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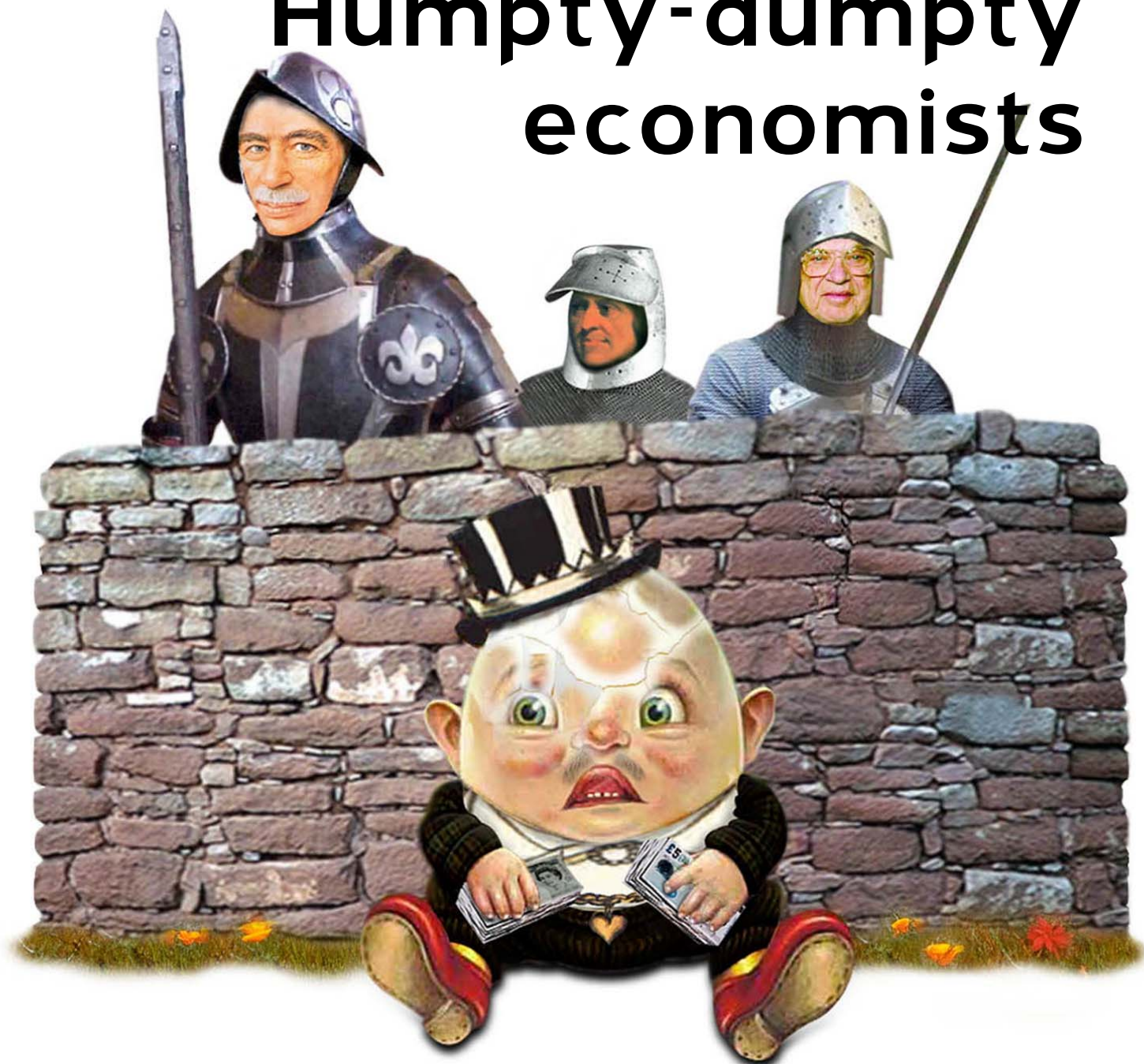
# socialist

January 2007 Vol. 103 No. 1229 £1 9 770037 825006

# standard

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

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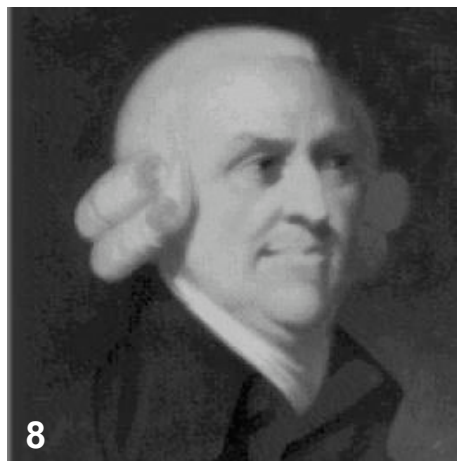


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#### THE SOCIALIST PARTY OF GREAT BRITAIN

The next meeting of the Executive Committee will be on **Saturday 6 January** at the address below. Correspondence should be sent to the General Secretary. All articles, letters and notices should be sent to the editorial committee at: The Socialist Party, 52 Clapham High street, London SW4 7UN.  
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# Introducing The Socialist Party

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

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

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

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

## Editorial

### Think globally, act globally

**T**he threat of global warming is clearly a global problem that can only be dealt with by co-ordinated action at world level. But this is not going to happen under capitalism. As a system involving competition between profit-seeking corporations backed up by their protecting states, it is inherently incapable of world-wide cooperation. There never has been such cooperation. Just the opposite, in fact. The inevitable clashing interests between different states, each seeking to pursue the interests of its profit-seeking corporations, breeds war rather than cooperation. Look what happened last century. Look at the invasion of Iraq this century.

So it's not going to happen. There is not going to be any coordinated world action to deal with global warming as long as capitalism is allowed to continue. Something will be done but it is bound to be too little, too late.

It's certainly going to be too little. These days, when private corporations have governments under their thumb much more than in the recent past, what is being proposed is not even state intervention to force carbon-polluting corporations to limit their emissions in the overall capitalist interest. It's to try to use the mechanisms of the market to solve the problem: fiddling about with the tax system to make investment in anti-pollution measures more profitable; establishing an artificial world market and price for carbon. Anybody can see that this is not going to work.

Governments are also proposing that individuals play their part, as if individuals rather than the system were to blame. They want us to drive smaller cars, even cycle to work, turn off the lights when we leave a room, not leave our TV on standby, not fly to our holiday destination. That's all very well but unless they want us to reduce our standard of living that will just mean we

would have money to spend on something else. As the capitalist class are always wanting us to reduce our standard of living since this means more for them as profits - and provoke strikes and impose austerity to try to do so - , socialists are naturally suspicious of the motives behind the government propaganda here.

In any event since the great bulk of carbon emissions come from energy generated for industry, offices and commercial transport, as well as from deforestation, even if we did all the things they want - and we're not saying people shouldn't, that's an individual life-style choice - it wouldn't make much difference. Changing life-styles is no more a solution to global warming than letting the invisible hand of the market have a go.

Having said this, individuals do have some responsibility in the matter. Capitalism - the cause of the problem - only continues in the end because people put up with it. Most people don't see any alternative to working for wages, producing for profit, using money, the world divided into states, the existence of armies. These attitudes both reflect and sustain capitalism. And every time people get a chance to vote, a majority back politicians committed to maintaining the capitalist system as the way of organising the production and distribution of wealth. So capitalism continues. As do its problems, including the threat of global over-warming. Maybe as this gets nearer people will be driven to consider an alternative.

Global warming can only be tackled by global action. And effective global action will only be possible within the framework of a united world. A united world is only possible on the basis of the Earth's natural and industrial resources being the common heritage of all humanity.

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# Bonobo Fides

When the human genome was first effectively sequenced in April 2003 and the surprise discovery made that humans have only 30,000 genes, scarcely more than other primates, some people were encouraged to suppose that the nagging debate between nature and nurture might be solved once and for all. Humans could not be genetically disposed toward all the multitude of obnoxious acts they committed, because they had no stock of extra genes with which to be so disposed. The seductive conclusion is that any human behaviour not found among primates must therefore be a simple matter of environment.

Not necessarily. As the developing field of epigenetics has begun to demonstrate, the whole can be greater than the sum of its parts. Combinations of genes can produce phenomena that could not be predicted by analysis of the characteristics of the individual genes. A piano in the hands of a baboon or a human still has 88 keys, but the baboon will give us a cacophony whereas the human may give us a concerto. The discovery, last month, that humans are more genetically diverse than anyone expected, has done even more to throw the 'nurturists' back into turmoil, and given the bio-determinists extra room for manoeuvre.

Reading the language of the genes may help us stamp out certain inherited illnesses for good, but it is debatable whether it can ever say anything meaningful about who we are. Studies of identical twins separated at birth show interesting variations in behaviour, yet the results remain essentially random and open to interpretation, because it is not possible, or ethical, to raise one twin in a strictly controlled and sealed environment.

Why this matters so much is of course to do with humanity's perception of its own potential for a better world. If men were really savage rapists held under control only by the repressive laws of a coercive hierarchical state, one could hardly expect women to support the socialist case for abolishing such coercive machinery. Similarly, if warlike aggression is built into us, as some anthropologists have claimed, the case for cooperation and common ownership suffers a major and possibly fatal reverse.

Some paleoanthropologists, and many Marxists, take the view that war did not exist before the development of agriculture, because the conditions giving rise to war did not exist. It is true to say that there is no hard evidence of war before settled communities began to defend their land from predation, but as Carl Sagan was fond of saying, absence of evidence is not evidence of absence. We are not able to point with certainty to 200,000 years of harmonious and peaceful human behaviour and say 'there, that is our real nature.' We can only look at this vast period of human activity, twenty times longer than all of recorded history, and say 'they had no landed property, so it's hard to see what they could have found to fight about.'

In the Democratic Republic of Congo (DRC) democratic elections have recently drawn to a close an appalling civil war that claimed four million lives. Ironically, in the dense forest of DRC, new studies have emerged which have done something to swing the nature-nurture pendulum back in the direction of the nurturists. Chimpanzees, once the lovable rogues of Tarzan films, have lately been receiving a rather bad press, with documentaries concentrating on their brutal behaviour both within and between tribes, including rape, murder and cannibalism. A genetically very close relative and Congolese next-door neighbour is the Bonobo or pygmy chimp, and this primate has always been something of a curiosity. When chimp troops meet, we are told, war and murder are invariably the result. When bonobo troops meet, a love-fest takes place, with the females of one troop running off into the bushes with the males of the other. There is no male hierarchical organisation among bonobos, plenty of casual sex of both hetero



A troop of bonobos - like chimps, only better company

and same-sex varieties, and if any male exhibits any rare violent behaviour this is swiftly stamped out by the combined females.

This startling difference in behaviour between the two primates has led some anthropologists to a depressing conclusion. Human females, argue Richard Wrangham and Dale Peterson in their book *Demonic Males* (Houghton Mifflin, 1997), need to emulate the bonobo and take a more active political role in order to offset the male killing instinct. This is Thomas Hobbes territory again, and the same assumptions about nasty and brutish male violence which the authors use to argue for greater female political participation can of course also be used to justify the continuation or even extension of state repression.

What was deemed peculiar about the bonobo was that they inhabited the same forest as chimpanzees, albeit in a naturally secluded area which arguably protected them from the nasty and brutish chimps. On the face of it, bonobos seemed to lead a peaceful and communally supportive lifestyle simply because they liked it that way. Now it turns out that not all jungles are equal, and food supply has a lot more to do with it than was previously thought. The bonobo habitat just so happens to contain all the right vegetable nutrients to allow them to live largely as vegetarians and spend very little effort acquiring food. Chimp forests conversely offer much leaner pickings, with low-nutrient vegetation, high tannin content which requires much peeling and shelling, and a competition over resources which necessitates the organisation of meat hunting and aggressive defence of territory. As *New Scientist* observes: "Put bluntly, bonobos are nice because the environment they live in is nice" (2 December, 06). Not all anthropologists agree, citing the fact that in identical captive environments, bonobos and chimps continue to exhibit different behaviour. Nonetheless, give them long enough, and behaviour is likely to change. It is well known that primates can learn new behaviour and pass it on to descendants, as in the famous case of the Japanese macaques, who all learned to wash potatoes in the sea after watching one juvenile female do it first. In a chimpanzee environment, bonobos would begin to exhibit chimpanzee behaviour, and vice-versa.

The emphasis on the division between the bonobo 'good guys' and the chimpanzee 'bad guys' does chimpanzees a disservice, however. Little attention has been focussed in the TV documentaries on the fact that supposedly 'inevitable' violent behaviour is uncommon among young chimps and even among adult chimps in other locations in the Congo. Indeed, studies undertaken by anthropologists at the University of Saint Andrews in Edinburgh show that, even without ecologically explicable circumstances, there is more variation in chimp behaviour, no less than 39 different cultural patterns, than in any other animal studied in Africa (<http://biologybk.st-and.ac.uk/cultures3>).

The debate about primate behaviour informs the debate about human behaviour, and is not likely to be settled just yet.

But humans, in displaying the most amazing array of behaviour patterns found in nature, can take comfort from the fact that, whatever the genes say or don't say, there is one talent we have developed to a greater degree than any other animal, and which opens the door to a new form of society. Primates can learn to be different, and none better than us.



Japanese macaque washing potato



## Details of socialism

Dear Editors,

I am a 17-year old student who is a very keen proponent of the notion of socialism. I visited your web-site and thought you had very detailed and perceptive insights into what a socialist society might be like. I do not fully understand, however, some of the finer economic details in such a society, and was wondering if you could help explain:-

1) If production is solely for use rather than sale, how do industries pay for the cost of their capital. input costs etc? Perhaps I am bound by capitalist notions of value, but doesn't the cost of what goes into running an enterprise have to be recouped at some stage?

2) How would a socialist society run without money? If firms produce simply for use, how do they pay for their costs?

3) What went wrong with the economic system of the USSR, where enterprises had to be kept afloat through state subsidies? Doesn't this mean that these industries do not then contribute to the upkeep of other facilities such as hospitals, schools etc.

I know these questions are quite long, but I feel I need a firmer grasp on the finer economic details of socialism,  
BRETT HEINO (by email)

Reply:

Socialism is a society based on the common ownership by the population as a whole of the means of production (land, industry, transport, etc). It will be a moneyless society because this means that what is produced is also commonly owned and so the question that arises is not that of selling it but how to

distribute directly among those who already own it in common, i.e. the members of society.

Separate enterprises with their own accounts which they have to try to at least balance won't exist, not just because money and what it reflects (capitalist economic value) won't exist but because, all industry being commonly owned, wider considerations such as pleasant working conditions and not harming the environment, will be able to be taken into account. Individual productive units will of course have to keep records of the materials they use and try not to waste them, but these records will be kept in physical amounts (tonnes, kilowatt-hours, metres, labour time, etc) not money. Similarly, hospitals, schools, etc will be built and maintained out of the physical resources available to society. Calculation in socialism will be calculation in kind.

What about the USSR? Well, for a start it wasn't socialist but a form of state capitalism, and capitalism does require, as you point out, proper accounting in money to be able to calculate the rate of profit. The rulers of state-capitalist Russia sought to maximise profit at the level of the whole economy but in the end found they were unable to do this without proper financial information from industries and enterprises to enable to judge where to invest most profitably. Their centralised form of state capitalism became inefficient (in capitalist terms) compared with the mixed private/state capitalism of the West and eventually it collapsed. But this represented the failure of centralised state-capitalism not of socialism, which has never been tried - *Editors*.

## Obituary

### PAULA WINTERS

Glasgow Branch regrets to report the passing of Paula Winters. Paula joined the party in March 1984 and entered into party activity with great enthusiasm. Her honest and outgoing personality together with her empathy for people made her a valuable addition to the branch. Unfortunately Paula's health declined and this prevented her from participating in branch activities. Before her illness she had performed cop-watching duties on fly-posting excursions and was the branch's undisputed top literature seller too. Vic Vanni had heard stories about her success at selling the Socialist Standard around the pubs and went with her to find out for himself. "Sure enough," he said "it was all true and her sales technique really was something to behold!" Despite her many illnesses and misfortunes, Paula never lost her empathy and sympathy for her fellow workers. In fact it sometimes seemed as though she took

the problems of the world upon her own shoulders and her compassion seemed to know no bounds. To know her truly was to love her and to Paula everyone in the world was her friend. We shall all miss her. Our deepest condolences go to her sister Josephine; my sister Flora, who was a close friend; and other relatives together with all of her many friends. I, who had the privilege of being her partner for twenty-six years, will find the world a much bleaker place without her. She was a magnificent woman and a true revolutionary.

**John Cumming.**

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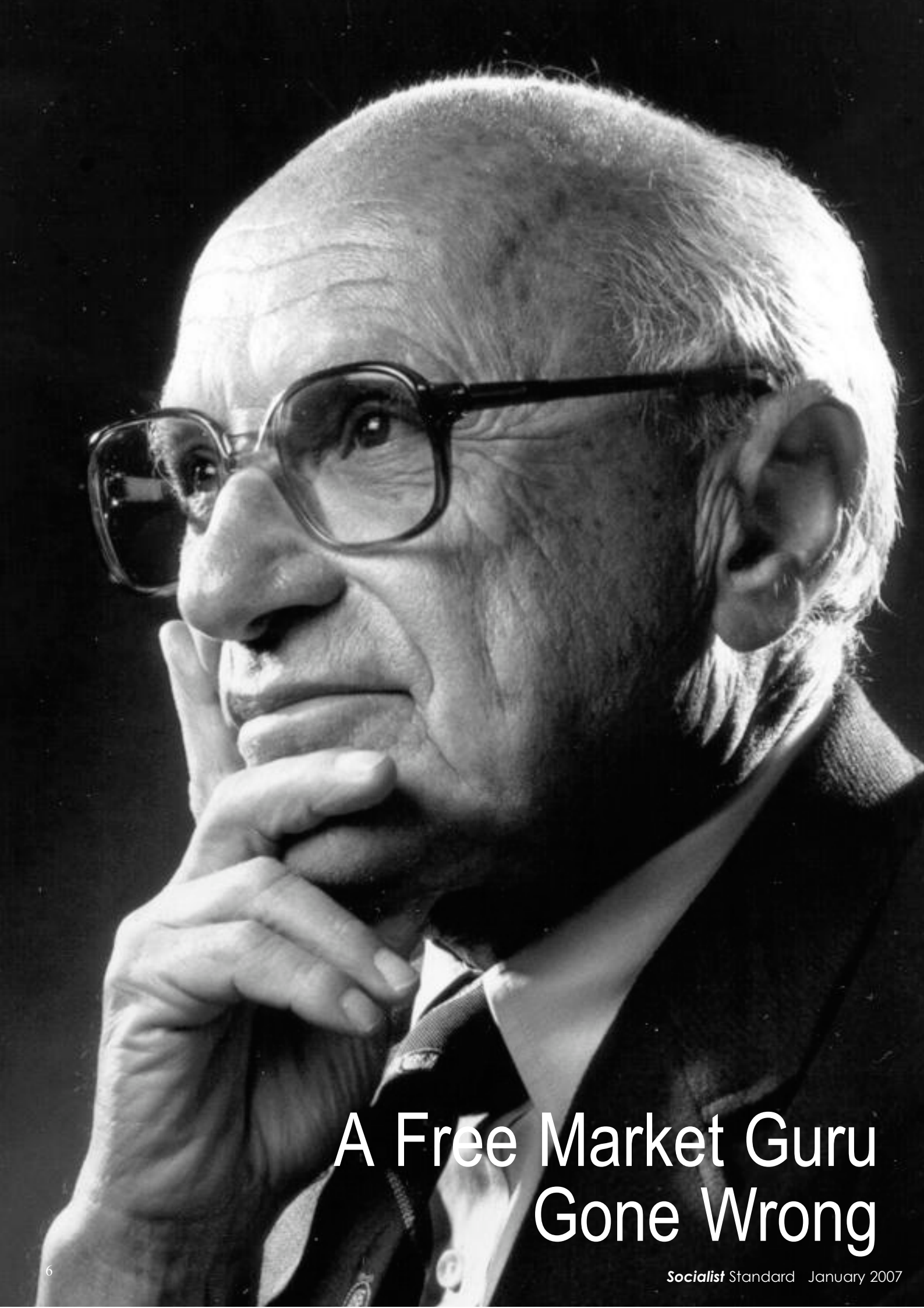
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# A Free Market Guru Gone Wrong



## The death of the economist Milton Friedman at the age of 94 last November has robbed the free-market of perhaps its greatest advocate of modern times, but his views were wrong in theory and a failure in practice.

Friedman did much to prepare the ground for the resurgence in free-market economics that occurred once capitalism had entered a new phase of economic crisis in the 1970s, and was the main driving force behind what became known as 'monetarist' economic theory.

Friedman was a New Yorker by birth but made his name at the University of Chicago, where he was Professor of Economics from 1948. His particular brand of free-market economics gave rise to the 'Chicago School' of economists who provided much of the intellectual impetus behind Mrs Thatcher's early years as UK Prime Minister and influenced countless other governments across the world. After his retirement from Chicago, Friedman joined the Hoover Institute and spent considerable time on the lucrative US lecture circuit preaching his free-market creed.

Friedman was a prolific writer on economic matters for much of his life, but his two most well-known works were also the most transparently political: *Capitalism and Freedom* (1962) and *Free To Choose* (1980), the latter written jointly with his wife, Rose. Most of his other writings were concerned with monetary economics where he became the guru of those opposed to the dominant economic orthodoxies of the post-war period, particularly Keynesian economics.

The position of Friedman and the Chicago School can be divided into two (related) parts. Firstly, the view that markets are the most efficient way of allocating resources and that government intervention in the economy should be as limited as possible, leaving firms and individuals free to maximise their wealth in competitive markets. Secondly, the view that the massive and persistent rise in price levels across much of the world since the Second World War has been essentially a monetary phenomenon, causing dislocations in the normally efficient workings of the market mechanism, eventually leading to rising unemployment and other economic problems.

### Free market voodoo

Friedman and the Chicago School viewed capitalism - if left to its own devices - as a largely unproblematic way of organising society, with its own in-built regulatory mechanisms for successful wealth generation and allocation. The key problem with society was not capitalism, but governments. Throughout the twentieth century governments had become more involved in every aspect of economic life and, in the view of Friedman, were creating problems under the guise of preventing them. State ownership, direction and fiscal policy meant that firms were unable to operate in ways that would otherwise be encouraged by free and unregulated markets, causing economic inefficiencies and blockages. The solution was to 'free the

market' and reduce as far as practicable the interference of the state.

To this end, within a year of Mrs Thatcher's election as Prime Minister in the UK, Friedman latched upon her government's stated intention to 'roll-back the state' as the first example of his free-market solution in action in the developed world. Friedman advocated 'the elimination of all government interference in free enterprise, from minimum wage to social welfare programmes' and told the *Washington Post* in 1980 that Mrs Thatcher's economic experiment 'could mark the turning away from the welfare state back to the free-market economies of the nineteenth century'.

But this view was problematic for two reasons. One, that no economy, even in the nineteenth century, was a genuinely free-market one. Indeed, the free-market economy is a construct or model - a postulate of economists - and has never existed in reality. Because of the way the capitalist economy works in practice, it almost certainly never will as capitalism, a competitive and necessarily class-divided society, is dependent on state intervention and regulation as an arbiter (and enforcer) of competing interests. Indeed, ironically enough, it was brought into being in large part because of the actions of the state itself in removing feudal peasants from the land through the Enclosure Acts and other devices, so as to create a pool of available wage-workers (without which capitalism would have no producer class).

Second, while the economies of the nineteenth century (and other economies too admired by Friedman in more recent times such as South Korea and Malaysia) were closer to this model than most, there is little about their economic structure which is suggestive of a desirable environment for human beings. In fact, countries with the most rampant free-market economies tend to exhibit characteristics of mass poverty, social polarisation and raging crime above all others.

In many respects then, Friedman's conception of the free-market was a utopian one, a notion that existed in the heads of the Chicago School economists but not in reality. It could never exist in actuality and the nearer one got to it, the less desirable it appeared anyway.

But Friedman's resurrection of the totem of the free-market betrayed its unoriginality too. From the outset, Friedman had been a follower of some of those in the earlier 'classical' school of economics (such as Alfred Marshall) who thought that governments and trade unions were the economic villains preventing the effective operation of the market economy as the most efficient mechanism for allocating scarce resources. Whatever the inadequacies of the Keynesian School that had replaced their thinking as the dominant one, the very reason classical economics from Adam Smith to Marshall was

overturned as the orthodoxy by Keynes was precisely because it had failed to explain - let alone provide a cure for - the most persistent and endemic problems of the capitalist system, such as poverty amidst plenty, mass unemployment and economic crises.

So Friedman's solution to the emerging economic crises of the 1970s and 80s was an old, discredited one, resurrected for a new audience but where - as the mass unemployment record of the Thatcher government testified - the second performance was no better than the first. That right-wing US politicians such as the former President George Bush were driven to describe the Chicago School's tax-cutting, free-market approach as 'voodoo economics' is in itself quite some testimony to its failure.

### Monetarism

The second distinctive aspect of Friedman's economic thinking was often - and loosely - labelled 'monetarism'. This was the idea that inflation is a monetary phenomenon with a monetary cause, but - just like free-market economics - this was really an old idea given new life by Friedman and the Chicago School. As an attempt to explain the persistent rises in the price level that had taken place since the Second World War, together with the Keynesian failure to deal with the problem, monetarism represented an attempt to get back to economic basics.

If persistently rising prices had become a noticeable issue after the war, by the 1970s it was a serious problem across much of the world, reaching double-digit figures in most countries, including the most advanced. The explanations for it advanced by economists and politicians of every hue were many and varied. The most prominent were that it was caused by factors such as:

- 1 the profiteering of the big corporations
- 2 excess levels of overall demand in the economy
- 3 wage increases above rises in productivity/ coupled with trade union power
- 4 excessive government expenditure
- 5 excessive government borrowing
- 6 the expansion of bank deposits and credit
- 7 psychological 'expectations', i.e. that price rises are a self-fulfilling prophecy
- 8 low interest rates

As the problem got worse and the analysis of it more desperate, some of these explanations interlinked. The monetarists at various times indicated some agreement with all of these explanations except the first two, though it was the monetary aspect of their argument that won them most attention and separated their approach most clearly from what had become the prevailing Keynesian orthodoxy.

In essence, monetarism was based on

the Quantity Theory of Money and a formula for it developed by Irving Fisher which is the notion that changes in the money supply, all other things being equal, have a direct impact on the general level of prices. Friedman even went so far as to explain that in this respect Karl Marx was one of the first monetarists, holding to an explanation of inflation that focused on the supply of money as the key variable.

Friedman's argument was that persistent inflation caused a serious imbalance to the successful operation of the market economy, leading to market distortions and failures (which, in turn, explained high unemployment and other contemporary phenomena). Its cause was once again mistaken government interference, this time governments failing to conduct monetary policy based on the equilibrium formula identified by the Quantity Theory of Money as being essential for a stable price level.

Friedman summarised his view in the *Financial Times* (7 September 1970) by claiming that 'inflation is always and everywhere a monetary phenomenon - in the sense that it is and can be produced only by a more rapid increase in the quantity of money than in output'. This indeed sounded like the analysis of Karl Marx based on his labour theory of value. Marx's view was that the over-issue of an inconvertible (such as into gold) paper currency above and beyond that needed to carry out production and trade in an economy at any one time, would cause a commensurate rise in prices. This was because such an excess issue of paper money caused an artificial bloating of monetary demand, injecting purchasing power into the economy that was not based on the production of real value embodied in commodities. As demand increases, caused by this excess of circulating money, prices rise in response to it.

For Marx as well as many of the earlier classical economists, inflation was properly called 'currency inflation' as it was based on an artificial bloating of the currency leading to a diminution of its purchasing power. Individual prices of commodities could rise and fall too, of course, and the trade cycle would cause the price level as a whole to rise in booms and fall in slumps, but currency inflation was a different phenomenon, caused by governments over-issuing an inconvertible currency.

If this is what Friedman had really meant too, it would have no doubt had some effect on the conduct of monetary policy in a way that could have tackled the problem - but in the eventuality it was not quite what the monetarists meant at all. In fact, the monetarists got themselves into the ridiculous position of agreeing that inflation was caused by an excess supply of money, without being able to agree on what actually constituted 'money' in the first place.

Applying his labour theory of value, Marx had taken the view that 'money' in capitalism was really the money-commodity, typically gold, through which other commodities acquire a price, and which denotes how much of the money-commodity they will exchange for. In the situation of a currency that is not convertible into gold, this underlying relationship is merely expressed by paper

token money (as today) and its purchasing power is determined solely by its quantity in relation to the amount of gold the token paper money is supposed to represent.

Lacking a labour theory of value to underpin their analysis and - just like the other conventional economists who content themselves with examining surface appearances in the capitalist economy rather than underlying relationships - the monetarists decided that things that had often been termed 'near-money' were so close to money as to become indistinguishable from it and should therefore be included in any definition of the money supply. This primarily included bank deposits.

This seemingly theoretical distinction had a real, practical impact. When Jim Callaghan's Labour government from 1976-9 signalled a move towards rejecting Keynesianism in favour of monetarism - and was then followed by the more full-blooded version of monetarism from 1979 onwards when Mrs Thatcher's Conservatives came to power - their stated aim was to 'watch and control' the expansion of the money supply. But the favoured money supply indicators (labelled 'M1' and 'M3' at the time) consisted primarily of bank deposits and it was no surprise that their movements bore little relationship to what was happening to the price level. Indeed, Thatcher herself was later to comment that these indicators were 'often distorted, confusing and volatile' (*The Downing Street Years*, p.688), with their control soon being abandoned as a policy instrument.

In effect, what Friedman had done was to encourage governments in the UK, US and elsewhere to resurrect what had been known decades earlier as the 'bank deposit theory of prices'. This was a long-discredited theory that had been comprehensively demolished by (among others) one of the last of the classical economists, Professor Edwin Cannan of the London School of Economics, who, in his *Modern Currency and the Regulation Of Its Value* (1931) claimed with a remarkable sense of prophecy that 'this is one of the most obstructive of all modern monetary delusions'. Like Marx, and like his fellow classical economists, Cannan adhered to a theory of value which allowed him to underpin what happened on the 'surface' of the economy with what was happening in the sphere of real wealth production and distribution. His argument was summarised in his *Money: Its Connexion With Rising and Falling Prices* (1923):

'A[n] . . . error, which has, unfortunately, been countenanced by many high monetary authorities in recent years, is to suppose that the aggregate of deposits is a kind of money (sometimes it is called 'bank-money') which should be added to the actual stock of coins and notes existing at any moment. The individual, no doubt, finds 'money in the bank' much the same as 'cash in the house', but the aggregate of all the individuals' balances at their banks is only an amount which the bankers are liable to pay, but which they could not possibly pay in cash at one moment. A liability to pay cash is certainly not cash: both debtors and creditors are painfully aware of the fact. When *additional* currency is put on the market by some one who has the power of issuing it, prices are

raised, because the issuer's offer of money in exchange for goods and services is additional, the power of nobody else to spend money having been reduced. When, on the other hand, a person increases his balance at his bank he increases the bank's power to lend only at most by the amount which he forgoes, so that the aggregate money-spending is not increased' (p.81).

An inability to recognise this fact (compounded by a general adherence to the mistaken view that banks can create vast multiples of credit from a single deposit base) meant that Friedman's 'monetarism' amounted to little more than the advocacy of a discredited economic theory with predictably disastrous results.

## Legacy

The modern legacy of Milton Friedman is not a strong one. Where free-market solutions to problems are not in open retreat, they are being questioned with renewed vigour and 'monetarism' has deservedly died something of a death, even among many of its previous adherents. And while Friedman hugely exaggerated the role governments have played in market failures such as economic slumps (his book *A Monetary History of the United States 1867-1960* being something of a case in point) where he was right - with inflation being a government-promoted monetary phenomenon - it was not always for the right reasons.

In most developed countries the creeping inflation of the currency that started at the time of the Second World War is still with us, partly because Friedman's 'monetarism' ended up obscuring the issue. The amount of currency in circulation in the UK in 1938 was under £600 million, now it is around £45,000 million having steadily increased year-on-year, being far in excess of what is actually required for production and trade. The result is that the price level has risen every single year since and - despite the current downward pressure on many prices caused by world competition - continues to do so. And capitalism's other attendant social and economic problems are still with us as they always are, whether there is inflation or not.

Seen in this light, Professor Friedman's most important interventions verged between the disastrous and the useless. In promoting a free-market dogma which refuses, against all the evidence, to countenance the fact that there is something intrinsically wrong with the capitalist system of production for profit he was seriously misguided; furthermore, in effectively resurrecting the formerly discredited 'bank deposit theory of prices' he did little but add further confusion on the principal issue that made his name.

In 1976 he won the Nobel Prize for Economics. Little did they probably suspect at the time that it was for breathing life into two economic corpses that would have been better left dead and buried. ■

DAP



# Adam Smith: capitalist icon?



*Mention of the name Adam Smith calls to mind the "invisible hand" of the market, free trade, even capitalism itself. And money makes this capitalist world go round. So the Bank of England's decision to feature Smith's face on its twenty-pound notes, starting this spring, certainly seems appropriate.*

**T**he Bank's Governor, Mervyn King, says that Smith reminds us of how "openness to trade with others" allows us to "seize opportunities to specialize" that result in higher "productivity, incomes and standards of living for citizens of all countries." To drive this point home, the new banknotes will have an engraving of a pin factory, which Smith used as an example of how the division of labour increases productivity, with the caption: "and the great increase in the quantity of work that results." King hopes the new banknotes will encourage visitors to Britain "press their own politicians to support the opening up of trade, which has been at the heart of the British Government's efforts to reform the world economy."

The image of Smith presented on the banknotes, while not incorrect, is certainly one-dimensional. It ignores those aspects of his investigation of capitalism that run directly counter to some of the cherished beliefs of his followers.

That is not to suggest, however, that Smith was an anti-capitalist. Some like

Noam Chomsky have flipped through the pages of *The Wealth of Nations* to uncover ideas critical of capitalism, but this effort seems misguided and unhistorical. Smith undeniably had faith in capitalism, but this view arose naturally from living in an ascendant capitalist system that had yet to fully reveal its contradictions. Compare this to the contemporary cheerleaders for capitalism who can only maintain their belief by denying reality. In late 18th century Europe, there was no socialist spectre haunting the sleep of burghers like Smith. If anyone had insomnia it was aristocrats worrying about the rising bourgeoisie. With the peace of mind that this situation afforded him, Smith pursued the sort of disinterested study of capitalism that could only be carried out a century later by critics of capitalism, such as Marx.

## **A labour theory of value**

Smith's great interest in the "specialization" of production, which the new banknotes emphasize, naturally led him to ponder what regulates the commodity exchange that mediates this

division of labour. In other words, he wondered what determines the "exchangeable value" of commodities. In using this term, Smith already makes an important distinction from what he calls "value in use." Smith notes that something with great utility, like water, has no exchange value at all, whereas a diamond is of little real use but has great exchange value. Smith thus sets aside the issue of use-value, to instead "investigate the principles which regulate the exchangeable value of commodities." The answer he arrives at later came to be known as the "labour theory of value." That is, he identifies the labour necessary to produce a commodity as the factor that regulates its exchange-value.

This view is presented in chapter six of *The Wealth of Nations*, where Smith says that "the proportion between the quantities of labour necessary for acquiring different objects seems to be the only circumstance which can afford any rule for exchanging them for one another" He offers the example of "a nation of hunters"

where it usually costs twice the labour to kill a beaver" than "it does to kill a deer." The result is that "one beaver should naturally exchange for or be worth two deer." In other words, "produce of two days or two hours labour" would naturally "be worth double of what is usually the produce of one day's or one hour's labour."

Smith goes on to point out that more difficult or complex labour would naturally be worth more than simple labour: "If the one species of labour should be more severe than the other, some allowance will naturally be made for this superior hardship; and the produce of one hour's labour in the one way may frequently exchange for that of two hours labour in the other."

This view is expressed in such a simple and straightforward way that it may seem inconsequential. But the significance of Smith's idea that commodities have intrinsic value, based on the labour "embodied" within them, becomes clearer if we compare it to other explanations of value.

The most common "explanation" of value, which most people would offer without thinking twice, is that a commodity's value is the outcome of supply and demand. But on closer consideration, it becomes clear that this can only account for why the price of a given commodity might fluctuate higher or lower; it cannot explain why a price fluctuates around a certain level. Supply and demand might account for why the prices of 4x4s fell compared to hybrid vehicles, when oil prices soared, but won't tell us why cars have far greater exchange value than, say, bicycles.

Another related theory is the idea that a commodity's value is determined subjectively according to its *utility*. But, again, this does not answer the car-versus-bicycle question. Many people find bicycles infinitely more useful than cars, but that does not mean they are willing to pay dearly for them. A subjective theory can explain why a person dying of thirst in the desert would gladly exchange a diamond ring for a glass of water, but this does not help us understand everyday commodity exchange.

In addition to these explanations, there is the theory of value that claims a commodity's "value" is determined by the price of producing it ("cost price"). But this is a tautology that does not explain what determines this price.

Only a labour theory of value, which locates the intrinsic source of value, offers a way to move beyond these superficial explanations.

### **Dangerous implications**

Capitalists have been vehemently opposed to the labour theory of value for good reason. A theory of intrinsic value leads towards an understanding of the source of profit, which capitalists are eager to obfuscate. If a commodity has no intrinsic value, and its price is only determined in the actual process of being exchanged, then profit is likewise something that arises out of thin air.

Smith's idea that value is based on the labour embodied in a commodity, leads him to better understand where profit comes from. In the same chapter in which

he presents his labour theory of value, Smith offers the view that profit is a "deduction" from the intrinsic value of a commodity. In other words, first we have the existence of value (determined by labour), and this is then *broken down* into the revenue of the various classes (i.e. profit, rent, and wages).

He writes: "The value which the workmen add to the materials [means of production], therefore, *resolves* itself in this case into two parts, of which the one pays their wages, the other the profits of their employer upon the whole stock of materials and wages which he advanced." And this same explanation is offered to explain the source of rent: "[The landlord's] rent makes the first deduction from the produce of the labour which is employed upon land."

There are still many unanswered questions here regarding the exact source of profit, but by generally locating it in the value created by workers, Smith is not far from a theory of surplus-value. He is certainly head and shoulders above the view, still common today, that profit arises from "buying low and selling high." This explains nothing, really, because the gain on one side is a loss on the other. The end result, as far as society is concerned, is zero. Or, as Marx famously said, "the capitalist class as a whole cannot defraud itself."

According to Smith's argument, instead of profit arising *ex nihilo* from the process of exchange, it is a slice of the value originally created by the labour of workers. This is a very dangerous idea as far as the capitalist class is concerned. It implies that the interests of workers and capitalists are fundamentally opposed. Smith is not afraid to bluntly describe this reality. He says that the interests of the two classes "are by no means the same," because "the workmen desire to get as much, the masters to give as little as possible." There is no "win-win" situation in Smith's mind. And he brilliantly depicts how, in industrial struggles, the workmen "are desperate, and act with the folly and extravagance of desperate men, who must either starve, or frighten their masters into an immediate compliance with their demands," while "the masters... never cease to call aloud for the assistance of the civil magistrate, and the rigorous execution of those laws which have been enacted with so much severity against the combinations of servants, labourers, and journeymen."

This realistic view of class struggle, so distant from the platitudes of Mervyn King, flows naturally from an understanding of the source of value and a "deduction" theory of profit.

### **A step backward**

Smith was unable to consistently adhere to a labour theory of value, however. He concluded that this principle is only applicable to commodity exchange in pre-capitalist societies (the "early and rude state of society"). But if we examine why Smith abandoned this theory, we can appreciate how seriously he struggled to understand capitalism.

When he turns from pre-capitalist society (depicted as being made up of independent commodity producers who

own their means of production), to examine the situation under capitalism, Smith is perplexed by a case of unequal exchange. This is the exchange between capitalist and waged worker, where the worker is paid a money-wage that contains less (embodied) labour than the (living) labour carried out in return for the wage.

Smith does not realize it, but in making this observation he is tantalizingly close to identifying the precise source of surplus-value. Marx was able to reveal this great secret of capitalist society by clarifying how surplus-value arises from the *difference* between (a) the value of the labour-power (or labour capacity) a waged worker sells as a commodity to the capitalist and (b) the new value created in production by the actual use of this labour-power (i.e. labour itself), with the latter being greater in value magnitude than the former.

Smith fell into hopeless confusion because he did not make this distinction between labour and labour-power, instead using the same term "labour" to refer to both. Once this crucial distinction has been made, however, it becomes clear that the exchange between waged worker and capitalist is not unequal. The capitalist pays for labour-power according to its value, which is determined by the value of the commodities the worker consumes to "reproduce" this capacity to labour. What is unequal is not the exchange *itself*, but what happens next, in the production process, where the worker's labour generates a greater magnitude of value than the value of the labour-power exchanged.

Far from contradicting the labour theory of value, it is only on its basis that this exchange between waged worker and capitalist can be adequately explained. But Smith, fixated on the very real inequality of the outcome, concluded that another theory of value was needed to explain capitalism. He turned away from the "deduction" theory of value, to embrace the opposite, "composition" theory where value is explained as the sum of profit, rent and wages. What this does not explain, of course, is what determines these three component parts.

Even here, though, Smith's views are not without basis, since under capitalism commodities are sold at their "production prices," rather than their values, and this is a composed price (cost price plus average profit). But Marx explained the relation this composed price has to intrinsic value, whereas Smith merely described it.

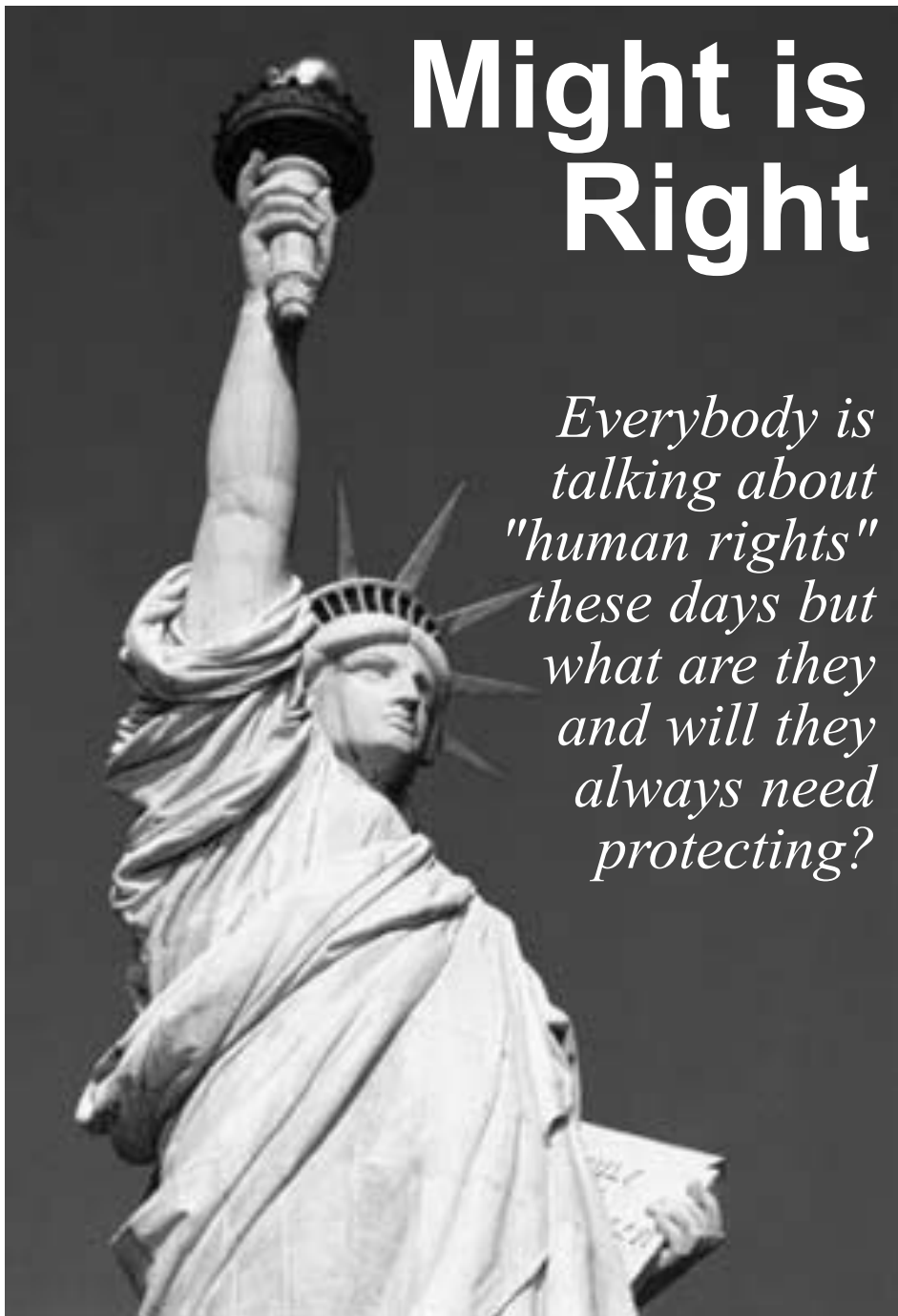
Smith's thought was this mixture of science and a mere cataloguing of external phenomena. Defenders of the capitalist system draw on the latter, and love to quote from his superficial descriptions of the marketplace, but socialists can thank Adam Smith for taking an important step towards an understanding of what makes capitalism tick. ■

**MICHAEL SCHAUERTE**



# Might is Right

*Everybody is talking about "human rights" these days but what are they and will they always need protecting?*



**S**ocialists have a problem with "human rights". Not of course that we don't think individuals shouldn't have free speech or shouldn't be free from arbitrary arrest and imprisonment. It is the concept of "rights" in general that is the problem.

We are materialists and so don't like to deal in vague abstract ideas such as Justice, Freedom - or Rights. For us, these are reflections of material circumstances. We take the view that "might is right", not in the sense that this is how things should be but in the sense of how things are. Without the power to enforce it ("might") a "right" is just an ineffective, abstract concept.

Take the "right to strike", for instance. What this means is that it is not illegal to go on strike. But the state only made strikes legal after the workers had demonstrated that the law wasn't going to stop them striking. In other words, the state's recognition of the "right" to strike was the state accepting that the workers had already acquired the "might" to strike.

This is not the case with individual "human rights" in countries which don't recognise them. When Amnesty criticises

the lack of human rights in China or Burma or Iran or wherever, they are merely appealing to an abstract idea since there is no might to back them up. No wonder the governments concerned don't take much notice of these appeals (unless they want to make some gesture in order to obtain some diplomatic advantage).

The most that we as materialists can accept regarding the concept of rights is as a description of what is in the legal code of some state, i.e. as a description of what the law actually says rather than as an abstract idea existing independently of the law. So, we can say that the "right to free speech" or "the right to a fair trial", etc exist in some country when this is provided for in the legislation of that country. On the other hand, if the law or the practise in China or Burma does not allow for free speech then this means that, as a matter of objective fact, no "right" to free speech exists there.

Any other definition of "rights" than what is set out in the law creates all sorts of problems, not least as to what exactly they are. Most people would associate human rights with free speech and freedom from arbitrary arrest and imprisonment but why

are they restricted just to things like these? Why, for instance, isn't it a human right to have enough food or to be housed decently? On what basis, in fact, is something considered to be a human right? In the end, it can only come down to a question of political preference - it's what the people making the claim consider desirable, not something objective that can be discovered. It's an expression of what they think is right. Nothing more.

## Origins

All the same, "human rights" - or "The Rights of Man" as Tom Paine entitled his famous 1791 polemic in defence of the French Revolution - do have a history. What, then, were human rights originally, when the concept was first introduced?

For this we need to go back to the end of the 18th century when two key documents were adopted within two years of each other: the Declaration of the Rights of Man and of Citizens by the National Assembly of France in 1789 and the first 10 amendments to the Constitution of the United States of America, known as the Bill of Rights, ratified in 1791.

The "rights" in the two documents are basically the same (which was no accident of course since there was a cross-fertilisation of ideas between both sides of the Atlantic): the individual has the right to free speech, freedom of religion, freedom of assembly, freedom for arbitrary arrest and imprisonment, and a fair trial before an impartial jury.

Talk of the government emanating from the "nation" and governing with the consent of the governed might lead to the conclusion that the right to vote, i.e. to say who makes up the government, would also be regarded as a "human right". But in both documents such a "right" is conspicuous by its absence - and this is very revealing.

What it reveals is that both the American and the French Revolutions were revolutions carried out largely by, but in any event, in the interest of property-owners, large and small, who wanted to remove the obstacles to their accumulating more property. But there were conflicts between the larger and the smaller property-owners, between what in France were called the "bourgeoisie" and the "petty bourgeoisie". One of the disputes between them was precisely over the right to vote.

The richer property owners were afraid that, as they were not themselves in the majority, the less well-off would vote to take away their property. In both America and France, they got their way and arrangements (restricted franchise and/or indirect election) were made to keep power out of the hands of the majority. Which is one of the reasons why we call these revolutions "bourgeois" revolutions. The "rights of man", now known as "human rights" were first proclaimed by these bourgeois revolutions.

## Economics

Marxists who have analysed these bourgeois revolutions have explained the "rights of man" as an ideology accompanying the development of the market economy which these revolutions both reflected and encouraged (see, for instance, *The Political Theory of Possessive Individualism* by C.B. Macpherson). On the market, especially the ideal free competitive market, all commodity-producers are equal in the sense of the market not according special privileges to any of them (hence the

call for the abolition of all titles of nobility); they are also free agents in the sense of making their own decisions independently of each other about what and how much to produce and sell; the market, the outcome of these decisions of the free and equal commodity-producers, operates independently of the government (hence it is the duty of the government to accept that all men are free and equal).

It is not only Marxists who associate "human rights" with the market economy. So do advocates of the so-called "free" market. Here's what the Cato Institute, a free-market think-tank in America, had to say in a document put out in 1996 (opposing trade sanctions against China for its bad "human rights" record):

"Free trade is itself a human right and rests on an individual's rights to life, liberty, and property - rights the U.S. Founding Fathers regarded as inalienable and self-evident (. . .). The proper function of government is to cultivate a framework for freedom by protecting liberty and property, including freedom of contract (which includes free international trade) - not to use the power of government to undermine one freedom in an attempt to secure others. The right to trade is an inherent part of our property rights and a civil right that should be protected as a fundamental human right. The supposed dichotomy between the right to trade and human rights is a false one. Market exchange rests on private property, which is a natural right. As moral agents, individuals necessarily claim the right to liberty and property in order to live fully and to pursue their interests in a responsible manner. The freedom to act without interference, provided one respect the equal rights of others, is the core principle of a market economy and the essence of human rights." (<http://www.cato.org/pubs/journal/cj16n1-5.html>)

This association of human rights and political democracy generally with the market economy and private property is the official policy of the US government. When it criticises the human rights record of Syria or Iran or North Korea (or, less stridently these days, China), what it is criticising is not so much the imprisonment of dissidents as the fact that these countries have state-run economies which don't allow US corporations free access to invest and buy and sell.

That the US government uses "human rights" to try to impose its form of capitalism on other countries must be an embarrassment to organisations such as Amnesty who are interested in these rights for their own sake. It allows the governments they criticise to dismiss them as tools of US and Western foreign policy. Which objectively - even if quite unintentionally of course - they are.

#### Lowered sights

This wouldn't be the criticism we would make of them. We would criticise them for having set their sights too low. In confining themselves to only taking up individual cases, they are missing the big picture. There's nothing wrong with writing to prisoners (any prisoners, not just political ones) and taking up their case with the authorities. This will ease a little the lot of the prisoners chosen, but can't really be called political action.

We would of course like Amnesty and the others involved in this sort of humanitarian work to work for socialism.

Or even, to work for the coming of political democracy to those countries without it, as the best political condition under capitalism for the development of the socialist movement. But the various human rights organisations have deliberately chosen not to do this. This is not just because it would close all channels of communication with the political authorities they have to deal with to have any chance of achieving something in the individual cases they take up. It is also because they, either implicitly or explicitly, regard working for something

**“No doubt such people gain some satisfaction when they make progress in a particular individual case, but can they really be satisfied with the prospect of endlessly having to fight such cases again and again?”**

bigger such as political democracy (let alone socialism) as to set too unrealistic a goal in the sense of something not likely to be achieved in the near future.

Human rights organisations are not the only ones to take up this position. In the last thirty or so years it has become the general position of people concerned about some problem or other thrown up by capitalism. In the past such people would have joined the Labour Party or the Communist Party to try to solve the problem by national political action. Now they have given up on this and dispersed into hundreds of single issue organisations (Amnesty, Shelter, Greenpeace, Child Poverty Action, etc. etc.). It is as if they have accepted that capitalism is here to stay and have adopted the tactic of merely

trying to make things a little less bad in the field of their particular concern. It's a reflection of the pessimism that has resulted from the failure of reformism, in which so many people had previously placed such high hopes.

No doubt such people gain some satisfaction when they make progress in a particular individual case, but can they really be satisfied with the prospect of endlessly having to fight such cases again and again? Can they really be happy seeing the future as capitalism continuing for ever with them trying to stop it stamping so hard on people?

Hopefully not. Hopefully they will eventually come round to realising that it makes more sense to work for a world in which there will be no violation of human rights since there will be no governments representing the interest of minority ruling classes with an interest in violating them to protect their privileges and rule. In other words, a classless, stateless world based on the common ownership and democratic control of the means of life by and in the interest of all the people, in which there would be no market as there'd be production directly for use.

In such a world the whole concept of "human rights" would be part of the in-built democratic nature of a classless society (whether as procedural rules or as spontaneous behaviour patterns). There would be no minority ruling class or armed political centre against which people would need protection - no institutionalised might against which a counter-might would need to be exercised. ■

ADAM BUICK





*According to reports in the papers and on the television, Iraq is now falling apart. Why?*

**A**fter the September 11 2001 attacks on several American targets, it was obvious that someone was going to suffer. America had been involved, victoriously, in two world wars, virtually without enduring any damage at home. The US is now easily the world's most powerful country, and it had been openly attacked. It is all reminiscent of what happens in the school playground. The biggest bully is hit, accidentally or on purpose, by a stray football, and therefore loses face; so he has to get back his status as a tough guy by beating up the first shivering youngster he can catch.

From an American point of view, the obvious targets were Afghanistan and Iraq. Afghanistan was run by sympathizers with the extreme brand of Islam which had just produced the attacks on America, so an invasion could be justified by those who support American capitalism. The argument about Iraq was much harder. Saddam Hussein was an appalling tyrant, but he was what is called a secular Muslim. He hated fundamentalists. Anyone suspected of al-Qaeda leanings Saddam simply butchered, along with any other opponents he could get his hands on. But America had been much criticized for calling off its last invasion: it feared that to overthrow the Saddam regime would make Iran too powerful in the Middle East, and so it stood twiddling its thumbs while Kurdish and Shia opponents of Saddam, believing that at last help was coming, rose in force, and were brutally slaughtered.

If Bush seriously wanted allies, friends, and helpers, against al-Qaeda, Saddam was a leading candidate. But Bush had lost face, someone had to suffer, and Saddam was so revolting that no one could feel sorry for him. And, of course, Iraq has tremendous reserves of oil, second only to those of Saudi Arabia. So Iraq became the target. The awkward fact that many Iraqis would be slain could be ignored as irrelevant. (According to various estimates the dead are "only" 30,000, or perhaps 150,000, or 650,000 - but who's counting? Certainly there are very many more than the 3000 killed in the September 11 attacks on the US). The fact remained that America had been openly assailed, so someone had to pay.

When it became clear that Bush and Blair were determined to invade Iraq, anybody who wondered what on earth was happening could have found out by getting a book out of the library. The country called "Iraq" had been invented by Britain at the Versailles Conference after the 1914-18 War, to put together the bits of the Turkish Empire which (since the Turks had been on the losing side) had fallen to Britain's share. (It was called a "mandate", but in effect the new country was incorporated into the British Empire; and it had the long-term effect that as Saddam's thugs tortured, maimed, and killed, at home, or crashed into foreign countries, the required military wear was reminiscent of impeccable British uniforms.)

Britain had earlier promised to create "Kurdistan", a homeland for the Kurds, since after all it was claimed that the 1914-18 War had been fought to protect the rights of small nations, such as Serbia and Belgium; but finally Britain decided that it wanted some of this Kurdistan for itself, so forgot the promise. At Versailles Britain's bit of Kurdistan (with its oil wells) was put together with a Shia area further south (with more oil wells) along with a Sunni area in the middle which joined them together, and the resulting dog's dinner was called Iraq.

This new creation ignored nearly 1400 years of Muslim history. In the new faith of Islam, religious leaders were so powerful that they controlled, or owned, everything of importance, and were therefore the ruling class. When Muhammad died in 632 A.D. a conflict broke out between his



# Iraq in chaos

companions and his relatives for the future leadership of the movement, and thus the supreme power in the area now subject to Islam: one party favoured Muhammad's best friend, Abu Bakr, the other party favoured his cousin and son-in-law, Ali. The rewards of leading the new movement were so great that much fighting and bloodshed followed. The Sunni faction won, beating the Shia faction, but the contest had created much bitterness. Since then the two sides have hated each other with a venom in comparison with which Ian Paisley and the Pope are old chums.

In the Muslim countries, either there is a large Sunni majority and a small Shia minority, or a large Shia majority (as in Iran) and a small Sunni minority. In both cases the minority keeps its head well down and makes sure it presents no threat to the power of the dominant belief. That is how those countries have survived without civil war. But in Iraq, which was only cobbled together to suit British interests, there is a large Sunni minority - 20 percent, while the Shias are only 60 percent, since another 20 percent are Kurds (and other small minorities such as the Assyrians and Turkmen). Figures like those are a recipe for disaster. Not only is there the Sunni-Shia chasm, but since both parties are Arabs, the Kurds (consisting of often-persecuted minorities in several countries) hate them both almost as much as they hate each other.

Iraq was kept in order, and could only be kept in order, by a non-democratic regime. For the first part of its existence the British Empire provided the necessary autocracy: a rebellious movement in the early 1920s was settled by dropping bombs on dissident villages (which was where the young airman called



Arthur Harris, later Bomber Harris, was converted to the virtues of area bombardment from the air - though of course the rebel Iraqis had no fighter aircraft or anti-aircraft weapons, so it was really a Sunday school outing, so to speak, for the bombers).

Britain then established a line of client kings, who were given a spurious "independence". The last of these client monarchs, Feisal II, was murdered with his whole household in July 1958, while his Prime Minister, attempting to escape from Baghdad dressed as a woman, was also captured and executed. Abdul Qassim, who led the rebellion, was similarly executed at the next coup in 1963. Then came a succession of dictators (sometimes supported by Britain, sometimes overturned if they got out of line), produced by vicious gang warfare among the strong-arm boys. The last one was perhaps the worst of them, Saddam Hussein, who like Stalin established himself firmly in power by murdering thousands of opponents in his own party and outside it.

None of this, though all of it is easily discoverable at the nearest public library, was apparently known to Bush or Blair. After the first excuse, that Saddam had weapons of mass destruction, was found to be false, the next claim was that the invaders were going to establish a united democratic Iraq. It was clear from the beginning to anybody who had a library ticket that the invaders could have a united Iraq if they wanted it, or they could bring democracy to the Iraqis if they wanted to, but what they could not have was a united democratic Iraq. The beginning of Iraqi democracy would also be the end of Iraqi unity. The hatred felt since Muhammad's death between Sunnis and Shias had been exacerbated (if that were possible) by the fact that Saddam was a Sunni, and favoured Sunnis in his rule; so the detestation felt by Shias for Sunnis was redoubled. Clearly removing the iron grip of the tyrant Saddam would let loose all this desperate acrimony - and, of course, it has done. It is strange that none of the many high-powered advisers who surround Bush and Blair could work this out.

The net result of all the soldiers' blood, Treasury billions, and hatred throughout the Muslim world, which the invasion has brought America and Britain, is that the Islamic fundamentalists (who lasted in Iraq only until Saddam could drag them to the gallows) are now triumphant. Men not wearing beards and women not wearing veils both risk being attacked. The education of women is now taboo. The Sunni and Shia "militias"

- armed gangs - routinely slaughter victims from the opposite community. Arabs and Kurds raid each other. The Christian minority is under threat. (Paradoxically they apparently think they were much better off under Saddam than they are now.) The handful of Jews left in Baghdad (137,000 Iraqi Jews left or were driven out after the establishment of Israel) were able to worship in their one remaining mosque under Saddam; since the invasion, they do not dare to do so.

The allegation of Bush and Blair that they were driving Islamic fundamentalism out of Iraq is now shown to be exactly mistaken; they have succeeded only in bringing it into Iraq. Capitalism cannot even succeed in bringing about all the results that the capitalists want - even the strongest capitalist state in the world cannot achieve all its aims; so what chance has capitalism of bringing about the results that the rest of us want?

ALWYN EDGAR



## Cooking the Books (1)

### Who's to blame for carbon emissions?

In 2004 the Office for National Statistics published a report on

"The impact of UK households on the environment through direct and indirect generation of greenhouse gases". It concluded that of the 718.5 million tonnes of carbon dioxide equivalent emitted in the UK in 2001 "households were directly or indirectly responsible for 612.4 million". That's 85 percent. Can this be right? Is it possible that industry is only responsible for at the very most 15 percent? How can this be?

To arrive at this figure, the government's statisticians first calculated how much households directly emitted through burning gas, oil, petrol and coal to heat their homes, cook their food, drive their cars, etc and reached a figure of 155.8 million tonnes. To this a further 2.4 million was added to take account of the emission of other greenhouse gases from households' using aerosols, fridges and air conditioning equipment, giving a total of 158.2 million, or only 21.6 percent of the total.

But the statisticians didn't stop there. They then proceeded to calculate how much households were responsible for "indirectly", explaining:

"Indirect greenhouse gas emissions are those arising through household demand

for electricity, public transportation and demand for goods and services. Indirect emissions are considered to be embedded in the product purchased. Electricity contains the embedded emissions from the combustion of coal, gas, oil, etc used in its generation. Similarly, food products contain indirect emissions from the use of pesticides and fertilisers as well as enteric emissions from livestock".

Some might consider it reasonable to include the emissions resulting from the generation of the electricity used by households for lighting, heating, cooking, TV, computer, music centres, etc, but one consequence of this is that responsibility for the emissions is thereby shifted from the power station companies to households. Still, at least the power stations will be held responsible for the emissions resulting from the generation of the electricity supplied to industry, won't they? No. Read the passage above again: "indirect emissions are considered to be embedded in the product purchased". What this means is that the electricity consumed in the production of some product purchased by a household is not attributed to the industry that produced it, but to the household that purchased it.

It's the same with transport. The emissions caused by bus companies, train companies and airlines are not attributed to them, but to their passengers. And, as the above quote specifically says, the emissions from food production - and agriculture contributes quite a bit to greenhouse gas emissions as methane - are to be attributed to us who buy the food.

When all these dubious calculations

are done, the government statisticians saddle households with responsibility for a further 456.6 million tonnes of emissions.

But what, on this logic, is left as industry's responsibility? 15 percent perhaps. No, again. The government is also a final consumer of electricity and products and, on the report's logic, is to be blamed for the emissions resulting from their production. Though the report does not calculate this, from other statistics it will be more than half of the remaining 15 percent. In the end, industry and agriculture are going to be held responsible only for the emissions generated by what they accumulate as new capital, or about 7 percent. Which is ridiculous.

There is another way of looking at the matter. From the point of view of Marxian economics, wage and salary workers are not final consumers. What we spend on heating, lighting, cooking, travelling, food, recreation, entertainment, etc is expenditure on what we must consume to reproduce our labour power; which we sell to our employer, who in using it is the real final consumer.

So, it's the other way round. Instead of the emissions caused by capitalist industry being attributed to us, even that from our direct heating, cooking, driving, etc should be "indirectly" attributed to them. They rather than us are responsible for the great bulk of carbon emissions, even if this is in response to the pressure of the competitive struggle for profits that is built into capitalism. So, in the end, it's the whole capitalist system that's to blame.



# Zionism and anti-semitism

## Two dangerous ideologies that thrive on each other.

It's now 110 years since Theodor Herzl wrote *Der Judenstaat* (*The State of the Jews*) and launched the Zionist movement, nearly 60 since the state he envisaged came into being. Upset by the Dreyfus case (Dreyfus was a French Jewish army officer framed as a spy for Germany), Herzl had concluded that Jews would only be safe when they had a state of their own.

As they ran for the shelters during the war with Hezbollah, Israelis may well have wondered whether there is any country in the world where Jews are less safe. And although the Israeli government keeps emigration statistics secret, it is estimated that since 2003 more Jews have been seeking refuge by leaving Israel than by entering it. Thoughtful Israelis may also wonder how much of the anti-semitism in the world today is generated by Israel itself through its mistreatment of Palestinians and Lebanese.

Zionists are always complaining about anti-semitism, real or imaginary. They use such complaints especially as a gambit to de-legitimise criticism of Zionism and Israel. From the start, however, Zionist opposition to anti-semitism has been superficial and selective, because Zionism is itself closely connected to anti-semitism. The Zionist needs anti-semitism like heroin addicts need their fix.

### Allying with anti-semites

Herzl realised that if his project was to succeed he had to seek support wherever it might be found. And who was more likely to back his movement than the anti-semites? Not the most extreme anti-semites, who wanted to exterminate the Jews, but "moderate" ones who would be content to get rid of them. And so Herzl set off for Russia to sell his idea to the tsar's minister of police, Plehve, a notorious anti-semite widely regarded as responsible for the Kishinev pogrom of 1903.

An opportunistic alliance with another anti-semitic ruler of Russia - Stalin - was crucial to the establishment of the state of Israel. On Stalin's instructions, Czechoslovakia provided arms and training that enabled the fledgling Zionist armed forces in Palestine to win the war of independence in 1947-48. Stalin's motive



Theodor Herzl

was to undermine the position of Britain in the Middle East. For some years the Israeli government continued to rely on Soviet military and diplomatic support, while keeping silent about the persecution of Soviet Jews, then at its height. (For more on this episode, see Arnold Krammer, *The Forgotten Friendship: Israel and the Soviet Bloc, 1947-53*, University of Illinois, 1974.)



France accused Alfred Dreyfus, the world accused France

In 1953 the Israeli-Soviet alliance finally broke down. Israel switched to the other side of the Cold War, obtaining aid first from France and then from the US. Alliance with "the West" also entailed maintaining good relations with anti-semitic regimes, notably in Latin America. Consider Argentina: a disproportionate number of Jews were among those killed, imprisoned and tortured by the military junta that ruled the country from 1976 to 1983. Given the "anti-democratic, anti-semitic and Nazi tendencies" of the Argentine officer corps, we may assume

that they were persecuted not merely as political opponents but also as Jews. Meanwhile a stream of Israeli generals passed through Buenos Aires, selling the junta arms. (See <http://www.jcpa.org/jpsr/jpsr-muaems04.htm> and <http://www.thirdworldtraveler.com/Terroris>

[m/Argentina STATUS.html](#); also Jacobo Timmerman's book *Prisoner Without a Name, Cell Without a Number*.)

### Ideological affinities

But it is not just a matter of Zionists and anti-semites sometimes having strategic or business interests in common. There are ideological affinities. Zionists, like anti-semites, are mostly racists and nationalists for whom it is abnormal that an ethnic group should live dispersed as a minority in various countries. It is therefore natural and only to be expected if the majority reacts badly to such an anomaly. There is a strong tendency in Zionism to agree that Jews have objectionable traits, which are to be overcome as they turn themselves into a normal nation by settling in Palestine "to rebuild the land and be rebuilt by it."

What if the Jews in a given country are well integrated, face no significant anti-semitism, and show no interest in being "normalized"? Originally Zionism was conceived as a means of solving the problem of anti-semitism. From this point of view, where the problem does not exist there is no need for the solution. However, ends and means were inverted long ago, and Zionism became an end in itself, with anti-semitism a condition of its success. Anti-semitism might still be regarded in principle as an evil, but as a *necessary* evil. Often it was also said to be a *lesser* evil compared to the threat of assimilation supposedly inherent in rising rates of intermarriage.

Against this background, it seems a trifle naive to ask why Israel's ruling circles don't realise that by their own actions they are generating anti-semitism. They realise. But they make it a point not to give a damn what the world thinks of them.

There is nothing unique about the affinity between Zionism and anti-semitism. Russian nationalism thrives on Russophobia (the denigration of Russians), Irish nationalism on anti-Irish prejudice, Islamism on hatred of Moslems, and so on. To escape the vicious circle, we must respond to ethnic persecution not by promoting "our own" brand of nationalist or religious politics, but by asserting our identity as human beings and citizens of the future world cooperative commonwealth. ■ STEFAN



The Kishinev pogrom, 1903



## Cooking the Books (2)

### Global turbulence

Around 1973 the post-war boom came to an end. Various explanations were advanced. At the time one of the more popular was that profits had been squeezed because the working class had been able to take advantage of full employment to push up wages, as put forward by Andrew Glyn and Bob Sutcliffe in *British Capitalism, Workers and the Profit Squeeze*.

It was also the view, at the other end of the political spectrum, of Mrs Thatcher, who determined to destroy this supposed power of the unions. Which her government did after 1979. But this didn't bring about a return to pre-1973 boom times. Which shows, argues Robert Brenner in *The Economics of Global Turbulence*, that it wasn't increased wages that caused the fall in the rate of profit that precipitated what he calls "the long downturn" that is still with us.

So what did? His explanation is that the unplanned and competitive nature of capitalism led to world overproduction and overcapacity in manufacturing industry. The expansion of American manufacturing industry led the post-war boom but, in time, the same productive methods it employed were applied by its competitors in Germany and Japan, so increasing - over-increasing in fact (in relation to paying demand, not real need of course) - world manufacturing capacity.

"Normally" this would be rectified by a world slump in which the high-cost, inefficient producers would be eliminated but this didn't happen, argues Brenner, or at least not sufficiently, because of government intervention and because some of the inefficient producers were prepared to carry on with reduced profits. And it still hasn't happened as, although world paying demand (world trade) has expanded, world manufacturing capacity has expanded more, with the arrival, first, of Korea and Taiwan and, now, of China. As a result since 1973 the world economy as a whole has

only been limping along.

The motor of capitalism has always been industry, which transforms material things into other material things. It is the renewal and expansion of such industries, and the repercussions this has on the rest of the economy, that has resulted in the accumulation of productive capital that is the essence of capitalism. But in Western countries today, with their stagnant or declining manufacturing sectors, this no longer appears to be the case. Judging by the commentaries on the financial pages, this role of motor would seem to have been taken over by "consumption".

Capitalism has of course always satisfied paying consumer demand but this has been generated as a by-product of the accumulation of capital. Keynesianism was an attempt to go beyond this and artificially stimulate consumer demand through government spending.

Brenner argues that governments are still trying to stimulate and manipulate demand, by deliberately engineering an illusory increase in wealth by lowering short-term interest rates. This has the effect of increasing the price of stocks and shares and houses; people feel richer and, once a stock exchange or housing bubble develops, can get more money to spend through cashing in their capital gains. Brenner calls this "asset-price Keynesianism" and argues that in the end it is just as impossible to sustain as classical Keynesianism. Not only does it lead to "stop-go" as the artificially inflated demand draws in imports and creates balance of payments problems, but it also leads to stock exchange and/or housing booms and busts.

He says that the current apparent expansion in the US will sooner or later come to an end (as it now seems to be) "but, whether the reversal takes place with a whimper or a bang, economic slowdown and new turbulence still seem much more likely than a leap into a new long upturn". So capitalism will just stagger on from mini-boom to mini-slump and back as it has done since 1973.

## Nonprofit Production: Wave of the Future?

Each year half a million people in India and other tropical countries catch visceral leishmaniasis, also known as black fever. Infected by the bite of a sand fly, they rapidly weaken and lose weight before dying with painfully swollen livers and spleens.

A safe and effective treatment for black fever was found long ago: the antibiotic paromomycin (cure rate 95 percent). But the firm that developed it -- Pharmacia, a precursor of Pfizer - shelved it in the 1960s for lack of a "viable market." What that means is that the people who need it cannot afford to pay for it. It is simply not profitable for pharmaceutical companies to fight diseases that afflict the poor. Less than 1 percent of the new drugs developed in 1975-99 were for tropical diseases (Joel Bakan, *The Corporation*, p. 49).

Lack of effective demand is not the only thing that makes many useful drugs unprofitable. In general, a capitalist firm can only make big profits by selling drugs on which it has a patent - that is, an exclusive right to make, use, and sell a new product for a certain period (in Britain and the US it is 20 or even 25 years). Firms are not interested in making drugs that cannot be patented.

An interesting recent development is the emergence of a new kind of charity that raises money not just to distribute but to

produce things that people need but can't afford. One such organization is the Institute for OneWorld Health (IOWH), founded in San Francisco in 2000 by Dr. Victoria Hale (<http://www.oneworldhealth.org>). A pharmaceutical chemist, Dr. Hale had felt frustrated watching the industry abandon badly needed and promising but unprofitable drugs. At about the same time, James Fruchterman, an electrical engineer, set up Benetech, another "nonprofit company," in Palo Alto, California, to produce new types of equipment for the disabled.

The first program of IOWH aims to make paromomycin available to black fever sufferers in the north Indian state of Bihar. The program is being funded (to the tune of \$4,700,000) mainly by Bill and Melinda Gates. The Indian government has given its approval and an Indian firm (Gland Pharma of Hyderabad) has agreed to manufacture the drug at cost. Other programmes are planned to tackle Chagas disease, malaria, and diarrhea.

It is hard not to sympathize with well-meaning projects of this kind. But we also have to consider the problems faced by nonprofit organizations as they operate under the constraints of a profit-driven economy.

The first problem is how to raise enough money. IOWH is asking the Gates for another \$30 million. They can't take out loans or raise funds on the capital market because that would force them to operate on a profit-oriented basis. But unfortunately only a few of the very wealthy are willing to give to charity on a really major scale and the demands made on those few are legion. And doesn't it seem perverse first to accumulate profit and then use it to ameliorate the ills constantly generated by

that same profit-making process? Does the left hand know what the right hand is up to?

It also bears noting that the paromomycin is not going to be provided free of charge. The aim is only to make it as affordable as possible. Dr. Hale hopes to keep the cost down to \$10 for a 21-day course of treatment, but the website of the World Health Organization merely says "below \$50." We shall see. The point is that in the context of India - and especially in that of Bihar, India's poorest state - these are by no means paltry sums. The average per capita income in Bihar is \$120 (5,500 rupees) a year. As the distribution of income is highly unequal, even \$10 will be well beyond the means of many sufferers.

In his enthusiastic report in the *Guardian Weekly* (October 20-26, 2006, p. 29), Ken Burnett asks why nonprofit pharmaceutical companies should not be followed by nonprofit seed companies, water companies, travel companies, and so on. Why not, indeed? But if this is supposed to be a process that develops under capitalism, we can't avoid asking: "Where is the money coming from?" So far all we have is one small nonprofit pharmaceutical company and one small nonprofit engineering firm.

Nevertheless, it is encouraging to see people trying to move in this direction, people who crave meaningful work for the benefit of the community. The very existence of nonprofit companies is a protest against and challenge to the system of production for profit. We would only take the argument to the next logical step. Why not extend the principle of production for need to the world economy as a whole?

■  
STEFAN



**Chavism**

***Democracy and Revolution: Latin America and Socialism Today.* D. L. Raby. Pluto Press.**

Though relatively unknown in Europe, Latin America has its own tradition of Marxism or, rather, of "Marxism-Leninism". Descended from the bourgeois-democratic ideology that motivated those who "liberated" Latin America from Spanish rule in the first part of the 19th century, it has been more nationalist and anti-imperialist than pro wage-working class even though committed to trying to improve the lot of "the people".

As this book inadvertently shows, Cuba illustrates this well. The Cuban revolutionaries who overthrew the Batista dictatorship in January 1959 did so in the name of the anti-Spanish Cuban revolutionary tradition and adopted the cry of "Patria o Muerte" (Fatherland or Death). It was only later that the revolution was declared to have been "socialist".

In Venezuela too, Chavez, who was first elected president in 1998, did not declare himself a "socialist" till some years later (in December 2004). But, unlike Castro, Chavez does not claim to be either a Marxist or a Leninist, but a new type of socialist - "a socialist of the 21st century". For leftwingers, after deceived hopes placed in Yugoslavia, then Algeria, then Vietnam, then Nicaragua, Venezuela has become the new Mecca. Raby's book is, in fact, an attempt to defend "Chavism" as a socialist strategy.

Her argument is that the strategy of traditional "Marxism-Leninism", with the indispensable role it attributes to an all-knowing, centralised vanguard directing everything, as exemplified not only by the old pro-Moscow Communist Parties but also by Trotskyists and Maoists, has never worked and never will. Using Cuba and Venezuela as examples, she says that, while a vanguard is still necessary, the main thrust must come from the popular masses having a special relationship with a charismatic leader such as Castro and Chavez have proved to be. According to her, this relationship is not a simple one of leader and followers, but one where the leader somehow interprets and expresses the inchoate wishes of the people (which seems rather mystical).

In what most people wouldn't immediately regard as a flattering comparison, Raby likens Castro and Chavez to other charismatic Latin American leaders such as Peron in Argentina. There may be something in this since Peron, too, praised the workers and enjoyed considerable working class support.

Raby also examines three unsuccessful revolutions - Chile, Portugal and Nicaragua. Of particular interest to us is Chile since what happened to Allende in September 1973, when he was overthrown and died in a coup led by General Pinochet, is always being used as an argument against the possibility of establishing socialism through peaceful, democratic means. Raby confirms the analysis we made at the time: that (quite apart from having state capitalism rather than socialism as its aim) a key factor was that Allende had become president in 1970 with only 36 percent of the popular vote and that he never enjoyed majority popular support:

"with a president voted in by only 36 per cent of the electorate and a coalition which only briefly achieved a little more than 50 per cent (in April 1971), there was no real

mandate for revolutionary change."

So it wasn't an example of a successful coup in the face of a determined majority such as would exist before socialism could be established.

Venezuela, being a leading oil-producing country, enjoys considerable income as rent, which the Chavez government has redirected from the luxury consumption of the rich towards improving education and health provision for the mass of the people. We don't want to belittle this but it's not socialism. Raby agrees but says that, as "an eventual worldwide defeat of capitalism" is "an ideal which may or may not be realisable some time in the future", this is the best socialists can hope for at the present time. Socialists should therefore, she says, lower their sights and not go for socialism but only for what one of the writers she quotes, Antonio Carmona Baez, calls a "state-led economy run by socialists". We don't agree. Surely, one of the lessons of the 20th century has been that national state capitalism is not a step to socialism and is in fact unsustainable in the long run.

**ALB**

**Not so glorious food**

***Bad Food Britain.* Joanna Blythman. Fourth Estate £7.99.**

Essentially this is an extended rant about the eating habits of the British, especially in contrast to countries with a proper food culture such as France and Italy. Recipe books and TV cookery programmes abound, yet fewer and fewer people actually cook food from scratch or sit down to eat with their family.

Instead more and more ready meals are consumed, mostly in front of the television rather than at a table. Less time is spent on food shopping and less money spent on food. Children are astonishingly ignorant about food, often being unable to identify common fruit and veg. The population are subject to food scare after food scare and gradually become desensitised to them. Junk food and snacks combine to make people fat, in what is apparently called an obesogenic environment.

The reaction at this point may be that Blythman doesn't think much of the food consumed by people in Britain, but that people are after all free to eat what they want. Nothing forces people to eat a ready-made shepherd's pie rather than peel and mash the potatoes, cook the mince, and so on. But of course this freedom is found in a particular context, and people often say they are too tired to do much in the evenings, especially cook. The pressures of capitalism are such that workers really do have insufficient energy (though maybe enough time) to cook properly.

We also have to look at the pressure exerted by the food industry. Snacks mean big profits ('mini bites for maxi profits', according to Proctor and Gamble), and fast food and ready meals are big profit-earners too, much more so than fresh fruit and vegetables. The food manufacturers also resist any government efforts to rein them in a little, and are becoming increasingly involved with sports sponsorship in order to foster a healthy image.

Mind you, if living under capitalism is what makes the British diet so bad, one

wonders how workers in other capitalist countries manage to fare rather better. Blythman's final message is, 'Eat as little processed food as possible and base your diet on home-cooked meals, made from scratch from raw ingredients.' Advice to be borne in mind in Socialism, perhaps, when people really will be free to eat as they wish.

**PB**

**Trick or cheat?**

***Tricks of the Mind.* Derren Brown. 4 books. £18.99.**

There are not many popular entertainers and TV celebrities who declare themselves atheists and sceptical about happenings said to be paranormal. The magician and "mentalist" Derren Brown is an exception. His book opens with the words "The Bible is not history" and ends with a passage from *The God Delusion* by Richard Dawkins. As a teenager he was an evangelical Christian, but is at pains to explain that his book is not meant as a rant against religion and claims for the paranormal and alternative medicine. And it isn't.

He sets out to explain some of the tricks that he and others in his trade employ, even if some of the others claim rather to be exercising special powers. It's not the magicians who make this claim but the mind-readers, hypnotists and self-styled "psychics". Magicians do not claim to be practising magic in the literal sense; they are and see themselves as entertainers who entertain the public by what they themselves call "tricks". Brown explains the sleights of hand by which some of these tricks are done and how to memorise things and invites his readers to learn them as their party piece. It is the self-styled "psychics" who are the problem. In his TV and stage (and private) shows Brown performs the same tricks as them, but doesn't claim any special powers; which is why he calls himself a "mentalist" rather than a psychic.

In explaining how he - and they - do it he effectively shows that, in so far as they claim special psychic powers, they are frauds. That does not mean that they are not skilled practitioners. It is not easy to master the techniques involved: getting people to be relaxed and responsive to suggestions as in hypnosis (Brown argues that this is not a special state of mind); detecting what people are really thinking from their facial and other bodily movements (he thinks there's a bit, but not much, in neuro-linguistic programming); and cold reading (you need to think and react quickly to be any good at it).

People who have mastered these skills can be good entertainers, though Brown has - surely rightly - no time at all for those who take advantage of the bereaved to make a show of pretending to contact the spirits of the dead (let alone those who con such people out of their money in private consultations).

In the final chapter (on "Anti-Science, Pseudo-science and Bad Thinking") Brown comes out as an eloquent and witty defender of the scientific method and critic of the post-modernists, New Agers, alternative therapists and pill pushers, and paranormalists who challenge it.

**ALB**

**Manchester Branch**

Monday 22 January, 8.15pm  
**'DISCUSSION ON ANXIETY CULTURE'**

Hare and Hounds, Shudehill, City Centre

**Central London**

Saturday 6 January from 7pm  
**NEW YEAR SOCIAL**

Socialist Party Head Office, 52 Clapham High St, SW4 (nearest tube: Clapham North).

**Central London**

Sunday 28 January, 3pm  
**THE CASE FOR A MONEYLESS SOCIETY**

Speaker: Richard Headicar  
Socialist Party, Head Office, 52 Clapham High St, SW4 (nearest tube: Clapham North).

**East Anglia**

Saturday 20 January, 12 noon to 4pm  
12 noon: informal discussion/branch business

1pm: Meal  
2pm: **THE CASE FOR A MONEYLESS SOCIETY**

The Conservatory, back room of Rosary Tavern, Rosary Rd, Norwich.

**ENFIELD & HARINGEY BRANCH IMPORTANT NOTICE!**

Due to refurbishment, our regular meeting place will be closed for a period during January to March 2007. We have been allocated a venue at Raynham Road School (around the corner) from 16 January.

For further information please contact the branch at the details given in Contact Details.

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**Day-To-Day Runners Of Capitalism**



The complete lack of grasp of the general situation from a Socialist point of view, screams from every line of Driberg's reports. Krushev, having taken the Labour Party to task for being "reformist" and failing to educate the masses in the "revolutionary spirit," Driberg enters the defence by saying "though Britain had certainly not been transformed into a Socialist State, the Labour Government had taken substantial steps towards Socialism-taking basic industries into public ownership, introducing comprehensive social security measures, and so on"

The only "revolutionary spirit" in which workers need educating will come from a knowledge of their class position under the wages system and a realisation on their part of the need to use that knowledge to vote for the abolition of this system. Far from drawing attention to the real nature of Capitalism, at every election the so-called Communist Party uses

exactly the same stunts as the rest of them, promising houses, jobs and peace, etc.

As we stated earlier, to the Labour Party nationalisation means Socialism, but perhaps workers are beginning to see that the so-called "public ownership" is two steps forward, three steps back and does not mean that they own any more of the means of living than they ever have.

The term "social security" has a nice sound but only insecure people need it. No reform can give workers security because their insecurity does not arise from lack of reforms but is basic to their wage slave position under Capitalism.

(From an article by 'H.B.', Socialist Standard, January 1957)

**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.





# Sorry seems to be the hardest word

**T**ony Blair" and "apologise" are not words which, silkily together, slip off the tongue. So there was a tremor of excitement at the prospect that he was about to mark the bicentenary of the legal abolition of the slave trade in this country by offering a full, constructive apology for Britain's part in that trade. A number of organisations and individuals who had been campaigning for such an apology held their breath, probably in realistic cynicism rather than hopeful expectation. And this is what Blair said: "It is hard to believe that what would now be a crime against humanity was legal at the time... Personally, I believe the bicentenary offers us a chance not just to say how profoundly shameful the slave trade was - how we condemn its existence utterly and praise those who fought for its abolition - but also to express our deep sorrow that it ever happened, that it ever could have happened and to rejoice at the different and better times we live in today".

This prime example of the subtle arts of New Labour's speech writers was a long way short of a proper apology as it expresses sorrow that slavery ever happened rather than that Britain played such an important part in it, with the consequent enrichment of this country's commerce and industry. Slavery did not just "happen"; it was an important part in the development of British industry and trade, bringing in the wealth which gave rise to cities like Liverpool and Bristol and the establishment of Britain as the dominant power in world capitalism. In that cause, what did it matter that a few million people from places like West Africa suffered and died, through appalling cruelty, neglect and disease.

## Slave Ships

The slave trade was made possible when, among the birth pangs of capitalism, the mercantile states developed ships more capable of riding out the most savage of weather together with navigation techniques which, although in their infancy, served to guide ships across the world. As slavery threw it nourished the plantations in the Americas - where the cultivation of cash crops such as tobacco and sugar was labour intensive - and the industries in Britain which made the goods to be exchanged for the slaves. Also prospering were the African rulers whose part was capturing the slaves and delivering them to the misery and terror awaiting them in the ships. Before 1698 the Royal African Company had a legal monopoly on all trade between Britain and Africa but as the slave trade developed the traders of Bristol, through the Society of Merchant Venturers, moved to get a share of what they foresaw as a highly lucrative business and, with the support of other ports, they eventually succeeded in breaking the Royal African Company's control. It was all done properly, with due regard to the legal processes through Parliament; along the way it was overlooked that the squabbling was all about trading in human beings.

The British merchant navy was ideally positioned for this and at the height of the slave trade thousands of its ships participated, including the fearsome middle passage when the slaves were taken from the Atlantic coast of Africa to the Caribbean islands or America. There has been no exact estimate of the numbers of slaves involved; between 1450 and the beginning of the 19th. Century it ran into tens of millions, of which British ships carried more than 300,000 a year, all meticulously documented with cargo manifests and bills of lading. The slaves were shackled and packed tightly into the ships' holds, in conditions such that as the ship approached the end of its journey its smell of combined blood, faeces, vomit and putrescent bodies preceded it like some morbid bow wave. The high death rate during the voyages, while regrettable to the owners, was accepted as a depreciation of their stock, as might happen in any other business. In one case when a ship was badly delayed by fierce headwinds the captain threw 133 of the 440 slaves overboard, then claimed it as an insurable loss. The matter was contested by the insurance company and argued out in court by lawyers in their wigs and gowns and heard by a judge, who decided in the captain's favour, just as he might have done if the cargo had been cotton goods or weapons or whatever.

## Campaign

The campaign to get Tony Blair to apologise for this atrocious episode in human history was concerned with the significant contribution it made to the rise of the British ruling class to pre-eminence in world capitalism and the historical damage to the slaves' descendants. Esther Stanford, the secretary of Rendezvous of Victory, an Africa-led pressure group, presses for a national commission to examine the resultant injuries in education, family life, culture and economic standing and prospects. "It will cost" was how she summed it up, as if she really is optimistic that the conclusion of the commission would, against all precedent, be other than a cover up. It was apparent that the careful wording of Blair's statement was designed to avoid encouraging any claim for reparation. After all, he may have reasoned, British participation in slavery was abolished two hundred years ago; the British ruling class were enriched over centuries through their wars, colonising and repression. A great deal of blood was been spilt and misery caused in the process. Why should they start thinking about reparation now?

Then what about the other countries which were also enriched by the trade - countries like Holland and Portugal? And those which prospered through accepting and working the slaves - like America and Brazil? And then there were the native rulers in Africa, who fought wars to capture slaves and did not hesitate to sell their own subjects? The journeys of those slaves, from the interior to the ports, were notable for a cruelty which was as savage as they experienced during the voyage. Meanwhile the working people of Britain were not being enriched; some of their suffering was described by Lord Shaftesbury, when he recounted to the House of Lords the condition of children he had seen at the factory gates: "...sad, dejected, cadaverous creatures. In Bradford especially the proofs of long and cruel toil were most remarkable. The cripples and distorted forms might be numbered by hundreds, perhaps by thousands". Those people, and thousands of other elsewhere in similar circumstances, were as much victims of the rise of industrial capitalism, as the slaves. In a letter written in 1833, the campaigning poet Robert Southey commented on the condition of the working class in Britain: "The slave trade is mercy compared to it".

## No Apology

If Rendezvous of Victory wish to pursue a claim for compensation for the slave trade a likelier defendant would be the descendant class of those who prospered as a result of the trade - including the Church of England and the older universities. The working class were not enriched by the trade and in any case they have nothing with which to compensate the slaves' descendants. A more realistic campaign would be aimed at compelling Blair and his ministers to apologise for the crimes which the ruling class have committed against humanity. And while they are about this mountainous task they might also say a few remorseful words about what their government has been responsible for. No hint of a retraction emerges from Number Ten about the Weapons of Mass Destruction lie, compounded by the Dodgy Dossier. There has been no regret expressed for the tens of thousands killed in Iraq as a direct result of the invasion there and of the chaos into which that country descends, day after day, while the government claim that Iraq is a stable democratic state with an ecstatic future. New Labour mouthpieces continue to rant about their alleviating poverty, in face of evidence to the contrary. A recent study by Shelter revealed that one in seven children in this country are in temporary or unsatisfactory housing - in other words are homeless, which means they are twice as likely to suffer poor health. To put a figure on it, there are 1.6 million children whose standards of housing make them more likely to have respiratory problems such as asthma and bronchitis.

Capitalism ruthlessly exploits its underclass of workers, without any reason for apology or reparation. It cannot be otherwise. Without apology, we campaign to end the system. ■  
IVAN





## Patents And Profits

"Poor people are needlessly dying because drug companies and the governments of rich



countries are blocking the developing world from obtaining affordable medicines, a report says today. Five years to the day after the Doha declaration - a groundbreaking deal to give poor countries access to cheap drugs - was signed at the World Trade Organisation, Oxfam says things are worse. ... The US has pursued its own free trade agreements with developing countries, tying them into much tighter observance of patent rights than anticipated at Doha 'The USA has also pressured countries for greater patent protection through threats of trade sanctions', the report says." (Guardian, 14 November) The message is clear - patents and profits mean more than people inside capitalism.

## Housing Madness

The journalist Nick Cohen recently quoted a couple of property experts about house prices in London. "Lulu Egerton of the Lane Fox agency tells about putting a house in Chelsea on the market last week for £4.5m. She assures me it wasn't a mansion, just a roomy town house .... Within hours, she had an offer of £5.25 m. ... I ask Mira Bar-Hillel, the property editor of London's *Evening Standard*, if she has a favourite example of irrational exuberance; an anecdote or statistic people will recall if a crash comes ... She sighs and says: 'Take your pick. I'm coming up with them every week. Russian oligarchs who don't even ask the price of the homes they view, the average price of a flat in central London reaching £1m, garages selling for



£5,000 - any takers?

£150,000 and parking spaces selling for £100,000." (Observer, 19 November) The prospects of a bus driver, clerk or railway worker getting their feet on the so-called housing ladder at these prices is extremely remote, but perhaps if they saved up they might be able to unroll their sleeping bag in a highly desirable parking space.

## Hollywood And Reality

We are all aware of the Hollywood fantasy where happy families sit round the dining table at Thanksgiving or Christmas time. It is all part of the Hollywood "feel good" factor, but unfortunately it is a complete fiction for many US families. "As America gets ready for Thanksgiving dinner, a new report says hunger is on the rise in New York City. One in six New Yorkers - roughly 1.256 million people - could not afford to buy enough food, the New York City Coalition Against Hunger reported yesterday, citing US Department of Agriculture data from 2003 to 2005. The hungry population jumped 112,000 people in that period compared to 2000 - 2003." (New York Metro, 22 November) If any Hollywood mogul is thinking of a new treatment for the "feel good" element, how about *Honey, I Starved the Kids!*

## Land Of The Free?

Home of the brave and land of the free sing the proud American patriots, but the reality is somewhat different. "A record 7 million people - one in every 32 American adults - were in jail, on probation or on parole by the end of last year, according to figures released by US Justice Department yesterday. US prisons held 2.2 million inmates, an increase of 2.6 per cent over the previous year. More than 4.9 million adult men and women were on parole or probation, an increase of 27,000 over the previous year." (Times, 1 December) Home of the brave we can understand but land of the free? Difficult concept.

## Growing Old Disgracefully

In pre-property societies the old were valued as experienced hunters and food gatherers. In such societies to be old was considered honourable and they were respected and indeed

venerated. The opposite applies in modern capitalism. "The Help the Aged survey conducted by GfK NOP, showed that 5 per cent, or 500,000 of those over 65 said that they had to cut back on basic food to pay council tax bills. Eight per cent, or 800,000, turned down their heating. More than a third of people over 65 living on the lowest household incomes spent 10 per cent on meeting the payments, the study showed." (Times, 2 December) Our grannies and grandads are suffering, what are you going to do about it?

## Another Aspect Of Globalisation

A great deal of prominence has been given by the media to the amazing development of capitalism in India and much publicity to the growth of industry and commerce within that country. There is one aspect of this development that has received little attention and that is the strains and problems that this development has meant to members of the working class. "An estimated 4,000 students commit suicide in India each year because of exam failure or fear of failure in a society where there is intense pressure to succeed academically." (Times, 2 December) Kids are killing themselves for capitalism, it makes us feel sick, how about you?

Indian students registering for exams



## And Another

A global study by the World Institute for Development Economic Research of the United Nations has recently revealed how unequal a society capitalism is today. "The richest 1% of adults in the world own 40% of the planet's wealth. ... The report found the richest 10% of adults accounted for 85% of the world total of global assets. Half the world's adult population, however, owned barely 10% of global wealth." (Guardian, 6 December)

## Free Lunch



by Rigg