the two main manifestations of human alienation (the other was the state) and looked forward to its abolition in a communist society where human values would apply: where the standard by which something would be considered 'valuable' would be human welfare.

Marx also fully endorsed the slogan "Abolition of the Wages System!" a system which he, just as much as Graeber, regarded as a form of slavery. That the state-capitalist regimes retained the wages system was sufficient proof in itself that they were not socialist.

Graeber went on to say that "money could equally be conceived as a ration chit. Here's a coupon redeemable for so many loaves; here's one for butter; here's one that can be traded for anything" and that "what they're calling a 'free market' turns out to be one where everything is rationed."

Quite true. That is what the market system is, but does he think that money can be done away with?

Graeber has his own theory of the origin and nature of money and has written a couple of anthropological tomes on the subject. He doesn't agree with the theory that money originated to facilitate trade, but argues that its origins go back further as a means of measuring what farmers and artisans owed temples in places like Ancient Mesopotamia and even further back as a means of settling social obligations (e.g. dowries) in pre-state societies.

Be that as it may, in his *Guardian* article he does say that we should 'perhaps make basic necessities freely available, and provide coupons for the more whimsical stuff'. As a good anarchist he is against these coupons for non-essentials being issued by some central body but by individuals and groups producing such goods.

No doubt in a socialist society people will produce 'whimsical stuff' for each other, but why would they want to issue and be paid in circulating chits? Why would they not apply the 'generalised reciprocity' that anthropologists define as "the exchange of goods and services without keeping track of their exact value"?

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The *porn* business

CHATSWORTH IS a leafy district of Los Angeles, home to various Hollywood film stars. Many famous movies and TV series were shot in the area.

It is also the centre of the porn business, with 200 production companies employing some 1,400 performers (and a few thousand other workers). Here too is the office of the trade magazine *Adult Video News*, which sponsors an annual convention in Las Vegas.

Most performers are poorly educated women aged 18 – 21. They are attracted by the pay, which seems good compared to other jobs open to them. Rates for a scene range from \$200 for a blowjob up to \$2,000 for a double anal or gang bang.

Much of the money goes to support drug habits. Ex-porn star Shelley Lubben, whose Pink Cross Foundation helps performers trying to get out of the business, explains why they need drugs: without them they would be unable to bear the abuse the work entails. “Guys are punching you in the face. You get ripped. Your insides can come out of you. It’s never ending.”

Besides drug addiction, another perk of the job is sexually transmitted diseases. Only some end up dying of AIDS, but few escape the discomfort of herpes, which is likewise incurable.



Explosive growth

Porn is very big business. Worldwide revenue in 2006 is estimated at \$97 billion. Revenue in the US rose almost 2,000-fold between 1972 and 2006 – from \$7 million to \$13 billion. Market expansion through the internet has fuelled this explosive growth, though other media – videos, films, TV, magazines – have also done well.

With growth comes political clout. Like other capitalists, porn makers pay lobbyists to promote their interests. One is Bill Lyon, head of the so-called Free Speech Coalition, which represents 900 companies. Besides passing porn off as free speech, Lyon plugs its contribution to California’s economy: 12,000 jobs and \$36 million annually in state tax revenue.

Porn versus religion?

Opponents of porn have different and often conflicting motives. Many condemn it in the name of religious morality. Yet the same people support conservative politicians who are totally beholden to corporate interests and hostile to any restrictions on business, including the porn industry.

Porn promoters use the religious anti-porn movement to portray *all* their opponents as puritanical and intolerant – a false stereotype designed to silence anyone who does not want to be regarded as a killjoy. It’s quite possible to be against porn while valuing erotica – the artistic celebration of sex as a source of joy and beauty.

Besides the suffering of those used to produce it, porn can have a dehumanizing effect on its male consumers. It has been argued that it distorts their perceptions of women and undermines their ability to engage in satisfying real-life relationships. Especially serious is the impact on teenagers – the age group that views the most online porn. The average age at which American boys first

download porn is now 11 years.

Opening up new markets

As many consumers become desensitized to milder kinds of porn, they seek out more extreme varieties in order to sustain the same level of stimulation. The remorseless drive of capital to expand also impels porn makers to break down taboos and open up new markets. So porn grows more extreme, violent and abusive.

One barrier to expansion is the illegality of using children’s bodies in porn. But it is a weak barrier. Even those porn makers who take care to remain within the letter of the law press hard against the barrier by using “childified women” – a concept introduced by sociologist Gail Dines (see her 2008 interview with *Citizen* magazine).

Young women are made to *look like* children by wearing children’s clothes and braces on their teeth, holding lollipops and shaving their pubic hair. So while these porn makers don’t abuse children directly some would argue that they incite their customers to do so.

Porn goes mainstream

Despite its increasingly violent character, porn is becoming more acceptable socially and culturally. Characters in popular TV sitcoms joke about it.

This is because the porn industry is no longer a disreputable enterprise on the fringes of the business world. “Respectable” business has merged with the industry as major corporations, observing the high rates of return offered by porn, have invested in it in a big way. Porn has gone mainstream.

* Media and telecommunications companies rely heavily on profits from porn. They have acquired porn-making subsidiaries and offer cable subscribers hardcore porn channels.

* Over 95 percent of new Hollywood films are “adult movies”.

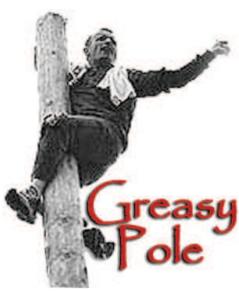
* Some big hotel chains now make up to 70 percent of their profits by feeding porn to TVs in guest rooms on a pay-per-view basis.

* The most profitable parts of General Motors are no longer its auto plants but the porn channels EchoStar and DirecTV, owned by GM subsidiary Hughes Technology.

Consumer goods manufacturers are also linked to the porn business through their use of “soft porn” in advertising cars, clothes, shoes, cosmetics, etc. Fashion modelling, in particular, has close links with the industry.

The political implications of this development are discussed by D.A. Clarke, a contributor to the volume *Not for Sale: Feminists Resisting Prostitution and Pornography* (Spinifex Press). Now that the industry has gone mainstream, she argues, opposition to porn challenges the interests of capital as a whole. So anti-porn protestors would be up against formidable odds. If we want to decriminalize and humanize sex, we need to take the next step and build a broad popular movement to overthrow capitalism itself.

STEFAN



Getting on at Westminster

HOW WOULD an ambitious politician make their way in the world if not through attracting the maximum of attention to

themselves? Regardless of the effect on our limited reserves of patience and of the cruel reality that whatever attention they get only reveals their self-publicity as a substitute for any kind of talent?

Louise Mensch is the Conservative MP for Corby in Northamptonshire, a seat which she wrested from Labour junior minister Phil Hope (whose talents include tap-dancing and juggling) in the 2010 election. Corby was a steel town stricken with unemployment when the industry was shut down in the early eighties. Mensch benefited from David Cameron's controversial "A" list designed to ensure that Tory constituencies select their candidates free of any bias about their race or gender. One of their MPs protested about the party choosing such a "minor celebrity" – possibly a reference to Mensch being the author of (and making a lot of money from) a series of "chic-lit" novels with names like *Glitz* and *Glamour*. Since arriving at Westminster she has arranged to have herself persistently in the news, among other things aligning herself as one of a group of "Tory feminists" who may have had their reservations about a member who profited so well from what she described as "escapist female fantasy". Similarly in 1998, when she was in the United States churning out another of her financial masterpieces – *Venus Envy* – she wrote in the *Daily Telegraph* about her intention to flush out a suitable husband. This produced an acceptably wealthy property developer, Anthony LeCicero. He was replaced in 2011 by Peter Mensch, promoter of rock stars, who aroused in her "strong feelings of hero-worship".

Tory and Labour

Born into a family described as "Catholic gentry", with a stockbroker father, Mensch was prepared by boarding school in Surrey for the boisterous style of her employment and political career. When she was 14 she was inspired enough by Margaret Thatcher to join the Conservative Party but after about ten years she was equally impressed by Tony Blair as "socially liberal but an economic Tory" and switched to the Labour Party, only to return to the Tories a year later. Justifying these changes, bewildering even to anyone who had been able to follow them, she said, "I'm proud to say I was once in the Labour Party. It shows I think for myself..." which was rather weakened by "...but I don't judge anyone, and I don't like politicians who do". During this time she was working in the press office of EMI Classics, from which she was later fired because she was said to be a "bad influence" on their client, the famous violinist Nigel Kennedy. The matter of who was being influenced was confused by the allegation that they had been taking drugs together in a night club – which, she agreed, "...sounds highly

probable ...we all do idiotic things when we are young" – the same evasion as used by David Cameron when that same question was put to him.

Commons Committee

But how has she fared in her new, exciting job as a representative of the people at Westminster? Her most prominent role has been as a member of the House of Commons Culture, Media and Sport Committee which at one time might have been a kind of refuge for insomniac Members but now, with the probing of the Murdoch empire's phone hacking, has become a focal point of popular attention. Well, Mensch has been alive to the opportunity before her, casting off that avowal about not judging others while she busily probed and condemned, so that the normally staid *Economist* eulogised her as the: "surprise star," with her "sharp, precise, coolly scornful questions". Perhaps this praise was too much for Mensch for she was impulsive enough to say in the committee that the ex-editor of the *Daily Mirror*, Piers Morgan, had stated in his autobiography that in that job he oversaw phone hacking. Morgan angrily challenged this but Mensch refused to back down and tried to take refuge in parliamentary privilege, making matters worse by misquoting a page from Morgan's diaries. Eventually she had to withdraw her accusation and retire to soothe her wounded conceit. Until, that is, she popped into the news again after the August riots in London and elsewhere, suggesting that at times of such crises the Twitter and Facebook services should be closed down to prevent them being used as a method of summoning and directing the rioters. She did not seem to be aware, until it was gently pointed out to her, that the police use those services themselves at such times.

Starbucks

The anti-capitalist demonstrations outside the Stock Exchange and St. Paul's gave Mensch another chance to expose her impetuous need for self-exposure when during the 22 October edition of *Have I Got News For You* she complained that while the demonstrators claim to oppose capitalism they are happy to accept what the system brings to them: for example coffee from the nearby Starbucks and nights spent in "very smart tents" on the pavements. The *Have I Got News For You* regulars Ian Hislop and Paul Martin had problems dealing with such a naïve, ignorant, undeveloped argument so that at one stage Hislop said he would have to give up trying: "It's all so obvious," while Mensch did her best to conceal her chagrin behind a succession of grotesquely fixed and humourless "smiles". For some politicians the experience of repeated exposure to such ridicule and contempt might have been overwhelming, but Mensch is driven by an unusual energy. A couple of months later she was whinging to *GQ*: "I'm not even a Parliamentary Private Secretary. It's kind of annoying. What do I have to do to get promoted here?" Well perhaps she might start by recognising that she has chosen to immerse herself in the business of capitalist politics where remorseless failure has seen off so many before her. Then she might make a clean breast of it to the voters of Corby.

IVAN





Death of a Dictator

Korean Central News Agency



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In the Second World War Russia (or the U.S.S.R. as it was then), which had been fighting Germany since the Nazi invasion of 1941, only got round to declaring war on Japan on 8 August 1945. That was three days after the first atomic bomb landed on Hiroshima and one day before the second landed on Nagasaki. The Japanese empire was now squeezed between the vast armed forces of Russia and America, and it disintegrated. Japan had forcibly annexed Korea in 1910, but the Japanese were now driven out. The U.S.S.R occupied the northern half of Korea with its capital at Pyongyang, and the U.S.A. occupied the southern half with its capital at Seoul.

Russia's ruling clique then favoured state capitalism, while America's rulers favoured private capitalism. In the south, under American occupation, Syngman Rhee (a Korean who had studied at American universities, had spent the previous twenty years in the U.S.A., and had westernised his name) became the ruler, and private capitalism took over the economy. In the north, Kim Il-sung (a Korean brought up in Manchuria, who had been an officer in the Chinese armies and then in the Russian armies) was hastily tutored in the Korean language, which he had largely forgotten, and was installed in power; the economy was state capitalist. In the south Syngman Rhee instituted a repressive and corrupt regime, jailing and killing any who protested until



he was forced to resign by a popular uprising in 1960. In the north Kim Il-sung instituted a repressive and corrupt regime, jailing and killing any who protested, but he was able to rule till his death in 1994.

The two Koreas were very much simply proxies for the great countries that had set them up and supported them. From the first there were many raids and skirmishes between the north and the south, and from 1950 to 1953 there was open

corpses, but one estimate is that there were two million or more Korean civilian deaths, plus of course many Korean, and American, and Chinese, and British soldiers. (One of the writer's classmates at school, an enthusiastic member of the "cadet corps", joined the army when he left school and was killed in Korea.)

Kim Il-sung was set up by the state propaganda machine as being virtually divine, a being that, it was pretty strongly hinted, had created the world. A new calendar was inaugurated, in which 1912, when Kim Il-sung was born, was year one. When Kim Il-sung died in year eighty-three - or 1994 - his son Kim Jong-il was put into his place and ruled in the same way as his father had done



warfare, with the Americans (and British) supporting the south and the Chinese supporting the north. The battles swept over the whole country: the front line was at first pushed to the extreme south, then back to the extreme north, and then south again. Korea experienced all the delights of modern war: air raids, great battles, trench warfare, death and destruction, all ranged over the whole peninsula. As in many wars since, no one actually counted the

North Korea saw itself as part of the state-capitalist bloc, which included Russia and China. It was and is harshly authoritarian. Dissent is met by torture, and North Korea is third in the list of the world's countries carrying out executions - those condemned are killed publicly by firing squads. In 2004 a Human Rights Watch report said that North Korea was "among the world's most repressive governments": there were up to 200,000 political prisoners.

It was dubbed the world's most corrupt country in a "Corruption Index". North Korea is the thirty-ninth largest country by population, but it has the world's fourth largest army: in a population of twenty-four million, 1.1 million are military personnel, and 8.2 million active reservists. It has been called "the most militarized country in the world today"; it has the world's third-largest chemical weapons stockpile, and it possesses its own nuclear warheads.

At the end of last century the state-capitalist bloc had begun to fall apart. In the 1990s Russia dismantled state capitalism in favour of private capitalism, and China took steps along the same road. More and more, North Korea found itself isolated. This was bad news, since capitalism (of whichever variety) operates most profitably by disregarding state boundaries. On top of that, 1995 and 1996 saw disastrous floods in North Korea, and there was a calamitous drought in 1997. The ordinary people suffered grievously. Although detailed figures are hard to obtain in the kind of xenophobic dictatorship that North Korea had become, some reports say that a million North Koreans, or perhaps two million, died of famine. North Koreans have an official salary of £1 or £2 per week, but lucky ones can make more by trading in tolerated private markets.

The twenty-first century saw some steps towards the modification of the system, with private capitalism being allowed a larger share of the economy. 2002 saw the introduction of what North Korea's rulers called "landmark socialist-type market economic practices". It is hardly necessary to say that this change had nothing to do with socialism; it was a dilution of the previously prevailing state capitalism with some admixture of the private variety. (And it may be significant that when the North Korean constitution was re-written in 2009, any reference to "communism" was dropped; perhaps a very belated concession to honesty.) The changes of the early twenty-first century allowed foreign firms into the country to operate

"manufacturing facilities". For example, the "Kaesong Industrial Park" was created just north of the demilitarised zone which separates the two Koreas; here South Korean companies were allowed to operate, and by 2010 they employed over 40,000 North Korean workers.

It will not surprise anyone to hear that Kim Jong-il (the "Dear Leader" and "Our Father") who had succeeded his father Kim Il-sung (the "Great Leader" and "Eternal President") in 1994 was able to protect his own living standards during these tragic times. He had seventeen different palatial residences scattered across North Korea. He was fond of burgundy and bordeaux, and in some years he was the world's biggest buyer of Hennessy cognac – up to half a million poundsworth of it. His chef went round the world to secure foreign delicacies. When he visited China and Russia (in a special train – he was afraid of flying) fresh lobster was flown to his train every day. Several of his staff were employed to check that the grains of rice served to him were absolutely identical in size and colour. He liked watching films and had a collection of 20,000 videotapes and DVDs. A song glorifying him – "No motherland without you" – was regularly piped from public loudspeakers in Pyongyang. No dictator exists without the support of an upper class, and in North Korea there is a small group at the top who are apparently doing very well, and

defying the world's embargoes and sanctions by importing luxury items through China.

It is very difficult to be sure what was happening in North Korea and what was being said in North Korea because the whole power of the North Korean state was brought to bear to create insuperable barriers between the North Koreans and the rest of the world. But so far as one can work it out the state media of North Korea – and there was no other kind – was endlessly asserting that Kim Jong-il was a most remarkable person. Apparently you might have known that someone special had appeared when he was born because according to the official sources of information his birth (which was foretold by a swallow – I'm not sure how) was marked by the appearance of a double rainbow and a new star in the sky. He began walking at three weeks, and he began talking at eight weeks. (Why did he take so long?)

When he went to university (at Kim Il-sung University, Pyongyang), he wrote 1,500 books over the three years – that's ten books a week, or about a book and a half every day. Book-writing was not his only achievement. He was also able to compose no fewer than six operas, which, said his official biography, turned out to be "better than any in the history of music". He also staged a number of elaborate musicals. Sport was no problem. Some reports had him winning gold at every event in the Seoul Olympics of 1988, which



then forty-seven years old. So there's hope for us all. Hostile press reports from foreign countries alleging that North Korea had actually boycotted the Games because they were still officially at war with South Korea can safely be ignored.

Never having played golf before, he strolled on to a golf course one day, picking up some clubs for the first time, and on his first eighteen holes he returned a score of thirty-eight under par – a world record by some considerable distance – having been expert enough to shoot eleven of the holes in one. This cannot be doubted since he had seventeen bodyguards with him, all of whom verified the feat. Perhaps they all stood round each hole that Kim aimed at, willing the golf ball to follow the correct political line. (As politicians and journalists vied with each other to eulogize their leader, the stories improved: some earlier versions of the golfing triumph gave him only a measly five holes-in-one.)

In his spare time he invented the hamburger; and his distinctive style of clothing “led world-wide fashion trends”. Some state media gave the strong impression that he could control the weather. One doesn't know how he found time for all these activities in addition to supervising the whole government of North Korea, but then one finds that he never had to go to the lavatory, so that must have given him a bit more time. When Kim Jong-il died last December, the reader will not be surprised to hear

“Perhaps we should remember that we ourselves (like the Koreans) live in a system where a small group of people live luxuriously...”

that “a fierce snowstorm paused” and the sky glowed red above the sacred North Korean Mount Paektu, while the ice on a lake nearby cracked so loud that “it seemed to shake the heavens and the earth”. At the moment of his death a crane was observed to circle a statue of his father Kim Il-sung, before landing on a nearby tree, “its head bowed in sorrow”.

People who have listened to this kind of garbage all their lives (and have never even heard, as it were, any counter-garbage) might well feel desperately sad when such an outstanding figure dies, and that may help to account for the pictures of mass wailing and weeping which emerged from North Korea recently. Even those who have retained enough common sense (which is, of course, very uncommon) to disbelieve the unbelievable might well realize that if they were not sobbing loudly enough, the omnipresent military and security forces might well be tempted

to give them something to make them lament in real earnest.

Nonsense knows no national or temporal boundaries, and when Kim Jong-il died on 17 December, the Western world was all geared up for its annual celebrations of another great man whose birth was also marked by the appearance of an extra star in the sky and at whose death a great darkness overwhelmed the earth (Matthew 2-2 and 27-45).

Strangely, when Kim Jong-il died, the man who immediately stepped into his shoes as North Korea's dictator was his son, Kim Jong-un. He does not appear to have done anything in particular up to now except choose his parents carefully, although his appearance suggests that so far he has successfully fended off famine. However, no doubt the Pyongyang publicity boys will soon come up with something wonderful, so we wait with bated breath.

Before we all split our sides laughing, perhaps we should remember that we ourselves (like the Koreans) live in a system where a small group of people own everything worth owning and live luxuriously on the proceeds, while the great majority (who own very little) spend their lives desperately working so that great amounts of rent, interest and profit can be paid to this small group. Furthermore, the media continually tell us that this system is the best that ever has been, or ever could be, devised. Now, no one would ever believe that, would they?

ALWYN EDGAR



Kim Jong-un, another wrong 'un

Where Money Comes From

A reply to the New Economics Foundation

In a 140-page booklet entitled *Where Does Money Come From?* the New Economics Foundation (NEF), a greenish think-tank, set out to refute one theory of the nature of money and banking and replace it by another which they consider more accurate.

Money

“What is Money?” is not just a question of fact but of definition. “We disagree with the view of money as a commodity,” says the NEF, “and show instead that money is a relationship of credit and debt” (p. 9). More boldly, they declare “money has never been a commodity” (p. 51).

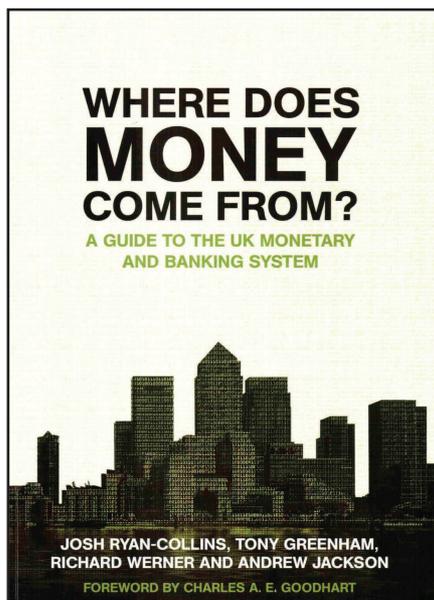
In Classical Political Economy (Adam Smith, David Ricardo, John Stuart Mill), and in Marx too, a commodity is an article of wealth produced to be exchanged. Wherever commodity-production has been widespread one commodity has emerged that can be exchanged for any other commodity. To be able to be such a “universal equivalent” this commodity must have its own intrinsic value, i.e. must also be the outcome of a certain amount of labour; otherwise nobody would exchange the product of their labour for it.

Other commodities have functioned as the universal equivalent, but in the end it was the precious metals, gold and silver, that proved the most convenient (because of their divisibility and their concentration of value in a relatively small bulk). To make things even more convenient states eventually stamped pieces of gold and silver as a guarantee of their weight and value. Hence coinage, which is still the popular idea of what money is.

To deny that the commodities that have functioned as a universal equivalent were “money” is to give a quite new definition of what money is. The NEF don’t deny that to be called “money” something has to be, as in the traditional definition, a medium of exchange, a store of value and a unit of account.

If they had just claimed that, today, money is not a commodity,

they would have had a point. But to claim that no commodity has ever served as a medium of exchange, store of value and that accounts have not been kept in units of it, is clearly at variance with the historical facts. But, to sustain



From top: the NEF's *Where Does Money Come From?* Economists David Ricardo, John Stuart Mill and Adam Smith

their definition that money is essentially a “social relationship of credit and debt”, they had to make this extravagant and historically incorrect claim. They are right, however, to see money as a social relationship but it’s one between buyers and sellers rather than creditors and debtors.

It is true that it does seem strange to still describe money today as a “commodity”, even though modern money does have a commodity ancestry. Modern money

consists of paper notes and metallic coins that are accepted in payment (of taxes and debts as well as to buy things). These notes and coins have virtually no intrinsic value; they are like all-purpose, re-usable vouchers that can be used for any payment, just as the old commodity-money (such as gold) could be. We know where they come from: the state, which issues them via its central bank or finance ministry, and makes their circulation and acceptance compulsory. Because such money is entirely a state’s creation it is sometimes called “fiat” (“let there be”) money.

Purchasing power

“Money” and “purchasing power” are not the same. If they were, the total face value of the currency would have to be equal to the value of all the newly produced wealth. One feature of money (in the classical sense) is that it circulates: one coin or note can be used for many transactions. Hence the concept of the “velocity of circulation” of money. The amount of money needed by the economy to make payments is thus not the total value of these payments but this divided by the velocity of circulation of money.

One thing banks do is to reduce the need for cash. They have done this ever since, in the 17th century, they became an important feature of the capitalist economy. In addition, through clearing houses, they settle payments without the actual transfer of cash. Nowadays the vast majority of transactions are made through banks using cards, cheques and bank transfers, with cash (notes and coins) reduced to being the small change of the economy.

What this means is that today most purchasing power is exercised via the banks. But can banks create extra purchasing power that did not exist before? The NEF are in the tradition of economic thinkers (and monetary cranks) who have said “yes”. In the past the argument used to be that banks could create extra purchasing power in the form of “credit”. Nowadays, as the distinction between deposits in

banks made by savers and deposits created by banks for borrowers has become blurred, the same idea has come to be expressed by saying that banks can create new “money”.

Though this looser definition of money is popular today, even those who favour it feel obliged to distinguish between traditional money (today, notes and coins issued by the state) which they call “base money” and “bank money” (bank loans).

Calling bank loans “money” instead of “credit” doesn’t alter the facts. When banks make a loan, or extend credit, they do enable idle purchasing power to become effective; they do allow spending to take place – which is something that modern governments do strive to control. But the basic question remains: when banks make a loan do they create new purchasing power?

Purchasing power is generated in production as added value and is distributed in the first instance as the wages and salaries of productive workers and as the profits of capitalist firms. A large proportion is later redistributed by the state as “transfer payments” to others, via taxes and public service salaries, pensions and other state payments. But National Income (total new purchasing power) and National Product (total new value added) are always equal (there is no built-in or chronic shortage of purchasing power compared to new production, as economic theorists known as ‘underconsumptionists’ claim).

Some of the purchasing power is saved (not spent) by the recipient on consumption. When income is saved it is not simply hoarded. It is typically deposited in a bank or a building society. The bank doesn’t hoard it either. It lends it to someone else to spend: to capitalist firms to expand production; to the government; or to workers (to buy a house or a car or a holiday). It should be clear, then, that such bank loans come out of income (purchasing power) that others have saved (refrained from spending themselves).

Banking a fraud?

This, however, is not clear to the NEF. In fact, they vehemently deny that this is the case. They attack the view that banks are financial intermediaries whose

core activity consists of “taking money from savers and lending it to borrowers” and even criticise the recent Independent Commission on Banking for accepting this view. They declare:

“private banks can really create money by simply making an entry in a ledger” (p. 5).

“when a bank makes a loan it does not require anyone else’s money to do so” (p. 21).

“Banks create brand new money whenever they want by extending credit or buying assets” (p. 100).

“Those with the power to create new money have enormous power – they can create wealth simply by typing figures into a computer” (p. 51).

That banks can lend something they haven’t got is an extravagant and extraordinary claim. The NEF attempt to trace this back to goldsmiths in seventeenth-

“To deny that the commodities that have functioned as a universal equivalent were ‘money’ is to give a quite new definition of what money is”

century London who, they claim, as custodians of other people’s money, adopted the practice “of issuing deposit receipts to a value greater than the value of the deposits the custodians actually possessed – a practice that would later be described as *fractional reserve banking*” (p. 35).

If goldsmiths did do this, it would have been fraud. In theory they could have done but there is no historical evidence that this was the normal and widespread practice that the NEF and others allege it was.

Because they think that banks today behave like they imagine the London goldsmiths did, the NEF describes modern banking as an “innocent fraud”. They have also misunderstood the nature of “fractional reserve banking”. It merely means that anyone taking in someone else’s money can safely lend only a proportion of it,

a “fraction” having to be retained as a “reserve” against likely withdrawals.

The NEF claims that, “commercial banks can be seen to generate ‘special profits’ from their power to issue money in the form of credit through the interest charged upon loans and used overdraft facilities” (p. 68) and that “bank loans are rather special since they do not cost the bank anything to create, but the bank can charge very profitable rates of interest on them”. (p. 97)

But there is nothing special about bank profits compared to those of other businesses. Banks do not make their profits by charging interest on loans they conjure up out of thin air. Their income comes from the difference between the rate of interest they charge borrowers and the lower the rate of interest (if any) they pay savers. Their profit is what remains after they have paid the expenses of the business (buildings, computers, staff salaries).

Incredible credit unions

Any organisation that lends other people’s money has to keep a part of what is deposited with it as cash but can lend the rest, and so practises “fractional reserve banking”. The NEF does not shrink from this logical deduction from their position and asserts that banks are not the only organisation that can create money (new purchasing power) out of nothing:

“Building societies and credit unions also have the right to create money through issuing credit” (p. 18).

A credit union, as a mutual society in which members save and lend to each other, is a good example to judge whether or not a lending organisation can lend more than has been saved with it. Merely to pose the question is to answer it – with a ‘No’. The only source of what a credit union has to lend is what its members have paid in; the loans it makes come entirely out of this.

Suppose that a credit union tried to lend more than had been saved with it. If its loans were payable in cash, clearly it would be impossible to hand out more cash than it had. If the loan were paid out by a cheque or some other kind of money order, if more of these were issued than the union had

in savings then not all of them would be able to be honoured. The union would go bankrupt. The same would apply in the case of electronic transfers.

Building societies were originally like credit unions – members saved to be able to later get a loan to buy a house, their money in the meantime being loaned to other members to buy one – but these days they accept savings from anyone. But what they can lend is still limited by what has been saved with them. Building societies are in competition with each other and with banks to attract savings. If they could simply give a loan by typing figures into a computer then they wouldn't be under such competitive pressure.

Banks are no different in principle from building societies and credit unions, although the link between savings with them and the amount of loans they can give is perhaps not so obvious. They can lend more than has been saved with them, but only by borrowing from elsewhere (“wholesale” from the money market, as their jargon puts it).

Banks cannot create extra purchasing power; they can only redistribute it from those who don't want to use for the moment (“savers”) to those who need money to spend immediately, whether for consumption or investment (which is really spending on production). Contrary to what the NEF asserts, banks essentially are financial intermediaries.

Central banks

The NEF seems to have been carried away by its own arguments when it claims that commercial banks (and, by inference, credit unions) create new money not only when they make a loan but even whenever they spend any money, as on buildings, computers and the wages and salaries of their staff:

“the bank creates new money when it buys assets, goods or services on its own account, or pays its staff salaries or bonuses” (p. 57).

This is an own goal as it would mean that to set up a bank you wouldn't need any capital. You could go to an internet café, conjure up some money by typing some figures in a ledger and then spend it to buy a building and hire staff, which is ridiculous.

There is, however, one type of bank that can and does do this – a state's central bank. A central bank can create purchasing power out of thin air and use it to acquire assets, as recently with so-called “quantitative easing”. However, this action does not create any new wealth (that can only be done by people actually working, not by any bank operation). It is popularly called “printing more money” but this does not necessarily involve in the first instance actually printing more bank notes. The new purchasing power is created in the way the NEF mistakenly thinks commercial banks can do it, electronically as digital money, though with quantitative easing it is a temporary phenomenon.

Conclusion

Banking is neither a form of magic nor a fraud. Those who believe that it is (and the NEF is far from being alone in this) are led to waste their time campaigning to reform something which doesn't exist. In fact, the situation most of them want to achieve – control of the creation of nominal purchasing power by the government instead of by private bodies that profit from it – is what already exists but they can't see it.

ADAM BUICK.



Profitability

EVERY QUARTER the Office for National Statistics (ONS) publishes figures for the ‘profitability’ of UK non-financial companies. The latest are for the third quarter of 2011. They showed that the “net return on capital employed” for all companies was 12.9 percent. For manufacturing it was 5 percent, for services, 15.9 percent and for North Sea oil and gas companies, 60.5 percent.

Over the last ten years the annual average has been around 16 percent for services and 9 percent for manufacturing.

Why the difference between these two sectors? Surely, according to the way that the competitive profit system that is capitalism works, capital should flow out of manufacturing and into services until the rate of profit is the same for both, as Marx explained in the section of Volume III of *Capital* on the averaging of the rate of profit.

The explanation lies in the fact that the rate of profit used by the ONS is not the same as in Marx.

There is no problem with the definition of ‘profits’ which are defined as “that part of a company's income which arises from trading activities” less depreciation but “before payments of dividends, interest and tax”. It's “capital” that is the problem. Here's how the ONS calculates ‘profitability’:

“Profitability is defined as the net rate of return on capital employed. That is, it is the value of profits (allowing for depreciation) divided by the value of fixed assets (allowing for depreciation) and inventories.”

In other words, “capital” is defined as fixed assets, i.e. buildings, machinery, office equipment and the like, or “fixed capital”. But this is not the only part of capital as it excludes “circulating capital”, i.e. the capital invested in what is entirely used up in the course of production (material, power, labour).

Marx divided capital in another way. That part whose value was only transferred, whether wholly or gradually, to the product (which he called “constant capital”) and that invested in employing productive labour (which he called ‘variable capital’ because, besides transferring its own value, it added new value).

So, the rate of profit in Marx is the ratio between profits and total capital while the ONS's rate is the ratio of profits to fixed capital only. This is not even how companies calculate their rate of profit and its only usefulness would seem to be to record short-term variations in profits.

The different rates that the ONS formula results in for service and manufacturing companies does, however, neatly illustrate another point Marx made.

Marx argued that because the tendency under capitalism was for constant capital (mainly fixed capital) to increase more than variable capital (productive labour) – in economic textbooks, ‘capital intensity’ – and because variable capital alone generated profits, there was a tendency for the rate of profit to fall. This could be shown mathematically but wouldn't necessarily happen in practice since there were counter-acting tendencies, notably an increase in the exploitation of labour and the cheapening of fixed capital.

Since manufacturing is more ‘capital intensive’ than services, if you compare profits to fixed capital you would expect this ratio to be less in manufacturing. Which is precisely what the ONS figures show.

How explain, then, the huge ‘rate of return’ on fixed capital in North Sea oil and gas which is a more capital intensive industry than most? It's that most of their ‘trading profits’ are ground rent rather than profits proper.

Oil and gas have the same price on the world market wherever they are extracted but the difficulty and so the cost of extraction varies depending on geological conditions. The price is set by the most costly oil and gas fields, which means that the less costly ones get an extra, windfall profit that is actually ground rent. In Saudi Arabia and the Gulf States it goes to enrich the despots there. In Russia, it has created oligarchs. In Britain, it is largely taxed away by the government.

Policing the Proles

All coppers might be workers but their role is helping maintain capitalist law and order.

Evening All. That was the opening catchphrase of PC George Dixon the eponymous hero of the homely television series *Dixon of Dock Green* that ran from 1955-73. Crime was of the petty variety. The real crux of the show amounted to the perception of Dock Green “nick” as an extension of George’s cosy semi-detached. Each episode ended with a homily about being a good citizen, a dutiful salute and the final vigilant “Goodnight all”. Entertainment? Maybe. But the by-product amounted to a masterful PR campaign for the police force, one that nowadays they would swap their tasers for at the drop of riot shield.

The police force is barely a couple of hundred years old, but the Special Constabulary dates back to “Anglo Saxon times, when people policed themselves”. In 1673, King Charles II brought in an Act which deemed that “any citizen might be sworn in as a temporary peace-officer for a specific occasion, in particular when there was a threat of great disturbances”. Essentially the neighbourhood bobby had become politicised.

The existence of private property is why the police exist. As property devolved more and more in to the hands of the few, property owners began to fear for their property. Jeremy Bentham suggested a Ministry of Police, but an 1818 Parliamentary Committee saw it as “a plan which would make every servant of every house a spy on the actions of his master, and all classes of society spies on each other” (E. P. Thompson, *The Making of the English Working Class*). One year later 400 Special Constables joined a military presence of hundreds of armed men to confront a crowd of protestors seeking the reform of parliamentary representation at St Peters Fields, Manchester. Fifteen people were killed and 400-700 people were injured as the Cavalry charged with drawn sabres to disperse the crowd.

In 1829 Sir Robert Peel established the Metropolitan Police Force with 1000 constables. By 1857 all of the UK’s cities had formed their own police forces. Peel is said to have developed the “Peelian Principles” an ethical philosophy that supposedly underpins policing. At the forefront of the code is the principle: “The police are the public and the public are the police”. This could be interpreted as another meaningless slogan like the millionaire David Cameron’s jingle “we’re all in it together”. But the police are workers; just as much a part of the 99 percent as bank workers, dustman, nurses, bricklayers, miners, etc.

Discussing the Police Strike of 1919, the *Socialist Standard* pointed out that “the policeman is so essentially a member of the exploited class that he cannot get his admitted grievances redressed until he threatens to cease to be a policeman”. And in addressing a point that is frequently made nowadays: “the statement that a policeman is only such to support the State” it commented, “The complement of this half truth is, of course, that the State is only an instrument for keeping the workers in subjection.” (Editorial, June

1919)

The state was busy subjugating workers in 1910 when: “Riotous scenes without parallel in a South Wales Coalfield were enacted last night in mid-Rhondda and at Aberaman. At both places, the police and the mob were in fierce conflict for many hours, charge after charge being made by the constabulary upon the crowd. In the mid-Rhondda alone over a hundred casualties were reported, injured strikers being conveyed to local surgeries for treatment.” (*South Wales Daily News*, 9 November 1910) The state was at it again in 1919 when the City of Glasgow Police repeatedly baton-charged workers who were campaigning for shorter working hours to alleviate unemployment. On “Bloody Friday” a mass meeting was to be held in George Square, but the state intervened, initially with the police. But by Friday night the police had been reinforced with the state’s military muscle when “10,000 troops armed with machine guns, tanks and a howitzer arrived”. Ruling class paranoia revealed itself when the decision was made that: “No Glaswegian troops were deployed, with the British government fearing that fellow



Peterloo. The caption (top left) reads: "Down with 'em! Chop 'em down my brave boys - give them no quarter, they want to take our Beef & Pudding from us - & remember the more you kill the less poor rates you'll have to pay so go at it Lads, show your courage & your Loyalty!" (Artist: George Cruikshank, 1819)



Glaswegians, soldiers or otherwise, would go over to the workers' side if a revolutionary situation developed in Glasgow" (Wikipedia).

The 1926 General Strike demonstrated how all pervading state power can be when profits are threatened. A warship was sent to Newcastle and 226,000 special policemen were recruited. Police baton-charged strikers in Hull, Preston, Liverpool, London, Edinburgh, and Glasgow. The government "seized all supplies of paper, which hindered publication of the TUC's paper, "The British Worker". The Catholic Church declared the strike "a sin". And the Prime Minister, Stanley Baldwin, declared the strike an attack on Britain's democracy.

During the NUM strike of 1984-5 Margaret Thatcher speaking to Parliament said (as Stanley Baldwin before her did) that "giving in to the miners would be surrendering the rule of parliamentary democracy to the rule of the mob"; she referred to the striking miners as 'the enemy within'. Demonising your opponents is a well-worn tactic of the ruling class, made considerably more effective when it is aided and abetted by a tame media. "By the time the strike was over the miners had experienced at first hand the way in which the coercive power of the state can be, and is, used in defence of ruling class interests. The police, the judiciary, criminal courts and civil courts, even the DHSS were all used against the striking miners" (SPGB, *The Strike Weapon: Lessons of the Miners' Strike*. 1985).

The NUM strike of 1984 to 1985 was a watershed in the class war. The power of the unions was on the wane. And the "rolling back of the state" was underway. The ruling class was on the offensive in the defence of profits. The Selsdon Group of right-wing Tories was at the centre of the ideology dubbed Thatcherism. And Margaret Thatcher was its public image. Perhaps her speech in May 1988 to the General Assembly of the Church of Scotland reveals the callousness of the ruling class when she proffered a biblical validation for her view on how capitalism should work. Quoting St Paul she said, "If a man will not work he shall not eat". This ideology has driven state policy ever since and is peddled to workers as part of a divide-and-rule strategy.

The Director-General of MI5, Dame Stella Rimington, revealed in her autobiography how "counter-subversion" tactics were employed against the striking miners. Seumas Milne's book *The Enemy within: Thatcher's Secret War Against the Miners* reveals a great deal more, including phone tapping, forged documents, informers, phoney bank deposits and the use of agents

provocateurs. The use of agent provocateurs to infiltrate working class organisations is not new. Marx described how the state spy, Joseph Cr mer, was expelled from the German Workers' Educational Society in 1852.

Baton charges, and the panic created by charging mounted police has been reinforced by the methodical use of surveillance techniques and the controversial policy of kettling. It is no longer just the striking worker that has been looked upon as a threat to ruling class power—any group that might threaten profits is now judged to be the "enemy within". The use of agent provocateurs is perhaps the most despised of all ploys used by the state. And the police are loath to be exposed as employing such tactics because it undermines their self-image as impartial. The reality though is very different.

In June 2008, in a letter to the Home Secretary, Jacqui Smith, the then MP George Galloway accused the "Metropolitan Police of engaging in 'a deliberate conspiracy to bring about scenes of violent disorder' during President George W. Bush's visit to the UK last week."

Liberal Democrat MP Tom Brake who joined G20 protestors in London saw what he believed to be two plain-clothes police officers go through a police cordon after presenting their ID cards. "When I was in the middle of the crowd, two people came over to me and said, 'There are people over there who we believe are policemen and who have been encouraging the crowd to throw things at the police'" (*Observer* 10 May 2009).

Mark Kennedy an undercover Metropolitan police officer was the subject of a Channel 4 documentary aired in October 2011. By his own admission he stated that he spent seven years infiltrating, befriending, and informing on peaceful environmental groups in Britain, Ireland, Germany, Spain, Italy and Iceland. He claimed that he "knew of fifteen other undercover police officers operating in protest groups during the last decade" (*Ecologist* 9 February 2011). A quote from the Channel 4 documentary by Michael Meacher, former Labour Environment Minister reveals the real motivation behind these police tactics ". . . behind it are corporate interests. . . who don't want interference, and they don't want public opinion aroused against a product that is extraordinarily profitable for them". And who are these corporate interests? The *Guardian* reported on the 14 February 2011 that: "The energy giant E.ON, Britain's second-biggest coal producer Scottish Resources Group and Scottish Power, one of the UK's largest electricity-generators, have been paying for the services of a private security firm that has been secretly monitoring activists".

The Occupy Movement has the potential to become a real threat to capitalism. Theirs isn't simply a strikers or eco-protestors threat to profits. They can expect the state to employ all its powers and guile to discredit and destroy their nascent movement. New York Police Departments recent raid on the "People's Library" at Zuccotti Park reveals how frightened our masters are of ideas. Police "confiscated approximately 4,000 books. . . 1,275 books of the 4,000 books seized had been recovered; of those, one-third was damaged to the point of being unusable. It's estimated that 2,725 books had been destroyed" (Truth-out.org).

For too long now our class has been lied to, tricked, beaten, tortured and murdered by the ruling class through the agency of the state. It must end. It's up to you to bring that about?

ANDY MATTHEWS



Carry on campaigning

Single issue campaigners ignore the root cause of the problems they highlight and continue along the road of calling for a reform here and there.

Looking back is enormously important to understanding what must be done to avoid repeating earlier mistakes. Unless deliberate steps are taken to change the ultimate direction of politics and economics then people's needs and welfare will continue to be treated as of lesser import to the overall system. The challenge is more than overcoming an unending string of 'single issues.' It is recognising the overriding necessity for a coherent, viable system which finally serves the people – a truly *social* system.

As individuals, it's possible or even likely that certain 'single issues' strike a chord which are more personal or pertinent than others. However, until the realisation hits home that they are all the result of capitalist norms and that it is the *cause* that has to be dealt with, not the effects, we, as 'the 99%' will continue along the road of calling for a reform here and there, and inviting for ourselves and future generations more of the torture we vowed to end.

Shortfalls

The shortfalls of capitalism, in the news big time last year, have been expressed loud and clear around the world. Numerous items for serious discussion which are generally labelled political, economic or social have been raised but which can rarely be considered in one of these areas in isolation. The links between these three areas and between the separate issues are more of a tangled web than isolated connections.

Consider the connections here in matters which would be seen by activists as environmental problems: mountain top removal for coal, deforestation for monocrops, localised industrial pollution of water, air and ground, depleted uranium contamination from wars, nuclear waste from energy production, etc. All are primarily urgent *social* problems for reasons of serious risk to the short- and long-term health of workers and their communities but which have been subsumed by the imperative of business and 'the market' to continue making profits - economic considerations come first.

Politics being so intricately bound to capitalist economics, politicians are required to make decisions to uphold the system and keep it running as efficiently and profitably as possible. Whichever single issue is selected for scrutiny a similar pattern appears – when it comes to the crunch, decision time, however, the vast majority of politicians smother it with platitudes and toes the economics line.

When problems related to work are considered it is found that what concerns the worker is different from what concerns the employer. Everything, every angle, every detail, every aspect is decided according to economics. Hourly pay; sick benefits; overtime; final pension; holiday, and paternity or maternity leave, and contracts are for the employer to break or change – not the employee. Time for breaks and lunch, penalties for late arrival, sudden lay-offs, unexpected redundancies, late meetings – you name it, they decide. Trades unions may manage to fight off some of the worst pay cuts, reduce some of the workforce losses and maybe claw back some previously lost advantage, but overall they are fighting an endless, losing battle. A brief scan at statistics clearly shows which side is winning. A *social* system would approach the work situation from a different perspective: what work is needed to be done by and for cooperating communities, how it can be shared out, satisfaction at work, full participation in decision making and common ownership of all the means of living.

Identifying the cause

When broken down, it can be seen that the stand-alone ‘single issues’ all spring from a common root, that of the world capitalist system which places the economy and politics above social considerations. One of the more noticeable factors common to popular demands being made around the world is that individuals within the occupations and uprisings have taken note of the indisputable position of the vast majority – ‘the 99%’ – and are protesting and rejecting it.

It is unacceptable to them to be without a voice or proper representation; to be denied free speech within supposed democracies; to have banks and too-big-to-fail companies bailed out whilst witnessing record numbers of house repossessions, unemployed, and children in poverty; to witness increased spending on the military, and huge hikes in the cost of further education; to see social services and public sector personnel hammered; to have all kinds of deals and social contracts reneged on as political and corporate interests refuse to grapple with the problems of climate change; and on and on ad infinitum.

End not mend

Anyone who has tried to remake a garment, repair a complicated bit of carpentry, refashion an item from mismatched pieces or in any way attempted to put something back together so that it works well when it didn't fulfil its function properly to begin with will know that it's far simpler to start from scratch and create a new item. So it is with capitalism and reformism – bin the idea of trying over and over to reform something that has never worked for the vast majority, tweaking it a bit here and there and then having to have another go at it a few months or years down the road when it comes apart again. Far better to use the combined energies of all those

seeking a better way of living and working, one based on people as social beings, to organise together according to real democratic principles to bring in a new social system altogether.

If we are seeking an end to the current structure of relations which puts economic matters at the forefront of each and every issue and which is supported wholeheartedly by the current political system then it follows that we are determined to pursue a system

organised for the benefit of all – one where social need is the guiding principle. Many social movements and activists go a long way to pointing out just such failings as have been written about here but most fall at the last hurdle. They will reveal the reasons for failure clearly enough; the capitalist economic system that doesn't work for the mass of the people, the logic of which sets out deliberately to fail many. They talk about, suggest, even demand actions to socialise, to redistribute or more fairly

distribute assets, jobs, wages, access to land and the means of living but fail to see they are calling for something from a system that can't respond to their demands because of its innate logic.

Making any significant changes calls for a thorough understanding by the majority of a different kind of politics. A raising of awareness of how participatory democracy can really change the status quo to a democracy that is actually, noticeably, determinedly and deliberately organised to reinforce the social aspect by placing the satisfaction of human needs, not economics, at the forefront of all decision-making. This can only be achieved by first removing the primary cause of previous failures, that is, by removing the capitalist system itself. The system of socialism, by its very principles, is a whole lot simpler than that which has had to be endured daily within the capitalist system. Removing the prime motivation of continuous accumulation by ending all incentives or inducements for pecuniary advantage in favour of free access for all empowers the majority. This broad democratic shift to revolutionise the political and end the economic will complete the transformation to the new social system.

JANET SURMAN.

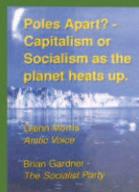
“When broken down, it can be seen that the stand-alone ‘single issues’ all spring from a common root, that of the world capitalist system which places the economy and politics above social considerations”

socialist party dvd



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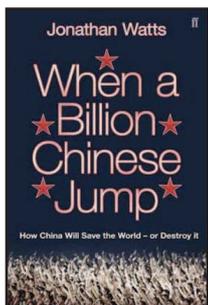
Poles Apart?

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Being Dumped

When a Billion Chinese Jump. By Jonathan Watts. Faber and Faber. £9.99.



Don't judge a book by its cover – or by its title. This is actually a well-researched investigation of the environmental crisis in China based on visits to many different parts of the

country.

Western companies have outsourced a great deal of manufacturing to China, from iPods to shoes and toys. In addition, a lot of waste from production in the West is sent to China: 'It was cheaper to send a container of waste from London to Guangdong on an otherwise empty ship than it was to truck it to Manchester.' Computers and mobile phones (e-garbage) are transported to China, and dangerous chemicals extracted from them.

One town, Qiaotou in Zhejiang province, has become the world centre of zip and button production. Making zips is labour-intensive and requires relatively little by way of capital investment, but, at least when practiced without proper environmental controls, it is highly polluting, and on some days flakes of white plastic fill the Qiaotou air.

It is fairly well known that working as a coal miner in China is extremely dangerous, with a death rate per tonne mined thirty times that in the US. This is partly because the economy depends greatly on coal for almost 70 percent of its energy needs. Hydroelectric plants may be cleaner in theory, but they tend to attract dirty factories in their vicinity and coal-fired power stations, too, which provide electricity in the dry season, something dams cannot do. President Hu Jintao is a hydro engineer, and the company he used to work for is now the world's biggest dam-building corporation.

It is not just a matter of dirty industries being moved from the West to Japan and Taiwan and then to China, for within China they are increasingly being shifted from the coastal areas to more remote inland provinces where environmental regulations are even laxer and local politicians are keen on 'development' at almost any cost.

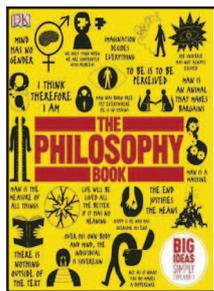
It's little wonder that even other capitalist countries are becoming

concerned at China's record on the environment: it contributes massively to polluting the globe and enables Chinese capitalists to undercut many Western companies.

PB

I Am, Therefore I Think

The Philosophy Book. DK Publishing. £16.99.



This is a compendium, in chronological order, of philosophy throughout the ages and the men and women who were the key figures in shaping philosophical developments and movements. In hardback A4 size, it is packed with graphical representations, images and quotes in an attempt to make sometimes difficult issues more accessible. It succeeds in this well enough, as it is both highly readable and thought-provoking. If you've ever wondered about the ways in which Aristotle developed the thought of Plato, or of the main points of difference between empiricists like Locke and Hume, then this is the book for you.

Such an endeavour is always going to be contentious though. What is written about each of the philosophers under consideration and the choice of who should be included and who shouldn't in such a book, are the major issues here, though it is probably true to say that it has carried it off better than most. Baudrillard is mysteriously absent and perhaps the biggest omission (especially when other postmodern and post-structuralist thinkers get their own entries – Lyotard, Foucault, Derrida, etc).

The entry on Marx is always likely to be a particular bone of contention. It attempts to explain his ideas without too much jargon, and while it neglects to mention the Materialist Conception of History and the theory of surplus value by name, they are there by implication.

While we've seen worse, the section explaining how Marx envisaged a socialist revolution occurring is certainly not as clear as it might be. Writing of socialism, it says 'Marx thought this perfect society would not require government, but only

administration, and this would be carried out by the leaders of the revolution: the communist 'party' (by which he means those who adhered to the cause rather than any specific organization)'. While the book goes on to explain that the 'dictatorship of the proletariat' was envisaged by Marx as being a transitory period before political power as currently understood and the state disappears, this passage is open to misinterpretation.

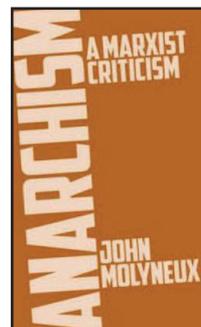
Marx did not regard socialism or communism (he used the words interchangeably) as likely to be a 'perfect society' and he certainly did not regard a socialist society as being one where administration would be carried out by anything other than society as a whole. Indeed, for Marx the key task of the working class of wage and salary earners was to win 'the battle of democracy'. This was to capture control of the political machinery of society for the majority so that production could be socialized. Then the coercive powers of the state could be dismantled as a consequence of the abolition of class society. The idea that the dictatorship of the proletariat was a new kind of state dominated by revolutionary 'leaders' was primarily to be found in Lenin and his followers, rather than in Marx.

Otherwise, this is a useful book in the main, a good addition to any library of political thought, and written in an open, accessible style that is to be commended.

DAP

Leninism v Anarchism

Anarchism. A Marxist Criticism. By John Molyneux. Bookmarks. £4.00



John Molyneux is the SWPer who wrote their 1987 pamphlet on *The Future Socialist Society* in which he stated that the first thing that would happen on the establishment of such a society would be that

wages would be increased and also that engineers would be forced, if they refused to co-operate, to work with a gun at their head. Obviously, he was talking about a future state capitalist society.

His earlier pamphlet is still listed

Mad Maggs



THE FILM *The Iron Lady* is a paean to a personality rather than a political documentary, and must be judged as such. The personal is political, however, and therefore anyone who lived through what happened in Britain in the 1980s will have some reaction to the politics of this film. Meryl Streep's acting, as ever, is extraordinary and this is by far the most remarkable thing about this film and earned her a Golden Globe. Most of the action effectively takes place inside Thatcher's head, as her senile dementia filters a mish-mash of memories, regrets, resentments and pride over the course of her career. This allows the film some poetic license in its random and one-sided presentation of historical events. This device enables, as it were, a multitude of sins, as we are allowed only the most cursory of glances into the dogmatic arrogance of her rule

to immediately abolish capitalism and usher in the classless, stateless, moneyless, wageless society that real socialism will be.

ALB

as 'further reading' in his new, 80-page booklet in which he criticises anarchists from an SWP viewpoint. His basic argument is that 'through its rejection of parties in general and the Leninist party in particular anarchism merely contributes to the organisational and political disarmament of the working class' (p. 29).

We can agree with his criticism of anarchists for their refusal to participate in elections and for their theory that it is the existence of the state rather than of capitalism that is the cause of working-class problems. But that's about it. On the other hand, we can agree with the anarchist emphasis on the need to establish a stateless society and with their criticism of Leninism as the theory and practice of a would-be new ruling class.

Having said this – and Molyneux notes this too – some anarchists are themselves in effect vanguardists in that they seek as an 'active minority' to lead the working class in an assault on capitalism and the state. Molyneux appeals to such anarchists to be consistent and join a properly-structured leadership organisation.

Our appeal is to those anarchists who are committed to the concept of a self-organised majority revolution without leaders to be consistent and abandon their dogmatic opposition to the working class forming a political party to contest elections and eventually win control of political power, not to form a government but

or the huge suffering and destruction of life which her governments both oversaw and caused.

We are invited to share in her principled stand that, "we must never give in to terrorists" without even so much as a clue that she was simultaneously financing and sponsoring terror on a vast scale through her support of foreign dictatorships such as Pinochet's and the sales of arms (which, on a smaller scale, her beloved son Mark was to become thoroughly embroiled in). We are shown in some detail how she had to brave the entrenched male chauvinism of the Conservative Party to be selected as a candidate (and that of the Labour front bench once she arrived in parliament) but are given no clue of the utter contempt she held for the miners' wives who bravely struggled against the violent attack she unleashed on them, their husbands and children and the whole communities that were destroyed by her calculating policies in defence of the profits of the already powerful and privileged. (Regarding the otherwise very realistically filmed scenes in parliament, was there really not a single other woman MP in the country throughout the 70s and 80s?)

There is a nice motif running through the film of her struggling to pack away the extensive wardrobe of her recently deceased husband, which apart from being used to explore and amplify her love for him, also perhaps serves to accentuate how she had to brush away the extraordinary male dominance which had marked the Palace of Westminster until then. Not that any great change



Fancy a Pint?

HOW MANY of us unwind after yet another unfulfilling day of wage-slavery with a glass or two of temporary escape? Alcohol is one of our coping strategies, but it's also, of course, a great social lubricant. Pubs,

bars and clubs just wouldn't be the

same without "the magic liquid that unlocks the door to the human heart". And our drinking takes place in a context of the "unwritten codes and rituals" which govern what, when and how we drink. BBC4's documentary *The Rules of Drinking* took us on a pub-crawl through Britain's boozing habits. Along the way it showed how the etiquette around alcohol has changed over the last seventy-odd years.

For example, our place in society has often been reflected in what we drink. Programmes like this rely on generalisations. So, if you're a miner wanting to wash your throat of grime from t'pit, then you'd choose beer. If you're a demure debutante, then you'd sip cocktails until you got terribly squiffy. And if you're a twenty-first century teenager, then it's nine pints of lager, two flaming sambucas and enough vodka to

drown an elephant.

The programme also showed how alcohol's etiquette extends to how we drink. In working men's clubs, beer and whisky was the usual tittle for everyone, so your status within the club was reflected in where you drank it. Apparently, the younger members would stand on the lino until they were invited to stand on the carpeted section by one of the older clientele, a sign that they had been accepted. Women usually only stood behind the bar.

Nowadays, we've gone back to drinking the same amounts as before the First World War, albeit in different ways. Keeping up with other social changes, the rules around drinking have become less rigid over the decades - cue inevitable

footage of plastered twentysomethings vomiting up alcopops in the gutter and picking fights with double-decker buses.

Even when alcohol is used to try and blot out the pressures of capitalism, the ways we drink it still reveal something of our class position. Documentaries like this can get away with glossing over the details as long as they distract us with enough archive footage of garish 70s dinner parties or men in flat caps. And *The Rules of Drinking* served up enough enjoyable old shots to get you drunk on nostalgia.

MIKE FOSTER



was sustained even in those regards, however, as today's few hundred political representatives are still overwhelmingly male as well as overwhelmingly white, public school, Oxford and Cambridge and wealthy (not that this makes any significant difference to the operation of capitalism anyhow).

There is an interesting turning-point half-way through the film, when the rising score and deftly stylised camera work accentuate her supposed moment of epiphany, that she has been "chosen" to lead the movement to end the consensus politics which had prevailed since the Second World War, and embark on her supposedly inspired battle against conciliation. This, and other moments such as the laughably over-played scene where she finally leaves Downing Street for the last time (This gets the fully absurd Hollywood treatment, with hundreds of red roses along the marble floor she treads, and her entire household staff of several dozen servants all in floods of tears!) are the film's greatest indulgences, which perhaps take inspiration from the fiasco of *Evita* with its focus on the supposedly moving love of "the masses" for their vicious dictators.

The artful and manipulative direction here tries to uphold *The Iron Lady* as a hugely sympathetic portrait of a woman whom any intelligent political analysis can easily demonstrate to have benefited the super-rich and supervised widespread and often intense suffering for millions of people who were already deprived and became more so. As for the increasing groundswell of anger and resentment, fury and resistance amongst those millions - that was conflated into a few seconds here and there in which an amorphous and animalistic crowd screamed and punched at her as she sat

looking dignified and patient like Joan of Arc inside her Bentley.

She is shown as simply reacting to the nuisance of trade union solidarity and the atrocities of the IRA (both the killing of her friend Airey Neave and the bombing of the Brighton Grand are given prominent and fairly graphic attention), rather than having initiated conflict by, for example, waging war on organised labour or benefits claimants. We see her order the attack on the Belgrano, which killed 300 Argentinean conscripts, but those deaths are quickly skated over as we are encouraged to dwell, like her, only on the English volunteers who died in the revenge attack. In short, *The Iron Lady* portrays Margaret Thatcher on the whole as compassionate, principled and patriotic rather than as a pious, arrogant and dogmatic warrior for the wealthy, who not only scoffed at ideas of social conscience or solidarity but even denied the existence of "society" itself.

CLIFFORD SLAPPER

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Meetings

For full details of all our meetings and events see our **Meetup** site: <http://www.meetup.com/The-Socialist-Party-of-Great-Britain/>

CLAPHAM

Sunday **12 February**, 3pm:

"Money As Debt" (40 minute video) followed by criticism and discussion.

Sunday **26 February**, 3pm:

"When Capitalism Hits the Fan" (video by Richard Wolff) followed by discussion. Socialist Party premises, 52 Clapham High St, SW4 7UN (nearest tube: Clapham North)

Glasgow

Wednesday **15 February**, 8.30pm

SECRETS OF THE FINANCIAL WORLD

Speaker: Vic Vanni

Community Central Halls, 304 Maryhill Road, Glasgow, G20 7YE

East Anglia

Saturday **25 February**, 2-5pm

HUMAN RESOURCES, directed by Scott Noble

Film & Discussion Meeting

The Workshop (basement)

53 Earlham Road

Norwich

NR2 3AD

All welcome.

Manchester

Monday **27 February**, 8.30 pm

Talk on Immigration

Unicorn, Church Street, City Centre, M4

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.

50 Years Ago

Homeless in London

LAST NOVEMBER, the Press and the politicians suddenly noticed that in London the number of homeless families was increasing.

The London County Council Housing Department estimates that within a year the number of homeless will grow from the present 3,000 to 5,000, perhaps more. Every week there are about 45 families seeking temporary accommodation. The Council is only able to fix up about 36 a week with permanent shelter.

Since the war 30,000 homeless families have been provided with temporary shelter by the L.C.C. In 1957 there were 280 homeless families in L.C.C. centres. Between 1958 and 1960 the number fluctuated between 410 and 435, and in November, 1961, it rose to 641.

Social workers who cannot understand why this should happen have persuaded the L.C.C. to appoint a committee of enquiry into the problem, and are awaiting its findings. They take the view that it will soon be impossible for anybody to live in London, except as a Council tenant, if he is earning less than £18 per week.

Who are the homeless?

They are not the aged, infirm, or the so-called problem families who are attended to quite separately. They are the young working men and women who, if they had their own accommodation, would be ordinary working men and women like most Londoners. The husbands work, mainly in unskilled jobs, and earn an average of £10 or £12 per week.

(...)

If we look a little deeper than the Press and politicians, the first thing to be noted is the age of the problem. In fact, it goes back to the beginning of modern capitalism. Many writers have exposed it in the past, all the reformist political parties and politicians have at some time stated that they had a solution to the problem. Still it persists.

It is a strange thing how all these well-intentioned people overlook one thing. The investigators have all commented on the fact that these homeless families all live on low wages so it is the families with low incomes who are liable to be homeless. The rent is too high, the income is too low; they cannot afford, or to use the jargon of the market, they do not constitute an effective demand. Poverty is the word, and the present increase in the number of homeless in London is due to just that. The whole question of housing or lack of it, not only in London, but throughout the world, is part of the problem of poverty.

(Article by R.A., *Socialist Standard*, February 1962.)

ACTION REPLAY

Remarkable Behaviour

WE'LL NOT comment on the recent developments in football, with one Premier League player suspended for eight matches after being found guilty of racist remarks to an opposing player, one facing a criminal charge, and another apparently being racially abused by a spectator. But there's no doubt that racism has been a problem in sport, and continues to be so. Athletes, administrators, commentators, spectators – any can be responsible for racist views, language and actions.

In the past racism in sport went well beyond name-calling. US baseball operated a de facto ban on

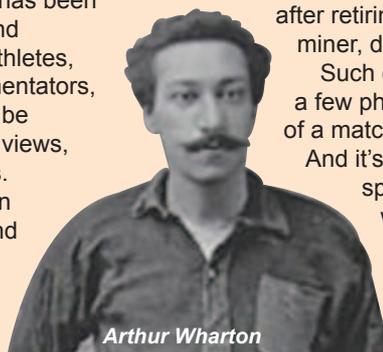
black players till as late as 1946. It was sometimes described as a gentlemen's agreement, and this was not an ironic use of 'gentleman'. In apartheid-era South Africa, rugby union was essentially a game for Afrikaners, while football was the game played by the black population.

In this connection it is instructive to look back at the career of Arthur Wharton, born in Ghana (then known as the Gold Coast) in 1865. He came to England in 1882, broke the 100-yards world sprint record, played professional cricket and then professional football for Rotherham and Sheffield United (he is often claimed to have been the world's first black professional footballer). But he never enjoyed any kind of fame, and after retiring from sport worked as a miner, dying in poverty in 1930.

Such experiences might make a few phrases uttered in the heat of a match seem like small beer.

And it's hardly original to say that sport simply reflects the wider society. But there's clearly still a long way to go in overcoming racist ideas.

PB



Arthur Wharton

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Voice from the Back

All Right For Some ...

We are told every day by the mass media that we are living through an economic downturn, but some seem to be surviving it rather well. "Rolls-Royce Motor Cars has reported record sales for 2011, having sold 3,538 cars. Sales at the BMW-owned luxury marque grew by 31% from the previous year, although the growth rate was weaker than in 2010 when sales jumped by 150%. Rolls-Royce's £165,000 Ghost model, which is smaller and less ostentatious than the £235,000 Phantom models, has been the main driving force for sales" (*BBC News*, 9 January). Bentleys have been selling well too. "The luxury carmaker Bentley has defied the economic gloom with a 37% surge in global sales" (*Guardian*, 3 January). So while members of the working class are told to tighten their belts the owning class are still buying their Bentleys and Rollers in increasing numbers.



the deficit, a charity argues. The Family and Parenting Institute (FPI) says the average income of households with children will drop by 4.2% between 2010-11 and 2015-16, the equivalent of £1,250 a year. Average household income however will fall 0.9%, or £215 a year, say the FPI" (*BBC News*, 4 January).

Another Empty Promise

An ex-Prime Minister, Margaret Thatcher, once boasted that we lived in a property-owning democracy, but that boast seems somewhat laughable today. "Almost a million people have turned to a high cost payday loan to cover their mortgage or rent in the past year, the homelessness charity Shelter has claimed. A further 6 million have used other types of credit, including unauthorised overdrafts, other loans or credit cards, to help pay their housing costs, it said" (*Guardian*, 4 January). It seems we now live in a pawn ticket owning society.

are being sent home before they are well enough. More than 660,000 people were brought back to hospital last year within 28 days of leaving, statistics show, sparking allegations that patients are being hurried through the system so the NHS can meet waiting-list targets" (*Daily Telegraph*, 29 December). Needless to say, this heartless treatment only applies to members of the working class. The owning class enjoy the best possible medical treatment just as they enjoy the best of everything that society can provide.

The Season Of Goodwill?

During the big sales drive of the Christmas period advertisers put great emphasis on phrases like 'goodwill to all men' and 'peace on earth' but there is one group of salesmen who don't rely on such nonsense. The gun manufacturer and arms dealers know that Christmas time is a boom period for gun sales. "According to the FBI, over 1.5 million background checks on customers were requested by gun dealers to the National Instant Criminal Background Check System in December. Nearly 500,000 of those were in the six days before Christmas. It was the highest number ever in a single month, surpassing the previous record set in November. On December 23 alone there were 102,222 background checks, making it the second busiest single day for buying guns in history" (*Daily Telegraph*, 1 January).

... But Not For Others

Politicians are fond of speaking about 'family values' and love photo opportunities that depict them as happily married decent individuals. In practice, though, when defending the profit margins of the owning class they ruthlessly attack the living standards of working class families. "Families with children will be hardest hit by tax and benefit changes aimed at cutting

An Inhuman Society

Capitalism is a society that constantly attempts to cheapen production so that it can boost profits. This drive is not confined to the factory; it also applies to the hospital. "Hospitals have been accused by ministers of treating patients 'like parts on a production line' after official figures suggested that hundreds of thousands of people every year



FREE LUNCH

