

T HOUSE

Teachers
Association
Working
for
Children

Education
cuts never help

Bristol & District
Anti-Cuts Alliance
Public Services

BRENT

CITY OF LEICESTER
TEACHERS
ASSOCIATION

National Union

NATIONAL UNION OF TEACHERS

Education
DIVISION

CUT
WAR
NOT
WELFARE

Education
MASSES

Save
our
Pensions

NO CUTS

NO CUTS

NO CUTS

COALITION
RESISTANCE

COALITION
RESISTANCE



©2013 Jim Schofield
Words Jim Schofield
Design Mick Schofield

www.e-journal.org.uk/shape

Shape Journal
Bild Art
11a Woodlands Road
Lepton
West Yorkshire
HD8 0HX
UK



**SIEMBRA
SOCIALISMO**

Shape Journal
Marxism III
Special Issue 22

Why Socialism?

1. Introduction
2. Primitive Accumulation
3. The Socialist Economic Alternative
Parts I - IV
4. Socialist Democratic Forms I - II
5. The Essential Development of
Marxist Theory I- II
6. Socialised Capital I - II
7. The Socialist Economic Revolution
8. Are You Equipped?

Introduction

Marxism III

Welcome to the 22nd Special Issue of the SHAPE Journal and the third installment in our series of issues on Marxist Philosophy.

This set of papers was originally published on the Shape Blog under the title *Why Socialism?* It was written as an multi-part introduction to the topic and became a very popular series on that site, vastly increasing its visitor numbers during the period.

Clearly many questions were still needing answers, for in spite of a long and illustrious history since the original publication of the *Communist Manifesto* by Marx and Engels in 1848, Socialism has accrued countless failures and even betrayals. Yet its central tenets are as true today as when they were first written down in that document, well over 150 years ago.

The position was not like that of the Utopian Socialists, but was based upon a materialist philosophic standpoint - a meeting of German philosophy, English political economics and French social history. It was, and is, a magnificent amalgam, founded upon the necessary processes of social revolution, to finally dismantle old class regimes and liberate the masses.

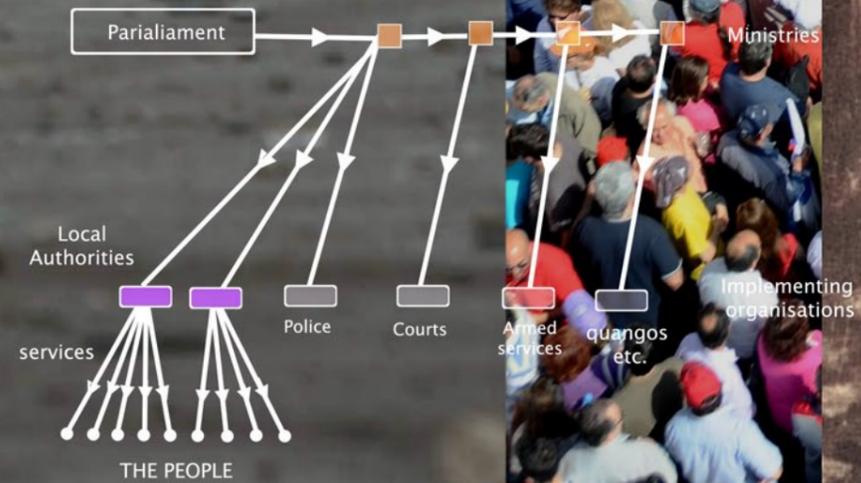
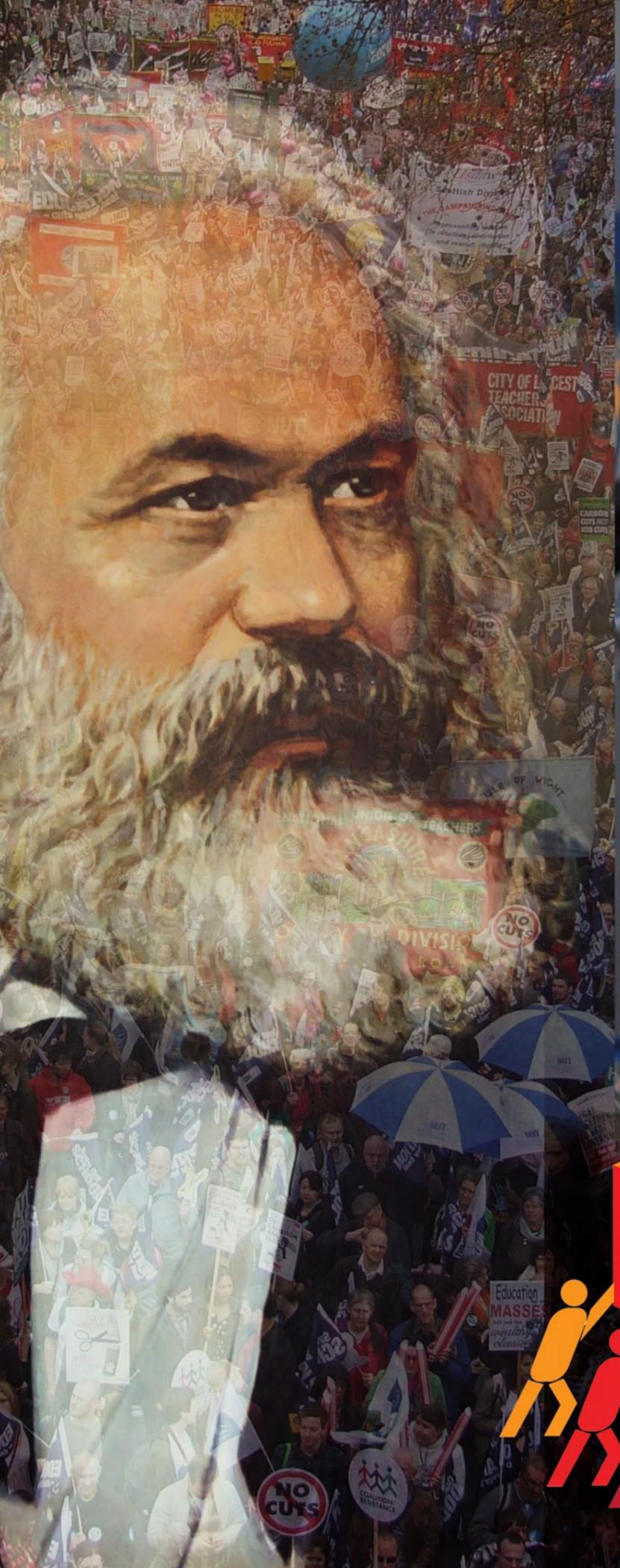
Yet, only in a few places was this possible, where the working class was in a position to carry through a revolution by itself. In most cases the only possible route to a successful uprising was via an alliance of classes, including both the peasantry and often a large slice of the as-yet unliberated middle class. The problem was always what would happen once the repressive regime had been vanquished. Could the task of establishing Socialism be straightforward, or would the classes of this revolutionary alliance break apart and begin to work for their own dominance? The answer to such questions has been produced time and again by history, in Russia, Germany, China and right up to the present day with the avalanche of revolutions precipitated by the Arab Spring.

Socialism grounded in solid Marxist theory is needed now more than ever, as Capitalism falters and people across the globe take to the streets in their millions.

Let this collection of essays on Democracy, Economics and Revolution, by a life-long Marxist, help with the problems of this, the most widespread unrest since the Europe-wide Year of Revolutions in 1848.

Jim Schofield July 2013





Primitive Accumulation

How The Capitalists First Got Their Capital

At such a time as this, when Capitalism is being exposed for what it really is, it becomes increasingly important to recall just how it originally came to be – how our entrepreneurs accrued the wherewithall “to invest” and “support” money-making ventures of all sorts. In other words, what forms of Primitive Accumulation produced the necessary Capital to fund a growing Capitalism?

Of course, it wasn’t anything like how it is portrayed today. It was only possible via an accelerating concentration of available social wealth into much fewer hands, and this was first achieved by the regular application of bullying, violence, slavery and war.

Causes

What were the motive forces behind these regrettably emergent systems?

One could easily say that it was simply down to the push for profits. Though this is certainly true, it doesn’t tell us much about what was done to achieve it. A profit motive has been around for a long time, yet these phenomena (at least as the prevailing dominant form) are quite recent. What is it, therefore, that has brought about this significant change in mode? The two most obvious starting points are globalism and technology.

Historical Constraints - Transport

After the start of the Industrial Revolution, which emerged wholly in the richer western countries like Great Britain, the work in manufacture had to be carried out at, or closely adjacent to, where the raw materials could be easily obtained. Why? Because transport was the limiting factor – the price of a sack of coal could be doubled in moving it just a few miles! Also, the market had also to be within easy reach of the places of manufacture, and for the same reasons! Such constraints were so dominant for thousands of years, that the vast majority of commodities that were traded over long distances had to be both small, and extremely valuable to make the process at all profitable. Even with the post-industrial revolution development of empires, and the consequent procurement of both more distant sources of materials, AND new, expanding markets, the factor of transport still strangled the growth of trade to a major degree.

Historical Constraints - Primitive Accumulation

It has always fascinated me that the most important factor in getting such processes off the ground, was the necessity for the centralisation, and concentration of wealth, and in particular the major role of direct theft in this process.

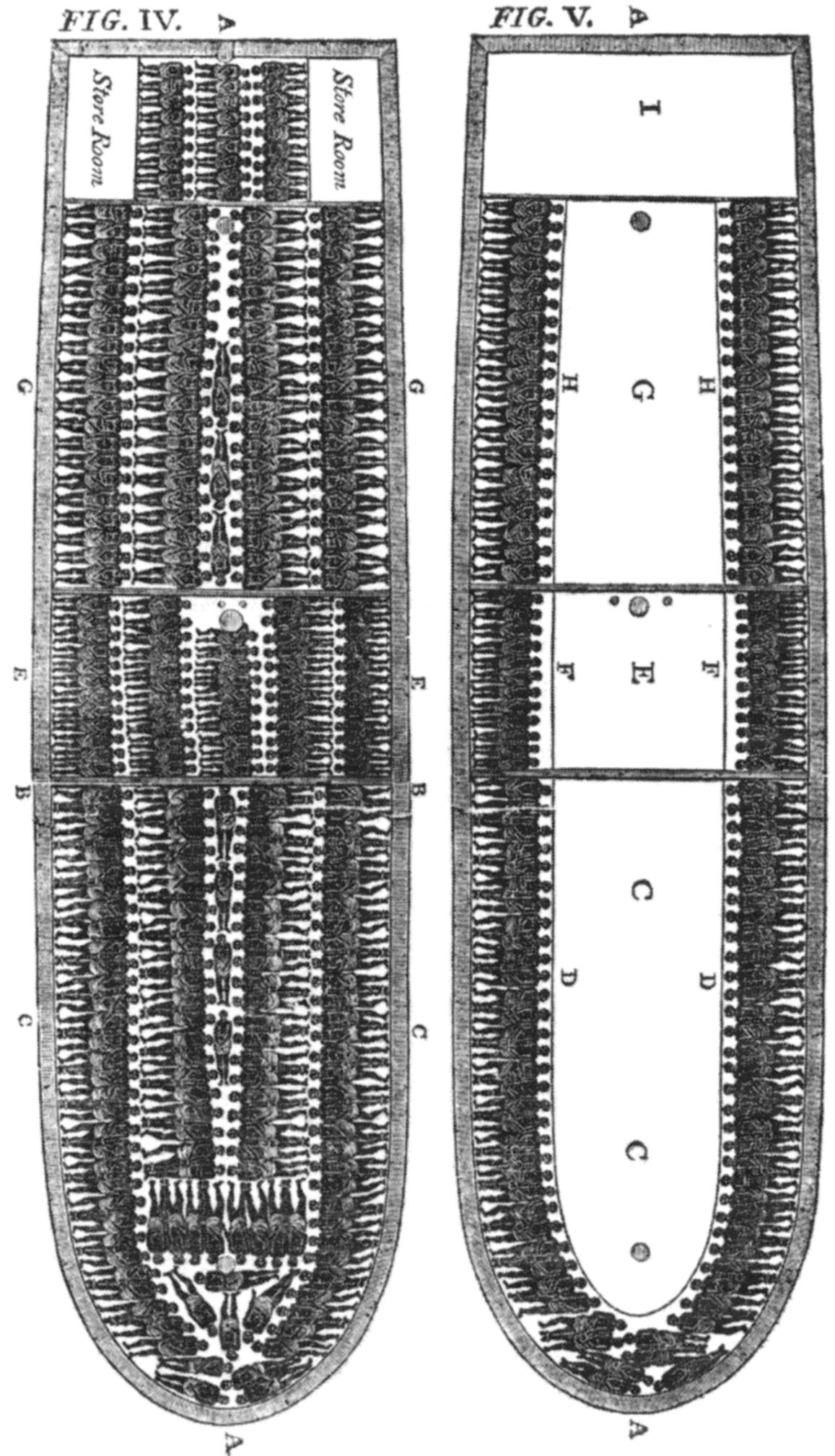
It did not surprise me that the result of the fall of the economies of Eastern Europe led to the emergence of gangster groups such as the Russian Mafia, and the direct stealing of state-owned resources to put into the hands of private individuals to re-establish capitalism. Such methods of primitive accumulation were indeed the only ones open to the local, and potentially national ruling class. Otherwise such a re-establishment would have had to have been funded externally, probably by the USA.

The same thing, of course was universal at the beginning of the modern era. Everybody has heard of the “enclosures”, where rich landowners simply stole the “common” land from the peasants, put a fence around it and used it for producing sheep and wool. Also similar sources were used to initially fund pirates and “privateers” to steal enough from the Spaniards (who themselves stole their gold from the civilisations of South and Central America), to allow new “capitalist” undertakings to be initiated.

Does it surprise you what the Zionists do to obtain Palestinian land in the Middle East? It is essentially the same process – but given a more “legal” look by the fact that the forces of the state of Israel make these processes happen, and even buying up some such properties well below market value, much easier. Earthmovers, Tanks, Tractors and guns can easily change the rules of the game can’t they?

The biggest contradiction in the early years of the industrial revolution was the concentration of wealth at the same time as the reduction in the standards of life of the “required” local working class.

NOTE: Let me make an important point about the myths of rural deprivation that are usually put forward in this context. It is suggested that the concentration of rural peasants into an urban working class “rescued” them from acute deprivation in the countryside. The response must be, “NO!” But, in saying that it does not mean that there wasn’t any rural deprivation, indeed there was. But it was NOT a feature of rural life. It was a feature also of nascent capitalism, in its first real theatre of operations - agriculture.





The process started with the “enclosures” – the stealing of the common land, and the impoverishment of the rural peasants, who were then forced to work for the “thieves” who had stolen their livelihood – the rural aristocracy. The great impoverishment and degradation of the rural work force preceded the main rampant growth of urban industrialisation, but was generated by the same source of primitive accumulation – the wealthy landowners. AND these complementary processes overlapped to some extent. At one particular period it was to the owners’ advantage to drive the peasants from the countryside, and drive them into the cities as factory fodder. They were an important source of extra wealth at both stages of the primitive accumulation of capital. It is not for nothing that the “dark, satanic mills” and degradation were contrasted by privileged dreamers, with the idyllic lives of those in the pre-industrial societies such as South Sea Islanders.

Globalisation

Of course, to talk about globalisation as being entirely new is also incorrect. The need to find raw materials, at low prices, and new markets for the ever-increasing supply of goods, drove the expansion of the capitalist system from its very outset, and dramatically changed the world. But transport developments and technological innovations accelerated the pace and content of these changes, and led ultimately to the export of the manufacturing process itself, AND the import of food and products in an altogether new scale. Quantity changes led to changes in quality, and NEW upheavals became regular, and indeed, almost continuous. I well remember the “reason” for shutting many viable coal mines in the UK, was given as the impossibility of competing with cheap imports from abroad (e.g. Poland), whereas, only a few years later, the very same Polish mines are being shut with the same kind of excuse. *NOTE: The Polish experience is somewhat different, as the nationalised industries had somehow to be got into private hands for a song (primitive accumulation, again) in order to re-establish capitalism in Poland.*

Transport has radically changed many aspects of the sources of perishables such as food. Coupled with refrigeration and wide-bodied jets, it is possible to import certain food stuffs CHEAPER than getting them locally. In addition climates more conducive to mass production in agriculture, plus powerful and large machinery (impossible to use in many traditional contexts), and sophisticated bulk transport systems, have brought prices down.

Small scale personal-use production in many developing countries, has been largely (and sometimes forcibly) replaced by large scale production of single crops (sugar, cotton, cocoa etc.) at very low prices and exclusively for export. This process has moved so far that such subsistence farming has almost vanished, and the population (when they don’t get jobs on the plantations as workers) find that they cannot feed themselves and have to rely on bought-in

produce, when they can afford it, and foreign aid, when they cannot, or most likely of all, move into the fast growing cities to increase their chances on all these fronts.

Finally, the constant march of technology (particularly information technology) has led to automated, computer controlled manufacture, such that, with the appropriate machinery, cheap labour can easily be trained to do what once was only possible by skilled workers (on a much higher wage) in the so-called advanced countries.

Even Help and Advice services are now incessantly exported to “cheap-labour” countries. Almost all the cold-call phone salesmen and help lines for many products are now abroad – first in Ireland, but latterly in India, and other ex-colonial countries where English is widely used. The sort of advice that you can get from these sources is of a characteristic and very narrow type! What the workers are “trained” to deal with is wholly determined by the frequency with which the set of questions is generally asked. Frequently Asked Questions (FAQs) are even automated via the Internet so that they require no human interface at all, and even when you do get hold of an “advisor” on the phone, in Bombay or wherever, you will many times only get help on the very commonest problems - those encountered by the largest number of ill-informed callers. Specialist, detailed and unusual queries are often NOT addressed at all by these systems. Statistics is the base, and the excuse! “80% of our callers get immediate help!”, we are told. Yes, help like, “Have you turned it on?”, or “Have you checked the fuse”, plus a full set of similar and occasionally slightly more ambitious levels. Complex problems are attempted (sometimes), but only on phone lines that are extremely expensive (some would say prohibitively expensive!).

It is, as I said at the beginning of this section, determined by profit, but the situation has substantially changed, and the employers have been extensively empowered in the last few decades.

There was a time when my stepfather could legitimately hold his employer to ransom with his irreplaceable skills, and demand good wages for the work of his “gang” (he worked in a major foundry in Manchester). They would regularly sack him, then re-employ him, on his own terms, when they couldn’t do what he could do. But, those days are now gone!

The skills are replaced by technology, both in methods, control and materials, and the availability of, and access to, adequate (and cheap) labour forces across the world, means that bargaining power by workers with something significant to sell has been well nigh extinguished, especially if only organised locally.



The Chicken-and-the-Egg

Capitalism is sometimes hard for people to grasp, because it has an inherent contradiction at its very heart. As distinct from prior economic systems, where individuals, small groups or even states gathered sufficient funds to finance various types of scheme, the new feature of Capitalism was to draw in initial funding from a much wider area of subscribers on the basis of regular, and where possible, lucrative returns. When economic activity was essentially local, such centralisation of funding was not necessary due to the smallness of the potential market, but the extending reach of markets elicited larger scale production, and such undertakings required substantial capital investment to initiate the process.

Early on (really in a pre-capitalist era) investments were in daring trading voyages to exotic sources of luxury goods, but as the wherewithall for wider scale production and distribution became available, the classic capitalist form of investment in manufacture gradually emerged.

By the time of the industrial revolution the requirements for manufacture grew at an alarming pace. Buildings, tools, machinery, raw materials and labour were all necessary, in a particular place at a particular time. And all these things must be in place prior to a final acquisition of payment for the resultant goods. Without mechanisms to concentrate the required Capital to finance such undertakings, it became the famous impossible case of “pulling yourself up by your own bootlaces”. A classic chicken-and-egg situation! It is therefore not surprising that pre-capital seats of accumulated wealth were the first ports of call for acquiring financial backing.

Feudal Focuses

The landowning aristocracy and royalty were initially often the only suppliers of capital, via their established means of wealth accumulation – via rents or taxes! But this was actually a very limited source, and could only finance a tiny fraction of the possible set of profitable enterprises. It is not surprising that the supporters of the new, capitalist way of gathering the required funds should in their day have been quite revolutionary.

They considered the old feudal system to be the major brake on the development of enterprise, and were an important part of the forces that coalesced into the English Revolution in the 17th century, which not only overthrew the old system, but also separated the King’s head from his body!

New Methods of Accumulation?

Another source of funding was certainly required. It was clear what it should be. It required sufficient investment to initiate the process, and then the return

on such investments, to re-invest into the next stage. Successive and widening iterations of this process would multiply up the funds available, and vastly increase the amount of enterprise and production. But, it wasn’t simply an alternative mode of economy that people with money to invest could simply choose to use.

The old economic system directly intervened to prohibit such an independent process. The old powers of royalty and aristocracy had a stranglehold on trade (and, of course, on the accumulation of wealth). And such a small number of privileged sources, or well-connected entrepreneurs were always going to be insufficient. “If we don’t do it, someone else, perhaps in another country, will!” (.. and presumably “We, will have missed the opportunity!”). To significantly increase the amount of capital available AND the number of people with sufficient disposable resources to “risk” on a much wider range of enterprises - new methods were clearly necessary. In addition to breaking the stranglehold of the old aristocracy on wealth, other independent methods of “primitive accumulation” had to be developed. The most important such method was what it had always been for millennia – THEFT!

Theft – Historical Precedents (consumption only!)

Killing people and stealing their wealth was a very efficient method of primitive accumulation. From mounted hordes of nomads out of the steppes, to Viking raiders and Elizabethan privateers, the really effective method had always been “robbery with violence”. Most of the early historical regimes in the Middle East were the result of warlike conquering of the productive farmers and civilisations of the so-called Fertile Crescent. Hittites, Assyrians, Persians and the rest were all successful accumulators, but they knew nothing of using their ill-gotten gains as a primer for further acquisitions and enterprises. It was, on the contrary, simply a matter of dividing the spoils. The result of their accumulation was simply consumption.

It always amazes me how the uses that these people put their wealth to are universally commended as “civilisation”. The “consumption” of these resources in the building of palaces, country residences, and even “Hanging Gardens” etc., could only move forward if the robbery was ongoing.

So the building of empires was necessary to continue this process. Once this was no longer possible, some form of collapse was inevitable.

In the more modern era we are considering, the primitive accumulation was used in a different way.

Of course, we cannot leave Primitive Accumulation without including what was probably the most important contribution over a considerable period – the crucial and highly lucrative role of Slavery in the process. It too is a form of robbery with violence, but of people who were then

sold and put to work (without pay), to ensure a substantial return upon their cost when bought.

And these slaves even reproduced to deliver an ever-growing slave population at absolutely zero extra cost. And, to complete the picture, the real giants of the rise of Capitalism were substantially funded by the accumulation provided by the Slave Trade, for these slaves, in the main, produced highly saleable products.

The triangular Route from Britain to West Africa (for slaves), then crossing the Atlantic to the West Indies and America (to sell their living assets) and also to pick up valuable cotton and sugar, to take back and sell in Britain. And this was a major generating engine for colossal wealth, and available for investments in the burgeoning Industrial Revolution back home in Europe.

Theft – For Investment

A good and revealing story to consider is the use of identical mechanisms by organised crime in the USA. Once more we have “robbery with violence” as a means of primitive accumulation, but then the crime bosses realised that a great multiplication of wealth would be involved if these resources were not simply consumed, but used to accumulate at an ever increasing rate. So they invested in legitimate enterprises. Crime gave them the necessary wherewithall to buy into Capitalism.

Now, such a consideration of the effects of Primitive Accumulation on the growth of Capitalism, cannot be sufficient, when addressing the situation as we are experiencing it today. For, there are now no longer any such “easy” means of pump-priming this system, that ever needs such injections, never actually reaching a self-sustaining level, as its incentive is always to increase profit. And, the impossibility of such an objective shows itself at regular intervals, as the system runs out of steam and suffers unavoidable recessions. The modern methods have always involved the extraction of surplus value (profit) from the actual producers of the traded wealth – the workers in the factories and in the fields, but the unavoidable contradiction between necessary repression and the need for ever bigger markets, not to mention the ever decreasing rate-of-profit, has meant that NO permanent solution within Capitalism will ever be possible. It consumes its own resources, and hence must continually lay waste to a greater proportion of the planet, until the final slump occurs.

The Socialist Economic Alternative I

Socialism within Capitalism?

The perennial question asked by any defender of the status quo to an avowed socialist is always, “Well, what would your Ideal economic System be, and why hasn’t it just naturally evolved from this current, supposedly congenitally inferior attempt?” Well, it is a fair question, even if the motives of such an asker were not!

And, to ask of an inhabitant of this side of an Emergence (a revolution) exactly what will appear on the other side is both unreasonable, and, to be honest, unanswerable. But we do know quite a bit about what is wrong, and what horrors it inflicts upon Humanity, and has done so for many centuries. We also know from history and the current Arab Spring that revolutions do indeed occur, and it must be an important part of our task to begin to address that question, but not as a prediction whether as the word of God, or Marx, or anyone else - but, with clear attempts to remove the horrors.

An Emergence is best typified by its most wonderful and evident example of the history of the Earth – The Origin of Life itself. Clearly, no prediction of the various consequent Forms of Life would ever have been available within the World before that Event.

So, let us, with more than a little humility address the question of the nature of the possible economic alternative to Capitalism, perhaps expressed negatively as to what must be removed.

There are, of course, many Commune-type experiments, usually looking backwards to some extent, and always with a tidy helping of Self Sufficiency. But no serious statewide alternatives seem to be being described, and the reasons for this will be addressed – from the failures of Nationalisation to the other idea of Socialism within Capitalism - the Co-operative Movement.

Clearly, Capitalism did not everywhere get imposed by force of arms, and did indeed show its potential in various embryo sub-systems, but using the then current ways of accessing the accumulations of wealth necessary for such enterprise. That whole era has been addressed in the previous paper in this issue, Primitive Accumulation, where, though it indicated what was possible, could not institute a countrywide and certainly not a global system.

It was originally, within Feudalism the methodology of traders and manufacturers, who needed something better than Royal or Aristocratic patronage to get their methods up and running, by some means of providing adequate

access to finance, while involving the taking of possibly lucrative risks.

The Limited Company was a new legal arrangement, whereby it could go bankrupt if things were not working out, and investors and creditors would get back only a proportion of what they had gambled, or were owed for services rendered or goods supplied. Such a system allowed risks to be taken, and thus literally unlimited rewards appeared to be achievable, at the same time as failure with consequent losses, without which such outcomes being seen as stealing. It was a gambler’s system, though with better odds, and also allowed concentration of wealth by investment methods, rather than conquest or robbery. This being the case, though we can oppose Capitalism today with justice, we have to be clear what it was when it triumphed over Feudalism, and what effect it had on the growth of economies.

To take a moral standpoint historically, has to be a major mistake, for it confuses an economic system with the methods of individual capitalists and owners. Though it is clear that great damage was done to millions of people, the development of human invention and reach was most certainly greatly expanded, and if we are to dispense with the Capitalist System as having outlived its usefulness, we still have to address the problems that it actually addressed – the concentration of wealth to fund enterprise.

Of course, as socialists, we would never put the same gloss on “enterprise” as do the capitalists themselves. To hear them talk, they turn the process into the prime and irreplaceable reason for all wealth creation and ultimately Progress. That is certainly NOT true!

But, it did allow that concentration, and thereby make possible expensive operations to establish new foci of production.

Now, to make it clear, perhaps I should give the example of a venture of my own into this area...

A dance teacher and myself conceived of a new form of tailor-made resource to aid in the teaching of Dance in education (particularly in schools). It was based upon quality exemplars of video materials specially filmed with particular pedagogic purposes in mind. It involved the significant improvement in both precise Access and consummate Control that could be facilitated by computer control directly and intuitively put into the hands of the teachers themselves. Our intention was to deliver resources on multimedia CDs, which would simply be inserted



Cooperatives

into a computer, delivered a controllable video stream, which could be manipulated by the teachers to extend and empower their already developed methodologies. We, therefore, termed the approach The Provision of Multimedia Resources For the Teaching of Dance.

To conceive of the facilities to be included in new controlling software, and shoot all the necessary tailor-made footage would ultimately cost a six-figure sum, so such capital was not already in our back pockets, and we could not contemplate relinquishing our hard earned objectives for the Resources, by bowing to strictly commercial interests and requirements. We needed the appropriate capital without any non-pedagogic restraints.

It was a classic case of a development that needed the investment of quite substantial financial resources to deliver our projected product, AND for that to be at a price that individual institutions could afford. We finally did it by approaching a series of funding bodies (indeed, many of them), and finally produced The Dance Disc, which subsequently won a British Interactive Video Award in 1989. But, that was only a single title, and not only were many others required, but the technology involved would necessarily change several times, the necessary software would also considerably develop, and indeed a whole new Pedagogy would develop predicated upon the use of such resources. There needed to be all of this for the whole project to deliver across the entire pedagogic area worldwide.

But, in spite of our original success, we did not get any further funding for over eight years. And when we did, we produced a second publication at similar cost, but using a different platform for delivery and entirely new software. The following period involved three changes of software and a third, and then fourth, change of platform before we had the main problems solved. You can see the problem!

This was not a business in the capitalist sense, but a service (though we had to sometimes convince funders, that it would become a profitable business to get the resources we required). Nevertheless, after the success of this publication across the U.K. subsequent funding was again literally nil. All our further titles had therefore to be produced out of sales, and the two designer/producers got literally nothing, and had to invest 20 years of our time into this project. And it must be emphasized that with available funding at the right times, we would have transformed the resources available in just a few years instead of over 20. As it was, our discs have indeed transformed the resources now available. Our discs are used in 80 countries on all five continents, but with no guarantee of a future for what we have achieved.

Now, this perhaps surprising diversion was indeed necessary.

It contrasted Service with Business, and posed the requirement for *Funding*, rather than *Investment*.

But the differences between the amounts going into these two areas are colossal. Such funding (such as that from the various Charities) are merely token offerings. Clearly in a socialist society these would play THE major role. Service to society in every aspect would have the primary status, and if this were the case, the need to concentrate wealth in the hands of entrepreneurs would be entirely unnecessary.

Now, these are still not easy questions. And the myths that see a route to Socialism entirely within Capitalism continue to be dominant and distort and ultimately undermine all efforts to achieve such gains.

In my youth, and in and around my city of Manchester, England, a supposed “social” alternative was constructed over many years, which became known as the *Co-operative Movement*.

This organisation was set up to be effectively “owned” by its customer/members, and all profits were paid to those users in proportion to what they had spent with the organisation over the previous period. No shares were involved, anyone could register as a member, and using their Members Number all purchases would be logged, and the total would determine their “dividend”. This soon became a very large organisation.

It did literally everything from food and furniture, to optical testing and insurance, and basics such as milk and bread deliveries to even funeral services. It had factories where clothes were made (where my own mother worked as a sewing machinist for a very long period), and even its own farms, while most required services were delivered by different sections of the same organisation. At one period my mother was getting around 15% dividend on everything she spent with The Co-op!

The Theory was that such a socially devised system would replace normal Capitalism, and it was politically closely allied with the Labour Party, and funded what were termed Lab-Co-op MP candidates.

The question has to be, “How did such a movement fail?” For it certainly did! How did organisations run for profit win large numbers of customers from the principled Co-op?” And the reasons for this were political, moralistic and economic! There never was a straightforward competitive balance between capitalist businesses and the Co-op. And, initially such a balance was down to the principled stand of the Co-op movement on both the remuneration of its employees, and the correct relationships with its suppliers. These initially were cancelled out by the saving implicit in such an integrated organisation, but it didn’t last. Soon, the ever bigger Supermarket chains were able to get the prices they paid down considerably, they also paid their

own employees less, and had absolutely no moral qualms about super-exploitation of producers in the third world.

Supra-national organisations, with enormous want-lists were able to force down the prices they were paying without a qualm. And they were also in a position to greatly widen their ranges of goods, particularly in the area of foods. Soon, it was possible to get more interesting foodstuffs and at cheaper prices, while the Co-op was largely restricted by the limitations of its in-house suppliers. And in periods of relative boom, when the once ever-present threats of depression and even Slumps seemed to have been removed, customers deserted the Co-op in very large numbers.

Macmillan's "you've never had it so good!" statement epitomised this whole trend.

Now clearly, this topic, like Topsy, is growing alarmingly, so this paper can only be the first of many, which will successively address many other aspects of the failure of the ideas of Socialism within Capitalism.



The Socialist Economic Alternative II Why Nationalisation Failed

When I was a boy, I went to school in the centre of Manchester there and back by train. It was both cheap and efficient and along with other "socialised services" like the local authority bus and tram services in my city, I could get anywhere I wanted to go very easily. And, of course, by then, the Labour government had nationalised all the Railway Companies, along with the Coal Industry and many other cornerstones of the U.K. economy.

It was to be, according to Social Democracy, a new Golden Age. Everything could be integrated for service to the whole community of our country, and without the profit motive, could be directed for maximal and total service with great efficiency saving and the best possible combined use.

So, when I got off my train at London Road Station (Now Piccadilly) I was surrounded by this nationalised industry, and I could not but notice how this organisation handled freight.

Beneath the high-level station were extensive freight facilities, where tricycle tractors were attached to trailored loads from the trains, and constantly poured forth to deliver by road to the prescribed recipients. The goods came off the trains onto the roads in an integrated system. Why would that excellent system fail, and be replaced by multiple private companies all intent only on maximising their own individual profits?

Surely such an alternative would present no conceivable contest? Yet that integrated system did disappear and

was replaced by the melee of the scramble for profit. The question surely has to be, "Why?"

About the same time I attended every home match at Manchester United, and 53,000 spectators were efficiently transported to the Old Trafford Ground by a massive fleet of special Corporation buses. Special routes from all parts of the Greater Manchester conurbation did the job swiftly and efficiently, and at the end of the match reversed the process and got everyone home again. How could that system, with individual Double-deck busses carrying over 70 passengers each, be worse than thousands of cars – inefficiently transporting small numbers (sometimes one-to-a-car) to the ground, with consequent vastly extra cost and inevitable time-wasting traffic jams, not to mention the necessity of vast acreages of space for car parking, and then producing a repeat when all are trying to get home again.

Of course, it couldn't compete, but somehow it did, and the local authority bus services bit the dust, to be replaced by private enterprises – again existing only to make and to maximise profit!

Now, the question is posed, "How could socially orientated organisations lose in competition with profit-motivated private enterprise? Surely, integrated schemes with service motives would always win?"

Well, the answer peddled by all opponents of such organisations was that without the profit motive

unimaginative directors led these dedicated organisations astray, so that they just couldn't compete with the vigour implicit in profit motivated directors of private enterprise alternatives. But, is that the truth?

What is certain is that the majority of media were opposed to all "socialist organisation", and would soon alight on each and every failure as inevitable and reprehensible. And perhaps even more important in a democracy, there is always a chance of opponents to such systems being elected to office, and doing everything they could to undermining such institutions.

NOTE: The current situation in the U.K. where a Tory government is using the world recession to do everything in its power to dismantle the National Health Service, and wherever possible replace more and more sections of it with Private, paid-for Health Organisations. As with the de-Nationalisation of the other statewide concerns, such as Mining and Railways, these could not be left as Services when they could be profitable concerns if in their greedy hands.

In addition, there was NO climbable route in such socialist organisations, whether commercial or political, for ambitious people to commit themselves to gain both in status and in personal wealth. For they would rarely be lauded for what they achieved, and would be dependant upon the consensus as a matter of principle, and the consensus is usually very conservative.

Ambitious and imaginative people in capitalist enterprises "get on" by winning things, not only for themselves, but also for their usually highly influential bosses, backers and colleagues.

NOTE: Interestingly, even as a teacher and lecturer in education, my own career was littered with situations where I started as the "Blue-eyed Boy", when others (usually my bosses) benefited from my contributions, but inevitably morphed into an "Enemy of the People" phase, when it became clear that such was not my intention. But, in democratic-only systems, the go-getter is likely to be distrusted and not backed.

How can such negative elements be overcome?

Now, the problems may seem insuperable, and all ideal activists may seem to be condemned by the jealousy and lack of vision of the majority, who in the last analysis always decide. And to understand this is currently no part of socialist thought.

There is NO understanding of the natural conservatism of the majority. And this can only be addressed by attempting to study, and thereby understand, the dynamic qualitative changes in Society (as in everything else).

Major changes do NOT happen incrementally by small, but positive steps as almost everyone both hopes and believes.

On the contrary, Stability is never characterised by such an assumed dynamic. It is always defensive of the current status quo, and the only evident challenge to that stability is never from the posing of an alternative, but only from its own inherent weaknesses and flaws – those deleterious processes embodied in the Second Law of Thermodynamics or "Rust never sleeps!"

Indeed, you cannot "change the mind" of the majority with promises of something better. You have to be prepared for one inevitable crisis or another and then act!

Significant changes, socially, will never be possible incrementally. The only possibility is to know what to do in a revolutionary crisis of a current stability.





The Socialist Economic Alternative III

The Form of Socialism as a result of Revolution - Can it be Established?

Now, in the early years of the 20th Century, after the failure of the 1905 revolution in Russia, The Social Democrats of the majority tendency – the Bolsheviks, were in the political wilderness, but the best of their leaders nevertheless knew what they had to do.

Lenin set to work and wrote Materialism and Empirio Criticism, but this was NOT for polemical or agitational use. It was considered an essential, and indeed philosophical theoretical task to equip his Party comrades for the coming new revolution.

Such presence of mind did not, in fact, adequately equip his party, and it was not until he joined his colleagues back in Russia in the midst of the 1917 revolution and delivered his April Theses that he managed to get them pointing in the right direction so that they could decisively influence the outcome of this inevitably developing revolution.

As distinct from the majority of Social Democrat Parties worldwide, he knew that the theoretical basis for such interventions was, and always would be, incomplete, but nevertheless absolutely crucial!

You could not merely go to the shelf and bring down the appropriate volume. Marxism had to be developed constantly as nothing remains constant, and if you were not equipped to the absolute maximum level, you would be certain to get it wrong and therefore inevitably lead the Working Class to certain defeat.

In the very same way today, answering the questions about a Socialist Economic Alternative must be readdressed once again.

Since 1917 the Stalinist reaction and the Maoist diversions in China have changed the game, and even Capitalism has found new ways of continuing via what is now called globalisation, (the new colonialism) along with various other ways of continuing the essential concentration of Capital to fund ever more capitalist companies and organisations.

And, once more these imperative questions are not merely for agitational purposes.

They are questions of Theory – of how to interpret developing social Reality, not merely within stability, but in revolutionary crisis and transformation.

What is termed Marxism is today on its back.

It is worse than useless at understanding what is occurring worldwide, and this is proved by the activists' policies no matter to what tendency they belong. With their current theoretical basis, they too will inevitably lead the necessary revolutions to guaranteed defeat.

It was not for nothing that Lenin used frequently to write pieces with titles such as "What is to be Done?" He was ever aware of the inadequacies, theoretically, of his colleagues, and even his Party, and he was in incessant struggle to get them to address and solve every question as it arose.

For the kind of Theory required is never retrospective.

What are needed are not ready-made answers to known questions, but the philosophical standpoint and theoretical methodology to be able to address ever-new questions as they arise. Indeed, most of the questions were then, and are now, not yet on the agenda, and without an on-the-fly theoretical method, the policies will always be too little and too late to succeed.

For example, do the leaders of socialism actually know what an Emergence is? I can answer that without hesitation – they do not! And the proof is that the theoretical equipment handed down to us has not been adequately developed, otherwise large numbers of scientific imponderables, such as the real nature of the Origin of Life on Earth would have long ago been cracked, and not diverted by NASA (and others) into multiple dead-ends.

But, the extension of these methods into all areas stopped long ago. Theory now is about activism, and never about the nature of Reality and how it develops and crashes. How, indeed, the Phoenix can always arise from the destructive flames of chaotic collapse. Where is the holist contribution to genetics, and to medicine? And the current state of Physics is a travesty.

Yet, already, in the mid 1930's Christopher Caudwell had begun the task with his Studies in a Dying Culture, and particularly in his The Crisis in Physics. But within a year or two he was dead, having gone to Spain to fight Franco.

Now, we can bemoan the absence of the stature of a Lenin, a Trotsky or a Caudwell, but that is not the reason for the abject failure of the Left since the Second World War.

The reasons for this failure can be explained by three crucial things.

First, the total capitulation of the Social Democratic Parties worldwide to the capitalist system as unavoidable, and indeed necessary.

Second, the betrayal of the Stalinist reaction within the Communist Parties.

And third, by the control and lies of the ruling capitalist class in all those countries (the great majority) still totally embedded within the Capitalist System,

Too many betrayals by Social Democracy extinguished the vestiges of Socialism within such parties, and certainly also within the dreams of the ordinary Workers. And the possibilities made real by the success of the Russian Revolution, have similarly been dashed by the clearly evident repression of subsequent Stalinist regimes.

And, in spite of the returning soldiers hopes of a better world after the Second World War, which caused a Labour landslide and large scale Nationalisation of the major industries, the failure of the attempts of the ensuing Labour Government, has also extinguished that were supposed to grow into a Socialist Economy.

Even the Co-operative Movement was defeated by large scale and intensified exploitation of Third World Economies, and the Co-op's refusal to compete at the expense of their own colleagues working here and peasant classes abroad.

In spite of the usual series of depressions, when the absence of a real basis was glimpsed for all to see in the capitalist countries, some new means of creating the appearance of progress and increasing wealth was always found, and the decrepit system survived.

But, mostly those repeated survivals were down to the total unpreparedness of the socialist parties particularly in the area of ongoing theoretical advances.

The totally idealist Copenhagen Interpretation of Quantum Theory continues to dominate absolutely everywhere in Science in spite of its evident inadequacies, and Kantian pragmatisms.

Now the theoretical agenda for Marxists has two main fronts. The most obvious, yet most neglected is surely the extension of Dialectical Materialism into the Sciences. In spite of the remarkable contributions of scientists such as Charles Darwin and Wegener, the necessary generalisation of the theories of Emergence into all spheres of science has simply NOT been undertaken. For almost 100 years the canker of Copenhagen has continued to disarm physical Science (and indeed Cosmology) and led to purely maths-inspired speculation on a colossal scale.

Cosmology is now a sad joke.

And in the clearest possible areas for such investigations such as in genetics and evolution, the expected revolution did not take place either.

Finally and crucially, the other clear area must be in the analysis and revelation of how Capitalism continues to exist. Where are the prophets revealing the present crisis (including the many bank collapses and the Arab Spring), and the clarification of where these must lead if the gains across the Middle East are to be turned into Socialist Revolutions in a large number of countries. Where is the Marxist analysis of the Moslem resurgence, and the correct unity between the Islamic masses and socialist working masses of the advanced countries?

“Now, all this may well be correct.”, I hear you say, “But what has it to do with clarifying a viable Socialist Economic Alternative to Capitalism?” Well, the answer to that has to be, “Absolutely everything!” For that is not a ready-made and finished definition.

In many ways, the really important forms do not yet, and cannot yet, exist! They will not be like the Nationalisations of the Social Democrats, nor the user owned institutions of the Co-operatives. And, what of the necessary availability of Capital, or more correctly, Funding, for almost all modern production systems? Will we just take over the banks, as Labour did in the current Bank Crisis? Will we print money, as the Bank of England and the European Central Bank have done, give it to the capitalist banks, and then expect them to oil the workings of a desperately ill credit-reliant system? Of course we wont!

But, exactly what we must do is as yet unknown. And without the soundest philosophical standpoint, it is both impossible to construct as interim plans, and incapable of being modified on-the-fly in response to a major turnover of the whole economic system.

But, initially at least, we must demand clearly non-capitalist solutions, for our new World, and spell them out as far as we can, and in clear understandable and believable ways.



The Socialist Economic Alternative IV Service or Success?

When considering Socialism as an alternative to Capitalism, we must NOT limit ourselves solely to the usual primary political and economic areas. Indeed, at the very heart of these two systems are also entirely different implicit social contracts as to appropriate objectives in personal behaviour between the citizen and the State, or Community at large. They can be somewhat oversimplified as Success or Service!

But, as always, we cannot take the usual conceptions of these relations to the community, as they are usually conceived of entirely within the status quo of Capitalism, and there produced as both correct and entirely sufficient! And though both do occur within Capitalism, they are not entirely due to that determining system, but grow up within sub-systems as the primary concerns of conscious contributions by individuals and groups to things-as-they-are.

So, before anyone attempts any “absolute” or “eternal” definitions of these alternative approaches, we must first contrast their differing social bases and social purposes, which are constrained rather than directed by the overall system, but also elicited by the sub-systems in which they develop.

For Success is entirely accepting of the existing overall system. Those that dedicate themselves to it, direct their activities to constantly ascend to greater acceptance (and maybe even power) within the status quo. They realise what are the basic principles of Capitalist society, and decide, “I can do that!”, and can please those who currently sit higher in the “clearly accessible hierarchy”.

In contrast, Service is conceived of as a necessary, and often defensive, reaction to an exploiting and unfair existing system. It seeks to help those put in difficulties, who, if left to the declared systems that are supposed to be for such purposes, would in fact get something much closer to the exact opposite of what they need and maybe expect.

You do not serve a Capitalist System! You serve those losing by its existence and priorities whether of production, profit making, state responsibilities or indeed anything else determined by the continuance and necessary growth of that Capitalist system.

But clearly all such definitions are not absolutes or eternal: they are determined by the status quo, and such a forms of Service that have survived in that system could never be transferred to be the major motivations within a Socialist alternative system.

For the Capitalist System does not exist to serve its citizens in general, but very clearly to maintain that economic system to the total exclusion of any other alternative.

NOTE: As the Theory of Emergences has shown, the stability of any system, including Capitalism is down primarily to its coercive and defensive subsystems, which successfully suppress ANY alternative growing up within it. An effective network of “policeman processes” has to be in place to function primarily for such purposes. They may be claimed to be there to “serve”, but the implication that such Service is for “everybody”, is regularly exposed in every single crisis to be in fact to only serve usual the beneficiaries of the Capitalist system.

Indeed, within Capitalism it may seem that Health professionals are already dedicated to a real Service role, and charities working in many crisis situations all over the World likewise. But that could be dangerously misleading!

Can you imagine putting the management of a crisis charity like Oxfam in charge of the National Health Service? It would be like getting those running a city Post Office to organise and run National Insurance. Charities are not alternatives to national or International Service Organisations. They at best are the smallest of sticking plasters on the world's catastrophes, and at the worst are some kind of conscience salve for the over privileged or even a "left cover with a heart" for the real controlling forces of the World System of Capitalism. And, if, as I have, you have worked with charity organisers, you will find a sizeable drive for "Success" often outweighing the development of a seemingly situation-transforming service. Indeed, how many Awards and Knighthoods have the "given Reason of "services to Charity". For, many who have held high posts in such organisations actually expect to be ennobled for their "unmatchable selfless achievements".

The point, that I am trying to make is that we simply cannot traverse any total reorganisation of Society with the conceptions and organisation formed within, and as a part of, a totally contrasting predecessor.

Let me relate the oft-recurring saga of the "Blue-Eyed Boys" and the "Enemies of the People". When an able, talented or extremely hard working young individual appears in an organisation, he or she is often paraded before one and all as their boss's "Blue Eyed Boy" – the saviour or future innovator of the department or organisation. But such an epithet is only ever appended to an underling. He or she may retain this status as long as by being what they are, they are doing a lot of good to their superiors standing in the wider world. But, what will happen if it becomes increasingly clear that this paragon has very different motives, and has absolutely no concern for the status of his superiors at all, and is actually dedicated to those who he is really supposed to be serving – his pupils, students, patients, colleagues, employees or even customers? For then, even if that person continues to do exactly as he has always done, he will begin to be recognised as an "Enemy of the People" and must be cut down to size, before he gets too big for his boots etc. etc. Where do you think the term "Salt of the Earth" comes from? It is how the Stately Home owner talks of his gardener or supervisor. The Service involved is strictly upwards! Service in the opposite direction becomes "Betrayal!"

To prove the point in a perhaps surprising situation, consider the Stalinist bureaucrats in Russia after the Revolution: they certainly claimed to be motivated by Service, but it was clear that they were actually driven by something

closer to the need to be a "Success" in the capitalist sense. And, this has been dramatically proved to be true in how they switched to being capitalists themselves once they had acquired the previously Nationalised State Institutions for a song and "developed" them in their now decidedly "private" hands.

Now, the decline in a service approach, within the Capitalist System, must be explained. For even during our lifetimes the attitudes in many areas of Society, where service attitudes dominated, have declined markedly. Only very recently on the news there were a series of contributions on the appalling way that many old people in supposed "Care Homes" and even in hospitals are being d with very little respect, and who are greatly affected by their treatment. Needless to say, the commonest explanation by the powers that be for this was that people (i.e. you and me) don't care any more, and therefore the obvious solution is to shame us into displaying the "right attitude" by showing up our declining attitudes on such matters. Clearly, that is rubbish, and coming from whom it does, absolutely reprehensible!

For it is clear that for an extended period, and vastly intensified in the Thatcher era, and now deepened still further by the attitudes of the Tory-Lib Dem Coalition, the insistence on what I have to label as "Success" has been elevated to the most important imperative and motivator of all people in our Society, where we are extolled to "serve" the System with selfless dedication to save us all from oblivion. To give up much that we have for a promise of "jam tomorrow".

Yet we never did, and still don't, need sermons from those most to blame for the current situation, telling us how we have declined, when, without any doubt, the major influence in such things were the "Success Sermons" from that very same source previously.

What we need to be clear upon is why did this selfish alternative gain such prominence in a Capitalist Society that has been around for a very long time?

And, the answer, which nobody has thought relevant, is the accelerating decline in the Economic System, which has had to increasingly press forward on ever larger borrowings to maintain any sort of appearance of Stability and Progress, while simultaneously reducing its home market by unemployment, where cheap foreign goods and the redundancy of workers in an increasingly computerised World, pushes inexorably in the opposite direction.

The vast increase in fictitious value of homes caused by all almost complete suspension of economic house building, and the selling off of Council Housing on a vast scale, so that I used to live in a new house costing £2,750, but now live in an only slightly improved home at a value approaching £275,000 (100 times higher). No one can possibly argue that this represents real value, can they?





But, it is one of the ways that the appearance of progress is maintained.

Why do we forget what precipitated the recession of 2008, when million of poor Americans were persuaded to take out massive (for them) mortgages, which the lenders knew that they would soon fail to keep up payments on, and informed Banks across the World what a good investment it was for them also to buy into, because when the buyer were kicked out they would have had BOTH actually paid mortgage payments AND repossession of the actual buildings. The reaction of the Class in these areas was not considered. And they soon knew how they had been conned, and somehow? By the time repossession was about to be carried out, the properties had suddenly become almost worthless.

The totally reliable investments world wide into this desperate thieving scheme precipitated that global calamity, and still persists, in a declining series of forms as the system "Returns to Value"

Indeed, even in this "advanced nation" youth unemployment in many areas approaches 20%, and as the "investors" alternate between losing Confidence and temporarily regaining Hope, the credit judges downgrade the credit-worthiness of whole countries causing the costs of borrowing to rise, and make it clear that some will NEVER be able to service their loans never mind pay them off.

Now, we DO NOT hear about this intrinsic decline and major crisis of Capitalism as such! And the reason is that all the parties who are in a position to have their standpoint aired are in favour of the System. Indeed, without it they KNOW that they will be lost. They can conceive of NO alternative, which could maintain their current privileges, status and most important of all, WEALTH. Cameron is, after all, a millionaire: is he the least concerned with the plight of the Working Class? Of course not!

But, this is not as they all insist, a temporary crisis, which will pass, and be once more replaced by "progressive stability" of the status quo when "fully functioning".

The Arab Spring following the wars by Capitalism to redirect dissatisfaction of the ordinary people of these areas, into sale "democratic" channels. And the accelerating decline of Greece (followed quite possibly by Portugal, Ireland, Italy and then the World?) is NOT solvable within the iron rules of Capitalism. Already truly vast owings are having to be written off, and the blatant "stealing" by means of Payment Protection Insurance, that rose to precipitous heights following 2008, are having to be PAID BACK! The issue of the personal salvation of the owning class has totally usurped any so-called social responsibility, because Chaos seems to loom, and people have been won to promises that with sufficient selfishness they at least will survive.

No, as always, if we are to be serious strivers for Socialism, we cannot afford to use the enemy's conceptions, or even those defined solely by the opposition to that system but developed entirely within it.

The case is similar to how Trades Union consciousness developed. They were wholly defined by their purely defensive role within Capitalism, and because of this always carry over two major faults when it comes to acting within Socialism. First, they always had chances within that former system of getting "Success" by being part of a Labour Government. And secondly, their only conceivable targets were always totally contained within that system. Trades Union consciousness is always totally constrained by what it has to fight against. That is why the leadership of the fight against Stalinism in Poland came from the Trades Union "Solidarity" led by Lech Walesa. But in Socialism, it is highly likely that the Trade Unions would have to transform into representative soviets, or similar service roles within the socialist state.

So, in defining what it is that we will be fighting for in desiring to establish Socialism, we must address the Question, "What is meant by Service within such a system?" And it is NOT what Kennedy called for in his line, "Ask not what your Country can do for you, but what can you do for your country!" That may be ideal for recruiting the youth of a capitalist country to fight and die for its continued hegemony, but that is NOT what service means in Socialism, despite what has been the case in Both Russia and China since their revolutions.

Clearly, though Service exists within Capitalism, it is never to the State. It occurs throughout Social Services, in Education, Hospitals and in local Communities, but like in a greenhouse set up against the hostile prevailing elements, such forms cannot but involve an unavoidable aberrant growth due to context. Service in Socialism must be bigger, less of a personal dedication to known others, and more an overall principle of ALL forms of organisation, so that it is consonant at all levels.

Socialist Democratic Forms I

Do we Simply Put Capitalist Democracy in Socialist Hands?

Now, apart from commercial and political motives being crucial in the failure of the Co-operative Movement, that was due not only to moral guidelines, which put such organisations at a decided disadvantage compared with their amoral capitalist opponents. There was also a timidity and conservative mentality too in those who led such institutions, and decided upon its plans and purposes.

In a capitalist world there was no broad spectrum of sympathetic sources for the recruitment of available managers, and, as with all seemingly “socialist ventures”, they are soon dominated by incoming employees from the middle classes, who will always be looking upwards with ambition, rather than looking downwards with service in mind.

NOTE: It is interesting to see how different this process has been in the nationalised railways of India, where a de-classed but able extended group of Anglo-Indians with no real place among the indigenous population or with the British administrators, did in fact dedicate themselves to service in the Railways and did, and still do, a magnificent job.

And the Middle Class interlopers into the socialist organisations within Capitalism in the advanced countries, carrying with them their contextual and conceptual baggage, redirected these organisations towards conformity with the current economic system rather than being any sort of precursor for a revolutionary new economic order.

The Co-operative Wholesale Society, and its individual Retail Stores, just like the Labour Party, had been set up by the Trades Unions and Socialist Groups, but they soon lost a great deal of their radical ideology, and looked to the Working Class as relatively captive customers rather than co-members of the same Class. They slowly became determined by the society they fought to survive in, and perhaps make “fairer”.

As Trotsky said about Stalinism, “You can’t build Socialism in One Country”, and to extend the idea to what we are considering here, “You certainly can never build towards Socialism via a commercial organisation inside a capitalist economy”. For your straightforward capitalist opponents will always be cheaper by super exploitation of both the majority of their sources, and their own employees, while, at the same time, they will seduce the unwary of your customers with “schemes of great promise”, which they

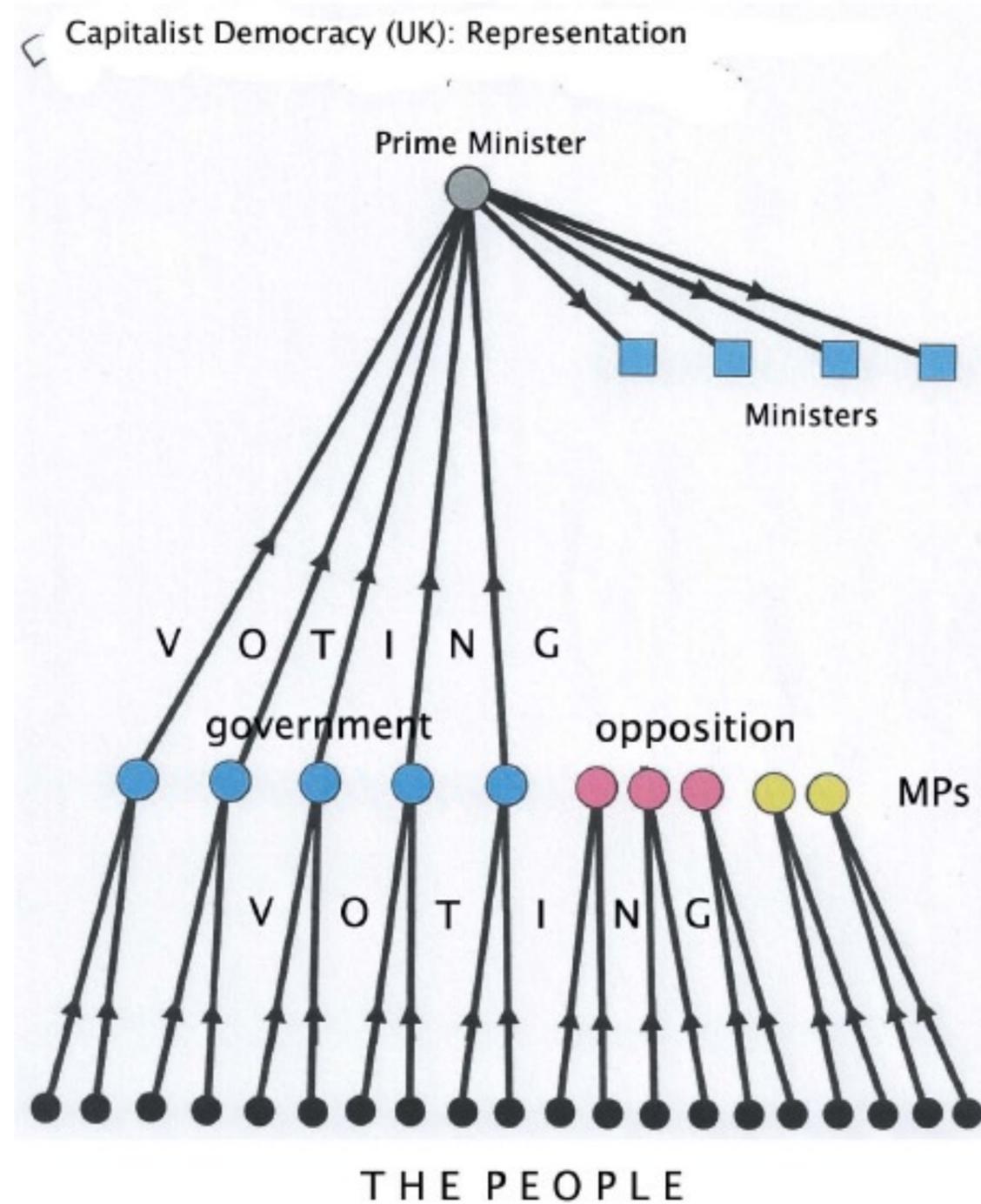
will “adjust”, or even withdraw as soon as it has had the requisite effect. Many times you find yourself holding now useless “tokens” or “stamps” or even abstract “points” or “air miles” when they are suddenly discontinued for example.

Both the political organisations of the Working Class and its economic inventions such as the Co-operative Movement could never win in direct competition with capitalist enterprises, for the latter, without a qualm, and indeed with some pride, will undercut the principled standpoint of the Co-ops by obtaining their products from the cheapest possible sources, or reducing their own staff numbers, whatever the consequences for those affected.

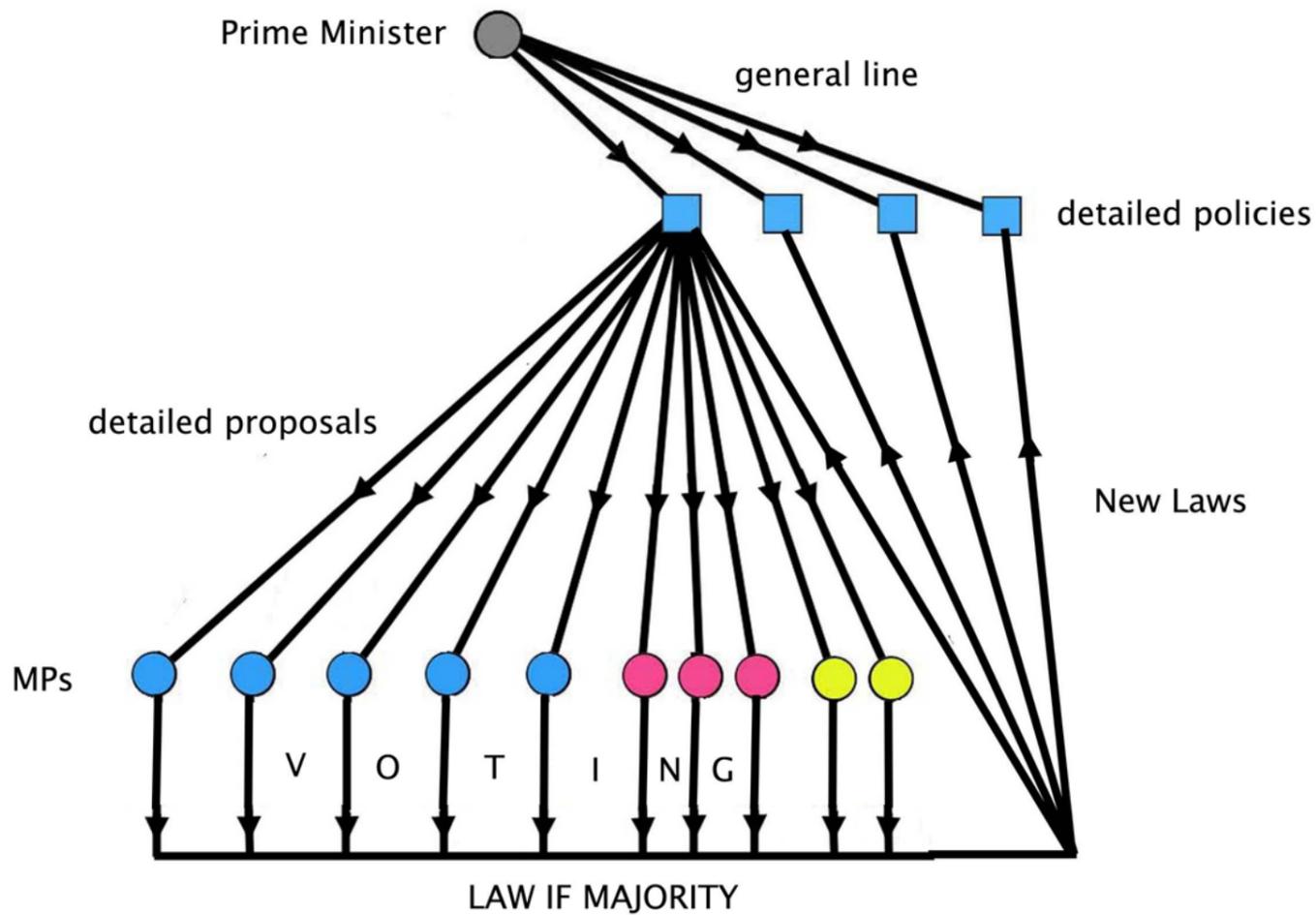
So, none of these organisations as developed by the Working Class within Capitalism could ever become those that could lead the Class in a revolutionary situation, as they would be imbued with the belief that the only possible transitions towards their projected ideals would have to be peaceful, and would win, even on the enemies own terms, merely by efficiency and standards. Not a chance in hell, I’m afraid! And, in addition they would never be the commercial organisations to serve the Working Class even in a socialism-building period after a successful Revolution.

Now, this being the case, it is clear that Democracy, as developed within Capitalism and all political organisations from the same context would have to be replaced by something with a very different philosophy, with people who didn’t run away from the inevitable tumults that could precipitate revolutionary situations, but instead embrace them, and have both transitional policies and a standpoint that could effectively contribute to their escalation and ultimate success. The usual “transitional demands” took Democracy, for example, and tried to liberate it with new limitations and conditions to rein-in elected representatives.

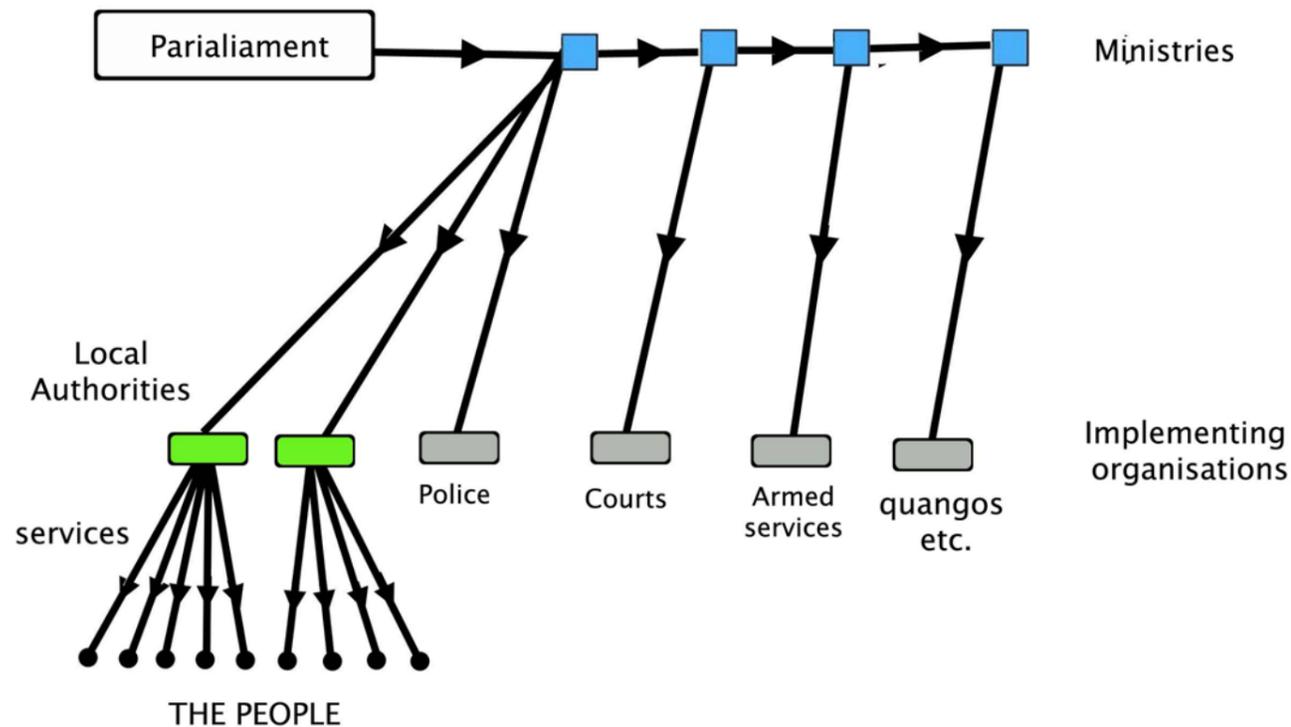
But, before we look at the usual set of reforms required to socialise Democracy, it is imperative that we have look, with the clearest possible vision, and Democracy as it is instituted in advanced Capitalist countries, and to allow no beliefs or myths to cloud our analysis. We must look, not at Democracy as some sort of ideal, but at Democracy within Capitalism, where it certainly exists. On the next page is a simplified diagram of the representative forms of Democracy in the United Kingdom at the present time.



Capitalist Democracy (UK): Policy Making



Capitalist Democracy (UK): Implementation



But even this does not tell us sufficient information. In the 1930s well respected academics, writers and even philosophers, like Sidney and Beatrice Webb and Bertrand Russell, were very favourably impressed when shown a formal representation of the Soviet System in Russia, and that image in no way reflected the personal hegemony of Josef Stalin.

So we have to look, not only at a great deal more, but associate every formal picture with a meaningful narrative. The next diagram shows (again very simply) Policy-Making for new laws and their Implementation across the country.

The final diagram is about Implementation.

Clearly, these first efforts must be developed, and real alternatives considered. But NOT, it is hoped, the sort of suggestions that we hear the most about. For they merely modify a tailor-made form of Democracy ideal for Capitalism, and guaranteed to present absolutely NO threat to that system. For they presuppose that the transformation to Socialism would be achieved VIA that Democracy, and after that election a committed Socialist Government, would adjust Democracy to its final ideal form.

The situations in the Arab Spring of 2011 revealed transparently the limitations of their ambition for Democracy as defined in Western Capitalist countries as a template for their own revolution. For as such they are the “war-cries” only of an as yet un-enfranchised Middle Class, who directly compare their circumstances with the political position of their Class in those Western Capitalist Democracies. They therefore called primarily for the removal of militarist dictators, and their replacement by democratic rule on that western model. The nationalist phase of the capitalist revolution and the rule of their Class had not yet been completed, and the major drivers of the second phase revolutions were certainly that same Class. But as in all such revolutions, that Class is nowhere near a majority of the overall population, and they therefore need the Working Class on their side. So, though they wave the very same flags, they certainly cannot have the same objectives.

The democratic socialists call therefore for:-

1. Instant Recall: the ability to recall their representative and replace him or her with someone closer to their overall consensus position
2. Mandating of Policies: the endowing of such representatives with a list of positions that they must vote for in the higher body in which they are to represent their constituency.
3. Disqualification: immediate disqualification from voting as a representative on order of a constituency vote.
4. Continuous Local Democracy: with regular local assemblies for policy decisions. With debates where

contention was evident, and decisions which would modify the mandate of their upwards delegates.

5. No Top-Down Policy Making: The relative independence of leaderships, whether of Cabinet, Prime Minister or Presidential form would NOT be allowed

Now, all these and many more – particularly when it came to control of the military, would never be enough, and also the alternatives necessary instead of these after a revolution, cannot possibly be known NOW!

Indeed, the Democracy of a Workers’ State would be very different, and in the short term, if surrounded by hostile capitalist powers, would have to be quite repressive to maintain the integrity of the New State. The inevitable problems were encapsulated by revolutionaries with the term “Dictatorship of the Proletariat”, which meant that hegemony would have to be in the sole hands of the chosen representatives of the Working Class in a transitional period, as no other could be trusted with such a vital task.

But, certainly the appropriate forms would emerge during the revolutionary tumult itself, and there would be constant changing of forms at all levels, including contradictory and overlapping constituencies. But, knowing exactly what a certain organisation was, would indicate who exactly was saying what. The system would be extremely flexible and would go into all sorts of contrasting and competing directions, but this very nature would in the end, indicate which forms represented your views, and only them would be trusted.

So, this paper is no comprehensive catalogue of appropriate forms and demands. A study of the 1905 revolution in Russia, its considerably-delayed continuance after that major defeat, in the February 1917 event, and then followed by the most amazing tumults of change over 8 months, must be made to reveal the remarkable trajectory of forms, which involved new thinking at every turn, so that by October 1917 they were ready to act!

Socialist Democratic Forms II

How are decisions frequently made within Capitalist Democracy?

Before going on to the possible socialist alternatives to bourgeois democracy, we must first address the question, “How does decision-making work in both non-political and non-representative bodies, for these are widespread and powerful organisations within all Capitalist Systems in addition to the usually considered elective methods?” We do know how capitalist Democracy works in political assemblies such as the UK Parliament, where the main mechanism for decisions seems to be almost entirely top-down, and only very rarely bottom-up.

What is more, even the pre-election policies that secured the victory of one party over the others, can be radically changed, or even dropped once the majority in that assembly, and a guaranteed ticket-to-rule for the next five years has been secured.

With Party Whips, discipline and even the allocation of lucratively paid posts in government departments, the effect is to strongly bolster the top-down directing of what is made Law by such a “democratic” body.

Now, there should be a thorough analysis, criticism and outlined alternatives to this whole current system undertaken, but what I will commence with here are some descriptions of the less overt or controllable set ups, which nevertheless affect the general population significantly.

For example, what about the roles of the various Royal Colleges representing many important bodies of practitioners in the nation’s Health Services?

In the last week, it seems to be the case that those at the top of these organisations differ markedly from those at the “coal-face” that they are supposed to represent. And in some cases, though they had initially backed Government proposed legislation to open up the National Health Service (NHS) to competition from private companies, the tumult of hostile action from below has triggered actual meetings to reconsider the current positions of the leaderships, though it is not clear what they will discuss, whether any significant decisions can be taken, by whom, and with what, if any, binding mandates.

In addition, there has been, over an extended period, an increasing number of what are termed Quangos, which are organisations that seem to be appointed on ministerial aegis, and hence will surely reflect the views of those doing the choosing – most likely packed with the “right”

majority, but with a couple of token oppositionists to give the appearance of some sort of balance.

Now, the usual reason given for such arrangements is that classic purely democratic representative committees with innumerable mandates are much too slow and reek of lowest common denominator decisions. So that not only is decision-making greatly extended in the time taken, it is also often taken by those “not qualified to decide”. Thus top-down direction via the appointment of “Tsars”, or alternatively of groups or committees of experts, are believed to be the only way things can get moving quickly and appropriately.

But “experts” do not usually agree! And your experts may come to quite different conclusions to my experts! Indeed the myth of the swift executive action of Mayors in Cities, or Presidents in Countries, boils down that kind of election process to a choice between a very small number of candidates, none of who represents any large section of the electorate, but only those of their political and financial backers. And, therefore, whose policies on the largest number of areas where they make decisions and direct actions cannot be known! The election of the last Lord Mayor of London proves the point.

Of course, the real reasons are very different.

In political life, the techniques for getting elected are by now well known. With the money and the media, the riding of prejudices and the telling of lies (usually including promises that they never intend to keep). That system will mostly return majorities (if sometimes slim) for the owning Right. But, democracy behind closed doors, and truly quantitatively representative of the real majority of organisations is likely to occasionally come up with decisions that could threaten the usual Stability. They, believe it or not, are the most dangerous for the powers that be. Hence the preponderance of these extremely undemocratic forms!

Now it may be wondered how they get away with such blatant re-directing, but they are not fools. They know how to exploit most situations.

If, for example, the decisions that were taken in such bodies, threatened the current hegemony, then all hell is bound to break loose. For such counter-posing decisions will NOT fit in with the general overall system, and will

simultaneously threaten it, while also failing to establish its decided objectives. Such tumults are immediately pounced upon by the Right as proofs that their opponents cannot organise anything properly. And, with universal control of the media will campaign loud and long against such “incompetence”.

As you can see, by far the most telling skill in the Right’s armoury is the ability to lie, and to do it convincingly and with evident authority. Hence the myth of Democracy must be exploded. It now reeks of its determining economic basis, and can never deliver what it purports to – the decisions reflecting the positions of the majority of the population.

Indeed, the lovers of Classical History never tire of informing us of Democracy’s birth in the Greek City States, but always omit to position it in its actual context – that of States based upon conquest, financed by booty, and worked for by slaves. Such a “Democracy” was never “for all”! And it worked well, within its constituency, because it was small and, crucially, also in charge. It was a level playing field for the *ruling* class, and their wholly dependant, though sometime large, periphery only.

But, the most damning feature of Democracy in the current World is that it is only the supervisors (totally subservient to their owning masters), who make the decisions, and do so in an Economic System NOT within their control. It is a fictitious cork of equal rights floating upon a sea of wealth and power.

Now, as long as such a system of economic power continues, NO truly democratic system can deliver what it promises. Instead, every decision opposing that economic base will only cause tumult and the threat of general dissociation. So, even when it is actually happening, as in a Revolution, the overall impression is of increasing Chaos. And that is close to the Truth!

As spelled out in my Theory of Emergences, the first phase of such an Event is always a swoop towards Chaos. The forces, which had kept everything in check, begin to be increasingly undermined and start to disintegrate, and, one by one, the processes of control disappear. The losers in such circumstances shout ever louder about the certain “Doom” that can be the only possible outcome, and many, previously comfortable middle classes confronted with a clearly a seemingly unprecedented disintegration, will agree with them, as all sorts of unwanted happenings accompany the rulers’ increasing loss of control.

BUT, that phase is never permanent and never final! After the clear descent to what the main losers would see as a swoop towards oblivion, the very opposite begins to appear everywhere.

Constructive, wholly new forms appear and begin to self organise. This crucial, creative Phase of every Emergence will have begun, and once having reached this very different form of positive feedback, nothing can stop the inevitable drive to a new Level.

For it is only here, that true alternative and entirely new forms appear, and the comparison with the “ideal democracy” of before becomes clearly evident.

Those who once ruled, and their supervisors, hangers on and policemen are summarily disenfranchised, and the new forms simply exclude them and seek to take their wealth for the public good.

Now, perhaps the most significant feature of an Emergence is that its innovations are never possible to predict from such a revolution, from within the preceding regime.

Many will have had their plans and their dreams within that prior period, but they will be as incapable of deducing what will occur, as the inanimate processes were of revealing the Nature of Life when it first appeared on Earth in its own Emergence.

There is NO direct reductionist continuity between the Laws in one Stability to those created via an Emergence in the next.

So, the forms that will replace bourgeois democracy are impossible to define. All we can say is that they will be consonant with a transfer of power from the rulers of the past regime to those who overthrew it.



The Essential Development of Marxist Theory I

The crucial flaw in “Democracy”, as is it usually argued for, and instituted within Capitalism, is that decisions are said to be made by the People and for the People. But the truth is that such is never the case!

What is available is that the populace can vote for any one of a number of available candidates for their local constituency, who at fairly rare public meetings explains what he or she stands for, and thereafter what will be voting for, but what actually happens in Parliament, if elected, is that the MP will vote as he thinks fit, or more commonly as the member’s Party directs all their MPs to vote. And these small interludes of public choice are extremely infrequent, and literally always made in ignorance of the real issues involved, not to mention the true unrevealed intentions of their candidate.

So, instead of merely constantly toting the Democracy-Demand, but within a future Socialist State, we have a much more difficult job to do. Otherwise, we effectively help to hide the dishonesty implicit in capitalist Democracy, as well as misguiding our supporters as to what we would institute in a Socialist State.

Now these questions are not merely a matter of choosing from a clearly evident and ready-made set of alternatives. All Forms within Socialism will be very different, and the organisations struggling for such a transformation MUST be duty-bound to make absolutely clear what Socialist Democracy would have to involve. It has to be a worked through and fully described alternative: and that makes it a job for our theorists. It is a job for Marxism!

So, let us attempt to delineate the main questions.

How do we tackle the enforced ignorance of issues, and how do we bring decision-making closer to the people and much more frequent?

And the reasons for these major changes are because, under the present system, Democracy never does what it says on the tin: it actually does the exact opposite, and in place of information and explanation, we are universally presented with lies! The true purposes of the participants in an election are not revealed, for if the populace knew of them, they would never be voted for by the majority of the electorate.

Now, let us be clear! Even if some more frequent decision-making were “handed down” to the populace, it would have to be (from the point of view of those in charge) certainly NOT accompanied by the necessary information. On the contrary, it would have to be “explained” via a series of conscious lies. Now, if there existed an organisation, which

with the same privileges and resources of all other parties, insisted upon both constant efforts to understand and constant transmission of such revelations to the populace, they would certainly be soon obliterated by fair means or foul!

Lies like the faked Zinoviev letter, and many more similar tabloid techniques would be employed. The claim that Lenin got where he was by accepting German money, and innumerable other lies, can, when you own all means of information, frequently convince enough of the population to win.

But, what Lenin’s Bolshevik Party did was unique anywhere in the World at the time of the Revolution in Russia. They worked tirelessly on Theory – on Philosophy (Materialism and Empirio Criticism), on History (The Monist Conception of History) and on Economics and everything else necessary to expose the Truth.

Now, even if various individuals were to seriously undertake such necessary research, it would not be heard by the populace without an organisation to deliver it, and that organisation would have to be led by the very best theorists and activists. Pure ivory-tower research OR pure theory-less activism would never be enough in isolation. The Party would have to unify these poles constantly!

Now, it is almost 100 years since the Russian Revolution, and the then leaders of that Event knew that it could only be the first step. To really succeed, the same sort of Revolutions would have to happen literally everywhere, and particularly in the powerful citadels of Capitalism such as the remaining state of Europe and the United States of America.

But, it didn’t happen, and the main reason was the failure to constantly develop Theory by literally ALL the Parties of the Working Class. Marxism as a method was transformed into the works of Marx, Engels and Lenin, and NOT Dialectical Materialism applied to all disciplines. Indeed, activists who purported to be theorists would merely quote relatively “ancient” texts by the Masters, and did not, as they should have done, constantly add to and develop that body of Theory.

It was, of course, down to the background of those who very quickly dominated these movements. They were (as had been the case with Marx, Engels, Lenin and Trotsky) from the Middle Classes, but unlike those leaders, they were never really philosophers, and never continued to develop theory, for they were wholly content and confident in what they brought with them. They were absolutely sure of what was sufficient for them to deal with all situations.

HISTORICAL MATERIALISM AUSTRALASIA CONFERENCE 20+21 JULY 2012 SYDNEY MECHANICS’ SCHOOL OF ARTS

NEW MARXIST RESEARCH ON POLITICAL ECONOMY,
PHILOSOPHY, HUMAN RIGHTS, DEMOCRACY,
HISTORY, CULTURE + MUCH MORE
PRE-SALE \$70 WAGED/ \$40 UNWAGED
TICKETS ONLINE OR ON THE DOOR
HISTORICALMATERIALISM2012.WORDPRESS.COM.

They were seeing their role as being entirely within what they had always been used to. It would just be a switch in leadership from the old parties to their organisation and therefore, themselves.

So, it was never a matter of constantly developing Theory in response to an ever-changing World. Thus it was inevitable that they would naturally and inexorably gravitate to their slant upon the usual social and political forms. Indeed, it soon became clear to some of the older members of the parties that these “new pronouncements” were certainly re-directing the organisation away from a revolutionary objective, and they were correctly condemned as “Revisionists”.

But, though that was indeed true, such labels are never enough. The need to belligerently campaign for the philosophical standpoint and methods of the Dialectical Materialists was replaced by an inadequate reinterpretation of the actual words of the founders of Marxism.

So the Socialist Movement, as had happened twice before in the First and Second International organisations of the Working Class Parties, was again being betrayed by elements from the enemy class to emasculate its revolutionary purposes on the one hand, and by the abandonment of the developing of Marxism on the other. The only possible way to defeat those reflecting a capitalist way of thinking was by a dedicated and serious commitment to developing Theory.

Now, I am aware that such a task may seem extremely intimidating, and many failed attempts to read and understand Marx’s more intractable texts may seem to prove that you are not up to the task.

And some who did like Christopher Caudwell, with his *Studies in a Dying Culture* and *The Crisis in Physics* sadly also picked up the intractability of Marx’s work along with his philosophical standpoint. Sadly, this genuine searcher for a modern Marxism, died fighting Fascism in the Spanish Civil War while still a very young man.

But Marx was an academic, and a philosopher of the Hegelian School originally. He was imbued with the dedication and research of his mentor, and it would have been a miracle if his theoretical work turned out to be easily accessible to ordinary, untrained individuals.

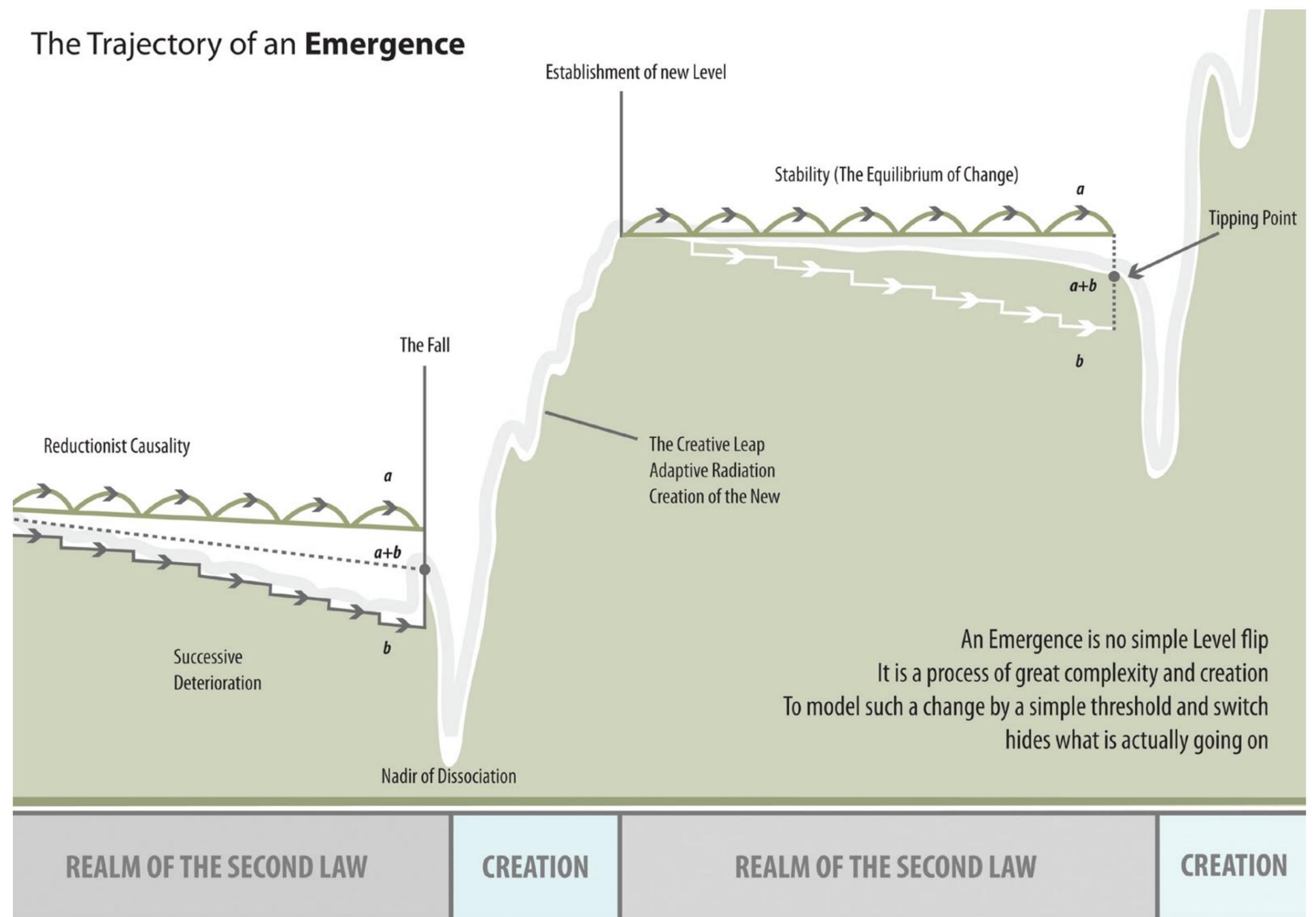
But surely, that makes the task of continuing with this work all the more imperative. And no one is standing over you allocating marks, and condemning errors (Or maybe they are, but if so, you are surely in the wrong organisation).

The correct reaction to error is both discussion and the producing of alternative hypotheses. To never make a start is untenable.

It is precisely because it is so important that Theory must be addressed, one way or another, by ALL. That doesn’t mean that everyone will make the very best contributions, but they can all make contributions to encourage constant debate and development, including to all those who decide to link themselves to such an organisation.

The writer of this paper is not an economist or a trained philosopher, but has, after a great deal of thought and effort (not to mention many later rejected hypotheses) begun to make some worthwhile contributions, such as the Theory of Emergence, for example.

The Trajectory of an Emergence



The Essential Development of Marxist Theory II

Removing The Myths Of Progress - Calamity is the Only Real Opportunity for Qualitative Change

When considering real developments in the World around us, we finally settle upon Emergences (Revolutionary transformations) as the crucial episodes in all sorts of evolutionary processes, but it would be wrong to see such interludes as merely a sudden quickening of the pace of an already-operating, pedestrian process of qualitative change.

Indeed, in research undertaken into such Events, it has become clear that the first phase is always a major system-terminating crisis, and the crucial phase in the midst of such a self-generated Emergence, (as well as that following any externally-triggered general collapse - as in a meteorite impact) needs to be understood for it is when things are crucially transformed. And, that is only possible in terms of Stability and Development as alternative modes, rather than our usually assumed trajectory of incessant changes, but at variable rates.

For we invariably (and incorrectly) see Stability as both desirable and constructive. And we contrast it favourably with the alternative of a totally destructive Chaos. For, with such a view, it appears inevitable that any real progress must be confined to only, and wholly, within Stability, and conversely that Chaos, if successful, will lead only downwards towards an ultimate and general dissolution.

But, this is a significantly mistaken assumption. Indeed, it is the opposite of what actually occurs. And, if this is the case, the question that must be answered is, “How does such a misconception become so widespread?”

Clearly, the error stems from those who define Stability, and what they not only see as progressive, but also have the wherewithall to impose it upon the majority of the population. And throughout history those have always been the people who are “in-charge” (or those closely and beneficially associated with them).

But, if our suggested, very different, alternative conceptions are true, and stability is totally opposed to progress, then we have to explain why this is so. And it is best revealed by contrasting Stability not with Chaos, but with its real opposite - Revolution.

From this point of view, stability is essentially a balanced and conservative state, in which the status quo has to be actively maintained, and even strengthened whenever and wherever it is possible to do so.

Any threats to the current Order are opposed immediately, either automatically in naturally achieved stabilities - via built-in inhibitors of system change, or within Societies via consciously set-up organisations such as the police, the armed forces and the Justice System.

NOTE: When politicians emphasize the Rule-of-Law as the essential ingredient in “democracy”, this is exactly what they have in mind.

Now this suggested alternative may be dismissed as merely a forlorn hope of those not in charge, and hence having no objectivity. But, if that were true, and the usual established view of stability was the case, then the motive forces for significant change would have to be ever and clearly evident within all such stable situations. So, the question that must be answered is, “Are these forces both active and clearly evident within Stability, and if so, what are they?”

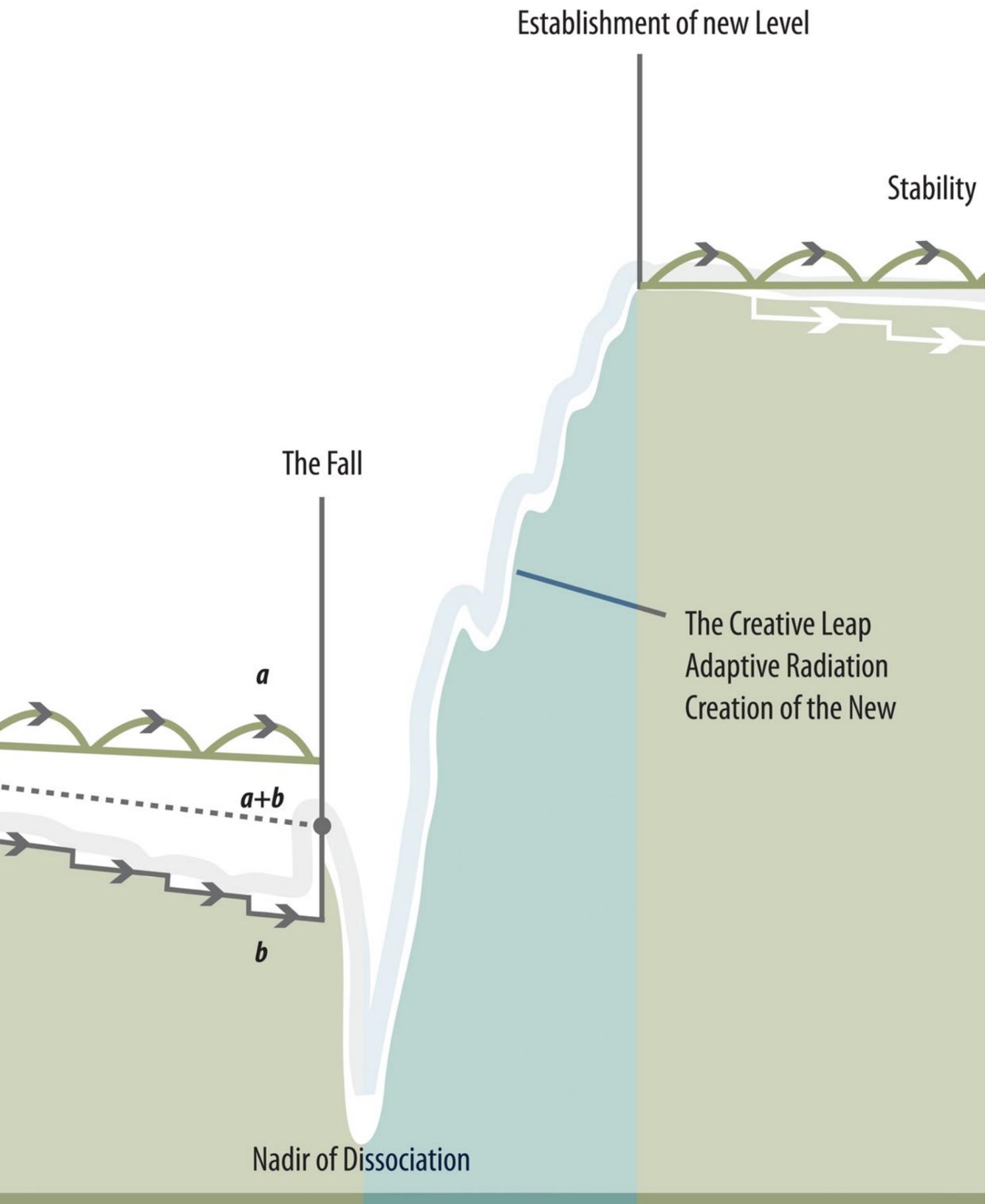
And, to those who subscribe to the consensus view, the answer to such a question would inevitably be “Technology!” They would be clearly in difficulties to provide any other examples at all. And even this Banker response does not, and indeed cannot, deliver significant qualitative change. The definitions of both Science and Technology are clearly important in showing exactly what these activities do in fact achieve.

Science is the attempt to understand Reality and all new discoveries. While, Technology is merely the drive to use such things – profitably. And, this latter is then impossible to make into a system-transforming activity, for its context must be part of the process too. Indeed, an extremely good case can be made for establishing the exact opposite. For though we are told that it transforms Society that is certainly not by radically altering its stability.

It actually presents an absolutely zero threat! Indeed, without the constant and accelerating March of Technology our current Social Order would be in dire trouble.

It enables a debt-based acceleration to disguise a real congenital decline, but to do so requires ever more resources and earnings to allow the most enormous borrowings to finance the essential research to deliver what is needed to keep the majorly holed boat afloat. Technology provides the pumps that keep it from sinking – hardly a progressively transforming contribution!





CREATION

Now, I must admit that I am not attempting to win any arguments with the group who benefit most from the current system. That would be a total waste of time. But, I do address the majority, and those who should be their vanguard, the scientists, though the latter are currently in the most debilitating trough for extending our understanding of the World, and have been there for a very long time.

Sub Atomic Physics and Cosmology are deep in the mire of the wholly idealist Copenhagen Interpretation of Quantum Theory, and have completely abandoned Understanding and Explanation for pragmatism via Equations alone.

And, in spite of what leading scientists on innumerable TV Spectaculars and in magazine articles say about the promise of the latest experimental kit, the truth is that Science, as a means of understanding has completely lost its way. For they, in spite of the illustrious history of Science, also subscribe to the consensus view of Stability. They dream of being able to pursue their studies without any essential regard to pay, facilities and funding. They imagine that Stability will provide them with such a Paradise, and in it they will surge ahead to ever-greater understanding. It is, of course, a well-loved, but wholly untrue Myth!

So, let us review this proffered alternative concept of Stability.

It has to be a state achieved in the end by restrictive and conservative processes, which deter all opposing systems, and keeps things as they are, conserved in a sort of perpetual balance. There are still both deleterious and alternative processes (non dominant) occurring, but they are generally kept well in check. Yet the ubiquitous Second Law of Thermodynamics is also no myth!

Incessantly, the combined processes of dismantling and decay, which together constitute this Law, persist, and every single Stability will at some point be totally undermined by these hidden forces, and will inevitably collapse, and seem to be heading for total and final Chaos.

But, surprisingly, something wholly unexpected occurs and NOT by chance.

The overall direction changes dramatically through 180 degrees, and Dissolution becomes Creation. The Phoenix does indeed arise from the Flames of Destruction! Multiple, wholly-new proto-systems as sets of mutually conducive processes, begin to form and grow, and the crucial question must be "Why?"

There is a clear answer! The so-called "policemen processes" of the prior stability have been swept away in the wholesale collapse, and all sorts of processes, prohibited or greatly restricted within that prior stability, now go ahead unhindered, and begin to form multiple conducive relationships with other processes, and the

only opposition is via other equally new and competing alternative systems.

Out of what seemed to be a headlong dive into oblivion, we get instead developments on all sides, and in every single micro-stage one particular proto-system will rise to dominate, but will unavoidably and by its own success generate the renewed reappearance of the Second Law. The drive forwards will therefore be halted, and a return towards chaos will ensue. But, of course, that will only resuscitate the rise of yet new and different proto-systems and another upward surge will occur.

Ultimately, after a turmoil of such developments, and alliance of conducive, mutually supporting elements plus the required defensive policemen processes will win out and a new and persisting stability will be established. And when this has occurred, it will be, surprisingly to some, intensely *conservative*. Its final success, though in process it will have introduced wholly new and better elements, will be due to its effective prohibitions via its defensive processes.

Stability is born out of such seemingly chaotic interludes, and these are so general across all developments at all possible Levels of Reality, that we have termed them Emergences (or in Social situations – Revolutions). And the resulting stability is never thereafter conducive to any alternative progressive change: it becomes entirely conservative of what has just been achieved, and has the prestige of that recent overturn to justify its now repressive nature.

NOTE: This phase was noticed by Marx, and the Stalinist reaction in Revolutionary Russia was termed a Thermidorian Reaction by Trotsky in reference to a similar phase in the French Revolution.

So, returning to the Emergence Event itself, we see that the only opportunity for real progress occurs as a result of what seems to be initially a final destructive collapse into Chaos.

And, from an achieved Nadir of Dissolution, a crucial creative/destructive phase produces real progress – situations in which entirely novel developments occur and become stabilised. And though the very achievement of a New Order precipitates a resurgence of the Second Law dissociations, that does not take hold and dominate, but is again swept aside by each new, and different, pulse of new order.

This interlude of alternation between new developments and dissociations does not set into a permanent oscillation, nor does the Second Law win, and again take us to complete dissolution.

Instead the individual oscillations get smaller, and the upward swings always outweigh the intervening declines, due to the increasing integration of defensive policemen processes as part of each developing system, until a final threshold is surpassed, and the last system succeeds in becoming “finally” stabilised.

It is remarkable, yet true, that only in the turmoil of an Emergence does real progress appear and become established, while also this phase finally reaches a New and long persisting Level, but at the cost of an almost total inhibition of new qualitative changes. The revolution may seem to destroy the old repressive regime, but will, of necessity, become a repressive regime itself, simply in order to survive.

NOTE: The ideas mentioned in this paper, and the included diagram, are from The Theory of Emergences by this author which appeared a couple of years ago as a Special Issue of the SHAPE Journal.

Now, It must be emphasized that this is no longer only a Theory about Social Revolution. Indeed, it has become increasingly clear that it pertains to all development at whatever Level. It means that reductionist hopes at explaining all Wholes in terms of their contributory Parts will, of necessity fail at all crucial turning points. They work only within a given Level!

To address real qualitative developments of all kinds, we have to look for crisis and embrace it. Only when we do that can we really begin to grasp Emergences in process. And the most evident of such instances occur within our own heads – in all new imaginative and creative Thought. Hegel chose correctly!





Socialised Capital I Funding Development

Now, once the Capitalist System is no more, the usual way of getting the necessary financial resources for setting up any sort of new business, commissioning any necessary external services, or subsequent re-tooling, will require alternative means. And it will no longer be the DeLorean Model of acquiring state funding to deliver “sorely-needed jobs” in a depressed area, only to dupe ill-informed politicians, and, in effect, enlarge their own increasing wealth with far from communal motives, such will no longer be allowed to happen.

The question must be, “What must these alternative methods be, and how will their sources both acquire their financial resources and deliver required funding?” Clearly, from the outset, personal profit will be excluded as a motive. With Service as the driving force, the usual bids will be suggestions for improving or extending what already exists, and the usual sequences will probably involve funding for some sort of pilot schemes. Thus, very different imperatives will drive that system, more like developments in Hospitals, the Fire Service or the Co-op (CWS) than in the capitalist environment with short-termism and money motives.

Now, clearly, the wherewithall for doing this in Capitalism is the wealth in the hands of private individuals and banks. But, even they had to start from somewhere. It was partly to address these present questions that the first paper in this series was the one about the Primitive Accumulation that had been necessary before Capitalism could really take off. The main way then was the universally applied “robbery-with-violence (or War as it is sometimes called)

Now though production of food and commodities for sale had been around for millennia, it only rarely concentrated vast amounts of wealth into few hands. So, war was decidedly better at achieving this concentration. The rewards for victory in those methods were booty and land, and thus great empires were erected upon this means alone. Now clearly, a new socialist state cannot use the same methods, but to keep industry and commerce working, it can, and must, take back into the possession of the people all the wealth amassed by entrepreneurs, capitalists and thieves of various kinds. All wealth would have to be confiscated and become the resources for the new state and its people. All Banks and Corporations would be nationalised without compensation for the same reasons, and where individuals or groups decided to run off with their ill-gotten gains, they would be pursued by revolutionary armed forces to free that booty and return it for the benefit of all. In addition, all firms would be re-organised to be under Worker’s Control, but with a commitment to both their local Community and

to the State via taxes, policies and Revolutionary Law, though these would be very different from a Capitalist Regime, where after having paid Income Tax, National Insurance, VAT on most purchases and many other taxes and fees, the proportion of earnings left to be used in whatever way the workers and their families thought fit was, and is, derisory.

There will be, of course, mammoth opposition from any privileged layers of the old regime, who though their power was not necessarily extensive, could live very comfortable lives, and that would no longer be guaranteed by the well-tried methods of ancestors accruing sufficient wealth to ensure it by whatever means available.

The Theme would certainly be Service and reward, rather than personal Success and wealth. So those well used to such things will certainly fight to bring the new State to its knees. [14 capitalist nations invaded Russia after the successful revolution in 1917 with the intention of destroying the new Socialist state and returning it to its previous owners (or even perhaps themselves?).]

But, nevertheless, without the multiple layers of profit taken and the Principle of Serving the Community, many things would begin to be achieved. Sufficient houses of sound quality would be built to ensure everyone a home. Landlords would be no more! All such functions would not be for profit, but for need, and though the old capitalists will fight to their last breaths to regain their wealth, they will not succeed. Because this time it will not be one isolated revolution surrounded by hostile and powerful enemy states, but the famed “Domino Effect”.

As with the Arab Spring of 2011, one country after another will topple their rulers, and will co-operate with each other NOT, of course, like the UK, France and the USA who “co-operated” with the Libyan rebels, merely to get a piece of the Oil, but as equal partners for mutual good of their peoples.

Now, when managers are running a company on behalf of investors, they must feed the voracious appetite of those people as their prime necessity. So, all possible means are used to maximise profit, and these are only very rarely reflected in increased wages to those workers employed in that company.

My stepfather was regularly sacked when he demanded a better deal for his Foundry Gang, and just as regularly re-employed because his superiors could neither do what he was able to do, nor find anyone else to do it for them.

Nevertheless, his position was pretty unique, and almost all workers just had to keep stum or be kicked out. Indeed, even the defensive organisations of the Working Class were considered by owners to be *the* main enemy, and in certain eras, such as in the 1980s in the UK, a Tory Government was willing to shut down vast tracts of manufacturing and mining to destroy the most effective Trades Unions.

So, the question arises, "What will the imperatives be in organisations now owned by the People at large?" No voracious investors wishing to keep (or even inflate) their very comfortable lives, so what would be the incentives and rewards under this new system? Who would get them, and on whose judgement?



Socialised Capital II

Balances?

Now, to devise an alternative to the way things are done within Capitalism, it is imperative to understand how that regime managed to finance new start-ups and expansions. For those will still be required even in a Socialist State.

Now, when a capitalist firm traded, it had to balance on the one hand its costs, including labour and all its committed to payments for all its used services, with its income. But that alone did not determine the price of what it was that the company produced for the market. For it was "owned" by a group of investors, who had put up the original capital, and they would expect (and get) an annual dividend – a proportion of what they owned in shares of the company as regular recompense.

NOTE: A brief, and not too accurate calculation will nevertheless give some idea how it all works in Capitalism.

A £100,000 mortgage taken out at 7% for 25 years would, at simple interest, meant that £175,000 would have to be paid in interest alone if NO capital was repaid. But if the capital was paid off in regular instalments too, then the interest would reduce as this occurred. So, along with capital, it would amount to £625 a month, or £187,500 over the full term of the mortgage. Only then, on the completion of the term and full payment made, would the house be yours.

If an investor puts £100,000 into a company and gets annual dividends of 7%, that would deliver £7,000 per annum in interest or £175,000 over the same 25 years, but he would still have his shares to sell, so his £100,000 investment would become £275,000, supposing the shares were still worth the same amount. And this would not involve a hands turn!

Now this doesn't seem a great deal, but capital growth is actually faster and over a few generations the figures involved can be considerably higher, as selling and buying on the Stock Market delivers another considerable source of income without any work at all!

Let us therefore consider an investment of £1,000,000. Our investor would get £70,000 per annum in dividends and have moved over 25 years to £2,750,000 at least. Finally the very rich could invest £10,000,000, delivering £700,000 in annual dividends or £2,054 per day!

Now, such anecdotal descriptions may expose the nature of the system, but they don't show how it worked, and this must be addressed if we are to organise things within a Socialist State.

The Diagram shown on the next page is NOT an all-bells-and-whistles revelation of all that goes on, and members

of the capitalist class or their hangers-on will doubtless aim to proffer a much more complicated picture with the sole purpose, not of informing, but certainly confusing the populace! Don't believe a word they say! This diagram is a start, and its purpose is no longer polemical or agitational. It is the first step in defining a socialist alternative.

To interpret it you have to remember that every Outgoing from one organisation or group is necessarily an Incoming from the opposite end of the transaction. Now though sometimes these are exactly equivalent to one another, in others, and indeed the really crucial ones, they are certainly NOT equivalent.

To help with following transactions they are appended with two codes, one for each end of the transaction. The main players are obviously

The Investors - [I]
 The Banks - [B]
 The Companies - [C]
 The People - [P]

And the codes on the transactions will include one of the above designators plus O – for Outgoings or I for Incomings, plus a numeric suffix to distinguish each one uniquely.

Key to the Diagram

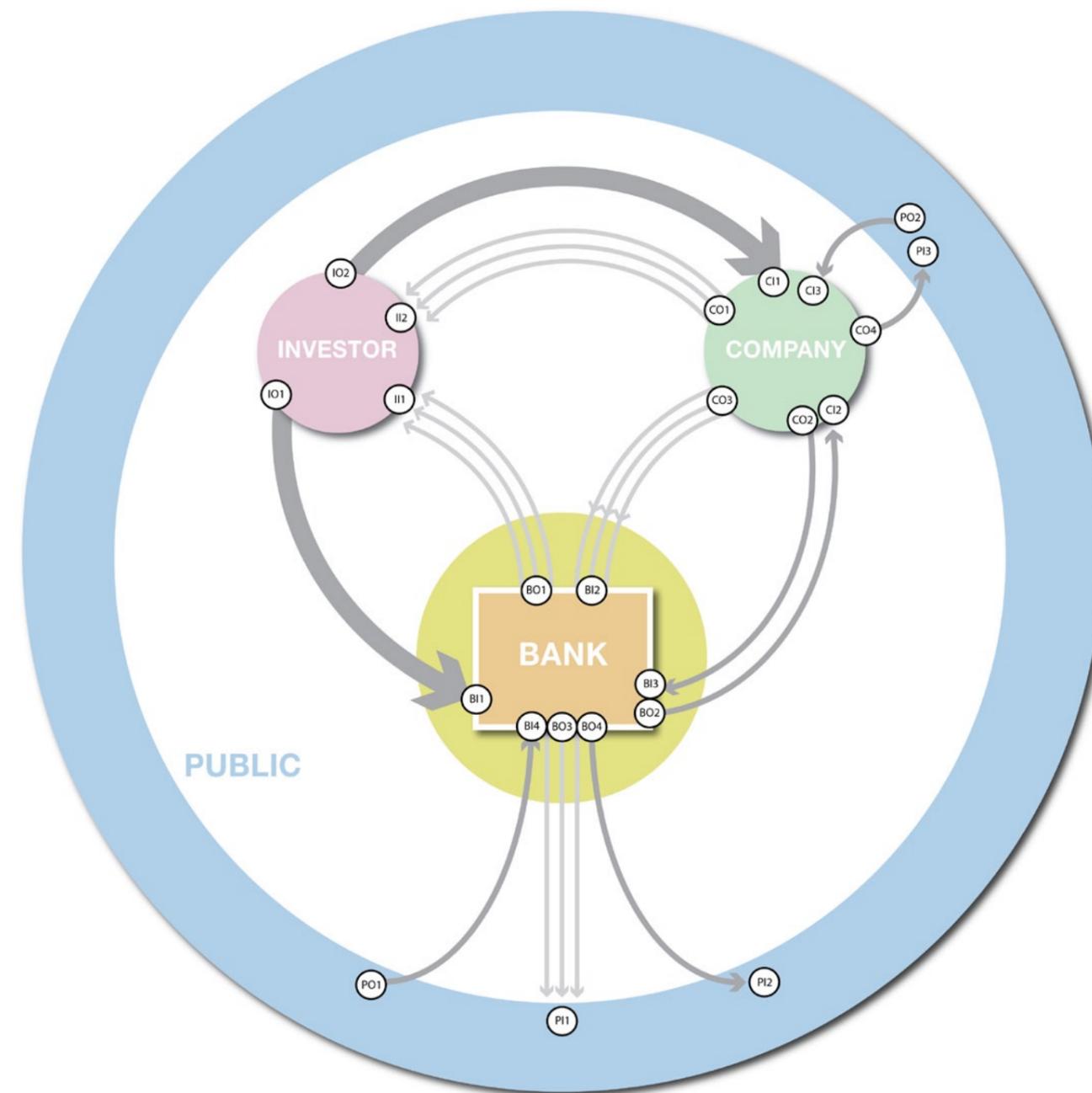
The following Table includes all the illustrated transactions, each with a brief explanatory phase to accompany it.

Investors

OUTGOINGS:
 IO1 - Capital to Banks - BI1
 IO2 - Capital to Companies - CI1
 INCOMINGS:
 II1 - Dividends from Banks - BO1
 II2 - Dividends from Companies - CO1

Companies

OUTGOINGS:
 CO1 - Dividends to Investors - II2
 CO2 - Repatments to Banks - BI3
 CO3 - Interest to Banks - BI2
 CO4 - Cost of Products - PI3
 INCOMINGS:
 CI1 - Capital from Investors - IO2
 CI2 - Loans from Banks - BO2
 CI3 - Income from Sales - PO2



Banks

OUTGOINGS:
 BO1 - Dividends to Investors - II1
 BO2 - Loans to Companies - CI2
 BO3 - Interest to Savers - PI1
 BO4 - Withdrawals to Savers - PI2
 INCOMINGS:
 BI1 - Capital from Investors - IO1
 BI2 - Interst from Companies - CO3
 BI3 - Repatments from Companies - CO2
 BI4 - Savings Income - PO1

People

OUTGOINGS:
 PO1 - Savings to Banks - BI4
 PO2 - Goods from Companies - CI3

INCOMINGS:

PI1 - Interest from Banks - BO3
 PI2 - Withdrawls from Banks - BO4
 PI3 - Goods from Companies - CO4

The must important transaction is as follows:-

CO4 (Costs to producers) ≠ PI3 (Income from sales)

FOR

Costs of products = Materials + Overheads + wages

Costs to buyers = Materials + Overheads + Wages + Profits



Elsewhere there are overt interest payments for Capital and Savings, so they seem to be overt revelations of the system, but differences in interest charged and interest paid will always include a profit element also.

The diagram does not tell all, and a full understanding of the differences in a Socialist Economy must be crystal clear if such a system is to be both viable and indeed better!

Interpretation

So, after this rather extended preamble, let us consider what the diagram demonstrates. Clearly, we, the public, as both the producers of goods and purchasers of those goods, are shown in the outer ring, and thus the Source, via wages-spent for one contribution to the income of producing Companies, and thence by various routes to the Banks, savers and investors. But they are not considered to be the motive force of the system. It is the invisible Profit, via Interest and Dividends that is given that role. The central role is played by the Banks, who, from a capitalist point of view, are a source of Loans and even Investments. The other major players are the Companies, who produce goods or services, and the Investors, who provide Capital – Investments. The system would not work without Profit, which is the gain made in all the various transactions over and above those necessary for it to do its basic task of producing for need. These Profits accrue only to those who either own companies, or invest in them, or maybe lend to them. The wherewithall to sustain all these secondary feeders can come from only one source – the Surplus Value (over and above all costs) that Companies generate by selling their products or services at an increased cost.

They take various forms, but the diagram shows that Investments, Loans and Savings go in one direction, in order to produce dividends, repayments, interests and profits, in the other. Even the minor saver seems to fit with the earning of interest from the Banks, but such a quantity amounts to peanuts compared with the major moves of Capital and Dividends from and to the severely rich.

What has to be extracted from this system for the Socialist has to be the essential resources to enable the functional/economic side to work. For example, without start-up Capital, no company could be brought to a state to carry out its projected processes, no matter how good an idea was involved in its conception, and no matter how certain it would be that what it could produce would be bought by the market.

You will, of course, have noticed the major flaw in this diagram? “Where on earth does the wealth come from, which the investors have to invest in new companies?” The diagram does not say. And the meagre inputs as savings from the general populace are clearly totally inadequate for this purpose.

Well, the answer is that it did not come from any truly capitalist process. The first paper in the whole “Why Socialism” Series did address this under the heading of Primitive Accumulation: it was in fact stolen! Initially, this wealth was the booty of war, and the more wars and acquisition of territory the more confiscated wealth and indeed land were taken into the possession of the victors, mostly into the hands of their leader, but also more and more to that leader’s followers too. And historically, the most important acquisitions were in the takeover of Land, for that meant a constant supply of rents from farmers using that land. With increasingly large estate the income became enormous, and apart from mere extravagant display in the owners palaces, the advent of Capitalism allowed the investment into profitable enterprises, from Privateers (pirates) acquiring the ships and wealth of others, to more modern capitalist production enterprises, and, of course, the steady banker was in the return from their estates as rents, kept on rising, especially as increasing numbers of these estates were in the colonies abroad, and worked by slave labour.

Of course, once there was sufficient Production and Commerce, there was sufficient for the majority of their Surplus Value to accrue from the proceedings of Companies, engaged in production for the market worldwide.

Now, we must be clear what Surplus Value actually is. Its the part of the final value of a product released by its sale. For though the workers along with appropriate materials and equipment were the actual producers of the Goods-for-Sale, the full value of their labours was not passed on to the workers. Instead, only a part was given out as wages. And, after all other commitments were settled, the remaining value was this Surplus Value or Profit, to be used as the owner of it though fit, it was not needed as such in the productive process. And as Industry and Empire both grew at an exponential rate, the amount of surplus value became prodigious.

Now, rather than spell out how such a diagram, and the system it represents, would indeed be transformed when modified within a Socialist State, at this point instead it seems appropriate that the questions and demands of the readers, should be tackled by them. And particularly, “Where would the necessary Capital come from to lubricate the workings of the Economic System within Socialism?”

The Socialist Economic Revolution I

So, as revolutionary socialists, instead of borrowing at some-significant-cost from the ill-gotten gains of the wealthy, we must face the task of relieving them of this crucial component of all economic life in a modern country, so that it is still available, though no longer as a guaranteed and ample sustainer to a parasitic well-living class, but as an essential social resource for setting up and developing producing and serving organisations. Now, how do we do that?

Clearly, they will not give up their easy life without a major struggle. If they could see no alternative but to throw themselves off skyscrapers in the 1920s Depression, they will certainly not take the removal of their sustenance by the Working Class lying down. They will fight it determinedly to the end, and expect to win! And, if they begin to realise that they just might lose, they will hide their wealth away in hidden or defensible areas like the Romans' Latifundia or even their own private sub-states, be it a Caribbean island or a mountain redoubt. *[Where do you think the buried treasure hoards from over a thousand years ago got to be both hidden, but leaving no survivors knowing of their locations? They had clearly both lost the battle and indeed perished].*

No, these people will never agree to such a loss. We won't ever be able to simply "vote-it-in!" Much less of a threat caused the Spanish ruling class to back Franco with his imported Moorish armies, who fought to defeat the elected Republican Government, and their allies.

Clearly, all committed revolutionary socialists must address the necessity of real Revolution, and finish with the idealised dreams as seen from a rational high plateau of Stability to be somehow achieved by consensus means. That isn't this world! Who decided on the wars in Afghanistan, Iraq, and Libya, and was their reasons for intervention the truth? Those who determine on a socialist future will certainly have to fight to win their country, and then socialise ALL wealth!

But sadly, most of that wealth is actually an inflationary myth! Its value within world-wide Capitalism is not merely dependant upon its cost or use-value alone, but also on both the control and the buying power of the wealthy - and, it must be added, upon the ability to borrow: those who have the resources will always trust others of their class with prodigious loans (as long as they will benefit too).

The hegemony of the dominant capitalist powers inflates what they have at the expense of those worldwide who deliver what they produce at prices determined by those powers. And thus this underwrites the ability of those who now own to make a substantial profit out of them.

A paper dollar backed with armed forces possessing worldwide reach is "worth" vastly more than a mammoth stone ring (as their indicator of wealth) on the island of Yap (how much labour was needed to produce such a "sign-of-wealth would mean nothing in a capitalist world). Labour may well be the original source for the value of all commodities, but convertibility, and a well-heeled market can inflate that value prodigiously.

And when such a global parasitic system is no more, real value will surely begin to reassert itself! The resources and effort that has gone into any commodity, along with its clear use-value, will determine its value once again. And those who can, with skill, knowledge and hard work, will be the only contributors of extra real value. Though it has always been the case throughout history, it is only in a classless society that this real relation will regain its actual status once more.

For, such a "revolution" in value is an unavoidable consequence of an actual genuine Socialist Revolution. And it means that not only will the capitalists try to run away with everything that they can carry, but even their supposed wealth, when taken over by the people, will rapidly revert to its "actual-value" - a ten pound note will be worth the paper it is printed on: such agreed wealth will all melt away!

Now, the consequences for a Socialist State, on taking over the wealth of the capitalists to re-employ for the public good, will find that much of what they confiscate is of much less value that it was given within Capitalism. "Is this shark preserved in a tank of formaldehyde really worth millions?" "Is this solid gold compact studied with gems really worth tens of thousands of pounds?" Clearly, the answer to both these questions has to be "No!"

Such prices require a market equipped with sufficient wealthy individuals to indulge themselves. With no incredibly wealthy people, who will pay £500,000 for a ring for their spouse? Or Buy an £10,000,000 estate as their new stately home? So, rather than fighting to possess paper money and contracts etc., the new regime will have to have very different objectives.

Of course, such a return-to-value will not occur immediately. Whatever boltholes there will be, even temporarily, for the super rich, their jewels and their gold will buy sustenance and defence for a time. *NOTE: It should be no surprise that the Faberge trinkets of the Russian Czars and their aristocratic penumbra still turn up at Antiques Roadshows. They have been sustaining the escaped aristocracy for generations as they finally declined to nothing.*





So, following a Revolution, all their expensive items must be confiscated too – to prevent them using such wealth not only to preserve them (in waiting, so to speak) but also to prevent their funding of opposition to the new Socialist State. And even their paper money and other virtually valued wealth must also be taken from them. They, to survive, will have to do what we have had to do all our lives. They will have only themselves, their hands and their work to provide all their needs.

Of course, it is true that most will be entirely ill equipped to do that. The only possible way out of her dead-end life for Mary Queen of Scots, was to plot the overthrow of (to her) a foreign monarch – Queen Elizabeth of England: absolutely nothing else was considered either feasible or even possible. She could not live like a peasant: for she would perish in no time at all!

Now, it isn't generally realised just how wasteful the old capitalist regimes were, and still are. Without the increasing pressure from below, they would still just turn their ownership into ever increasing "possessions" in ever-larger stately homes or mansions. Though they vigorously pretend otherwise their "charity" and concerned "providing of work" for the lower orders are merely fig leaves covering their real motives. Their main purpose is to sustain themselves and their progeny indefinitely in the state to which they have become accustomed.

The produce of society is constantly transformed into either further encrustations as displays of wealth in the prized palace of the infinitely idle, or as the means to own an ever-larger slice of whatever industry and commerce there is.

Why the things that these parasites collect are considered to be our culture beats me! There is infinitely more real quality in 1 year's work by a great teacher than a lifetime's display of what wealth can buy – after all they made NONE of it! And the craftsmen who did make it would never spend so much time and effort on things for either themselves or other ordinary mortals. These things were for the Elite! They had to be "over the top" and colossally expensive: they were the badges of their inalienable "rights and privileges".

Once such parasites are no more, society will turn its imagination, industry and genius to Mankind and Reality at large, and not invest it in a privileged elite. Service will entirely replace Success. And Profit will be as dirty a word, as was Usury in the Middle Ages.

Instead of Technology merely making the rich richer, it will at last do what it has always been promised to do. It will make life easier and work will take up a much smaller part of our lives. We will instead have time to develop ourselves, and pursue ever-widening interests.

Now, the question must be addressed, "Why would a Socialist State need Capital? Is that not a contradiction in terms?" The answer, however, is simple: it is "No!"

The modern world for Mankind is no longer a hunter/gatherer one, neither is it merely that of the farmer. It is a manufacturing existence using ever-developing technology to deliver ever-expanding needs and wants. And you can't start a viable manufactory on your kitchen table, or live freed from all commitments in a commune in Mid Wales.

Modern Society needs Industry, Commerce, Academic Research, Education and many other very expensive organisations to not only deliver its present needs, but to expand and enrich the lives of all its peoples. Charity has never been enough, and the resources to construct the necessary organisations cannot be achieved by good will alone. So, the concentration of wealth as a resource for such undertakings will not only continue to be necessary, but will have to grow considerably.

Now, clearly the question is, "Who will hold such resources, and monitor their legitimate use. And who will choose what projects deserve appropriate funding?"

Indeed, all "delivering" types of organisation will aim to make "surpluses", which will not thereby convert directly into higher wages for that group of workers alone. Some will also go into local projects for the public good, while a proportion will be centralised as "capital" (or more properly "funding") resources to fund projects and organisations of all kinds. But no one will get rich, and no politician will accrue considerable power, which would be mis-used.

The question of the source of Financial Resources will still be very important, and its repositories and controls, which do NOT exist at present, will have to be devised and developed, to ensure all enterprise is in the best interests of the people.

Are You Equipped?

When the Axe falls, who will be wielding it?

As the armed masses have poured into the Commons Chamber at Westminster, arrested all who they find there, and have done the same in Downing Street and the Ministries of Whitehall, what next?

To have got this far, the police must have finally vanished from the streets, burned their uniforms, and worked hard at being indistinguishable from the rest of the “on-the-streets” throng. Now, with our equivalent of the “storming of the Winter Palace in Petrograd”, the revolution is not yet complete. Still considerable totally opposed elements will remain, holed up in their rural Latifundia (or even castles?), or hurrying for their helicopters to quit the field, loaded up with everything they could carry. They will have to be pursued and caught! But, most of the receptacles for their wealth, and their previous power, will remain behind. What about them?

What about the Banks, the Stock Exchange, Insurance Companies, and the vast number of companies and corporations? Small, armed bands – even those of a successful revolution will simply not be enough to deal with the whole physical structure of the now-doomed Capitalist State. How will all this be dealt with?

It has to be the people at large.

But not as mobs!

Indeed, as self-organised local organisations. In Russia they were the Soviets (or committees) of the People, and they were led by a party, who had considered “What Has To Be DONE” at every stage of a revolution. Every circumstance, that could be conceived of, had already been considered, and coherent and acceptable plans worked out. And perhaps most important of all, they were also philosophically and methodologically equipped to deal with the wholly NEW – as it emerged”. They, like no one else, lived 24-hour-days, slept briefly on the floor, and were up again and off to the next flash point at a moment’s notice. They knew how to lead workers, even when their supporters pushed them to the front of mistakenly conceived of actions (as in the July days). And the masses knew whom they could trust.

Now, this could be very mistakenly seen as “activism”, but it certainly wasn’t!

Or, it could be seen as theoretically correct, and the masses led by their betters – also wrong!

These were theoretically equipped, and knew and understood their Class. They often did not come from the Working Class, but they knew where the revolutionary forces would come from, and they had committed themselves to their chosen Class as comrades.

Now, to prepare for such events, as have happened in the last year throughout Tunisia, Egypt, Libya, Yemen, Syria and Bahrain, you cannot be mere student groups with ideals, or trades unionists with the consciousness and methods of struggle to match.

You have to be revolutionaries.

You have to know your enemy, and be intent on what must happen and be dealt with when it does.



S H A P E JOURNAL **E**

www.e-journal.org.uk