

## **Chapter 10**

### Saint Karl and Comrades (and the importance of being Ernesto)

The names above are usually now associated with something that happened in Russia, once upon a time, and although it was a unusual and brave attempt at putting the world to rights it ultimately failed, mainly because, the system they devised and never perfected was inherently flawed, unscientific or more puzzling unnatural. The “proof being in the pudding”, when the soviet economic system collapsed and the Berlin Wall came down in 1987.

The problem with this view, is, if the same analogy were applied to Capitalism, it would have proved to have failed thousands of times over due to the unscientific, flawed and unnatural purpose it employs. Therefore in every boom and bust you could state that the analogous Berlin wall has fallen hundreds of times this century. Capitalism simply starts again from where it left off until the next “Berlin wall”, (boom and bust) and ascribes these events as of little importance, whereas the collapse of the soviet economic system is a monumental epoch of history.

The main problem with the collapse of the Soviet system is that it was not a collapse of Communism but a collapse of State Capitalism. Stalin had abandoned Communism, and even before his rule, the economic system had changed away from that envisaged by Marx and Lenin. Communism was not the system in Russia when the Berlin wall collapsed, and for most of its history (except perhaps for the first five years of the Revolution) The claim that Communism does not work, could still apply, as it is apparent that the system changed after 1922, and if this is the case why did this change occur, and why today, we have a

merger of state capitalism and finance capitalism. The undemocratic Polis ? (City-states or virtual Parliaments according to Chomsky)

**Chomsky (2004).**

The anti-revolution western forces led by Churchill, was savage on an already devastated economy and the civil war also compounded matters. Reorganizing the economy under extreme pressure, whilst the imperial western forces pounded this new threat to their hegemony was a driving factor behind re-organizing the new state. What shape this new state would take, then as now caused intense division and debate. Lenin in his own institutions resisted change from within as

“The executive of the modern state is but a committee for managing the affairs of the whole bourgeoisie”.

**(Quoting Lenin’s State and revolution)**

The anarchists wanted a stateless society, Lenin fearing that without a vanguard organizing the peoples power or worker power, they like the Paris Commune, would be crushed by troops from outside the city. The Paris Commune of 1871, when workers seized the state and began to run it with equal pay and elected members. On emerging to negotiate with the state troops they were betrayed and massacred. Even though Lenin wanted more freedom, and to leave the state behind, like the anarchists, the war and economic conditions would not allow for it.

**Birchall**

Other conceptions arise when reading the black book of communism, (S Courtois, (1999) *Black book of communism* Cambridge, MA/London, Harvard University Press,) which curiously omits the 50 million

That died in World War 2 at the hands of Hitler. (and his funding from Wall street. Germanys abandonment at Versailles by the western powers, finally in the 1940s leading to Hiroshima and Nagasaki...results of the Manhattan project is also omitted).

Whilst an equivalent black book of capitalism, would of course run into 12 volumes, if edited concisely. Others feel that Che Guevara worship is a cult, citing that he killed for his beliefs, but what is overlooked is the invading Imperialism. It has killed both at home and abroad, and it cannot be said that Cuba or any other South American country has invaded individual US states and killed thousands and installed many puppet state governors, answerable only to South America, whilst Americans suffer in silence.

However this said totalitarianism, “Communist or “Capitalist”, is not in the interests of anyone, and since both systems have killed en masse, its time to acknowledge in this sometimes tired debate, that people kill not systems, although it is also curious that Stalin was not himself a communist running a communist system, neither was Pol Pot or Mao. The world of black and white is used, if your not a capitalist, you must be a communist, but this is not the case.

In South America, and Cuba especially all they have been doing is resisting the Monroe doctrine (circa 1820 ish) which is “the America’s for America”, they see this as a war on terror.

Aside from these discrepancies, the CIA themselves admitted to the neocons in the Reagan era that a book “**the terror network**” (CIA 1981, Sterling) was in fact written by them as a black op (see chapter 8 “war”). The al Qaeda network is an American organ. This was clearly demonstrated when the “al Qaeda” anthrax scare was DNA traced to the CIA’s Fort Dietrich laboratories in America. This was to create a ‘strategy of tension’, to further justify the war on terror.

**Smith (2005)**

This is similar in aim to the killing of the Brazilian student in London by the SAS, and which is now being covered up.

Before 1917, the people had built up significant peoples committees and organized, and it is from this type of autonomy (...open socialism), eventually as it expands comes up against the status quo. Once a decision is taken to seize power, the effort of taking power, usurps the peoples committees. Keeping power then destroys the very, purpose of why a revolution is needed in the first place, and many innocent people have died.

This has caused much debate about Lenin the “monster”. Was he a part of the problem leading to Stalin, or was he misunderstood, but overwhelmed with the problems of organizing.

Once in power in 1920, Lenin wrote to a Librarian and asked permission to borrow a reference work overnight, to be returned straight away. “It is hard to imagine Stalin or Saddam Hussein showing such respect for library regulations”

## **Birchall**

Cuba developed its own idea of why Russia moved away from a workers state, after 1922 although recognizing the problems Lenin and the Bolsheviks had.

(Trotsky places the problem to Lenin himself, who he feels had moved quickly to form the “labour army” under the command of the leader, centralized into a vanguard. **Bakunin** predicted long before the revolution that this might happen, or they would turn to a form of state capitalism, both of which occurred, although different reasons and personalities are cited as responsible)

Guevara envisaged voluntary work (against a background of housing a human right, and a great quality of like), workers brigades.

Guevara said on this problem.

“It has to do with the New Economic Policy drawn up by Lenin and put into practice from 1921 to 1923. At issue above all is whether or not the NEP is a strategic question – and a majority of socialist specialists at this moment seem to lean toward stating it is. Che did not think so. After a careful analysis of Lenin’s writings, Che concluded that the NEP was more a tactical than a strategic conception. This is a question we ourselves will have to discuss in the future. It is not at the centre of our problems, but it is an additional element we have to think about when we consider the economy as a whole.

Che emphasized that the NEP represented a step backward. To be sure in the history of the Soviet Union it did represent a step backward with respect to what immediately preceded it. You remember that circumstances relating to the Soviet Union’s defense had led the Bolshevik party leadership to adopt what was called war communism, which was an acceleration of socialism towards elements of communism. In 1921 Lenin understood that it would be very difficult to reach communism along this road that they had to take a step backward.”

“That step backward was the New Economic Policy. The New Economic Policy was based fundamentally on the economic accounting system” and quoting Lenin “the transfer of state enterprises to the so-called profit basis is inevitably and inseparably connected with the New Economic Policy”

(quote taken from Lenin “The role and functions of the Trade Unions under the New Economic Policy” in LCW vol 33 page 185).

**Waters 1991 *Che Guevara, Cuba & the Road to Socialism, articles by Che Guevara, Carlos Rodriguez, Carlos Tablada, Jack Barnes, Steve Clark & Mary Alice Waters New International.***

Guevara recognized that Socialism was not just about production, although without planning Socialism was useless, it was also about a “phenomenon of consciousness”, and socialism was not just work or consciousness alone it was much wider concept than that. Above all people were and are the main point and purpose of creating a better society. Collectively valuing the individual as part of the whole. Planning (which without consciousness was barren) also needed not only the control of commodities and their exchange, the emancipation of labour but also the control of money to best suit societies immediate needs and future welfare.

Che Guevara also saw that the very flow of money was necessary to facilitate a cost accounting system, which would allow people to work towards planning with combined consciousness.He called this the Budgetary Finance System.

Guevara took on some of the most challenging, and heaviest, responsibilities. He helped draft the 1959 agrarian reform law, the measure that, in Castro's words, more than any other single act, ‘defined the Cuban Revolution’ Che headed the department of industrialization established by INRA, the National Institute of Agrarian Reform. He was president of the National Bank during the tumultuous year 1960, before the end of which virtually all foreign and domestic owned banks and major industries were nationalized, and the economic foundations were laid for socialized production and planning. He became minister of industry in 1961, assuming responsibility for reorganizing on new working-class foundations some 70 percent of industry in Cuba, while maintaining production as former owners and most management personnel, both foreign and Cuban, left the country.

He defined (as far as he could be without encouraging bureaucracy) socialist democracy as;

“the masses, to use his terminology, will make the major economic decisions: ‘contradiction with a conception of the plan as an economic decision by the masses, conscious of the peoples’ interests, we are offered a placebo, in which only the economic factors determine the collective fate. This is a mechanistic, non-Marxist technique. The masses must be able to direct their fate, to decide which share of production will be assigned respectively to accumulation and consumption. Economic technique must operate within the limits of this information and the consciousness of the masses must ensure its implementation”

**Tablada, Carlos 1998 *Guevara: Economics and Politics in the Transition to Socialism Pathfinder*.**

This idea above (although many differences can be just semantics), showed a marked difference in the philosophy the Soviet Union had adopted in the 1940s , 50s and 60’s but which had their roots with the “backward step” Lenin had introduced namely the New Economic Policy. Introduced at a time of civil war in Russia Lenin had seen it as an emergency measure.

**“Stalin by 1952 in his booklet “economic problems of socialism in the USSR”** argued that the key to the transition to socialism was to get to know the laws of motion of capitalism (such as the law of value)in order to “master them, learn to apply them with full understanding, utilize them in the interest of society, and thus subjugate them, secure mastery over them”

but Guevara says this is a minute part of socialism, not just society in the name of greater efficiency relying on increased bureaucracy by the state to administer the producers, whilst it provides a broader social welfare net.

“Guevara explicitly polemicized against this view that building socialism is a task of administrators adept in manipulating laws and mechanisms inherited from capitalism.

Instead, he insisted it is a revolutionary task based on advancing the political consciousness and collective experience of the working class, as the blind laws of capitalism wither away.”

## **Waters**

After the “second world war”, Germany was divided into four quarters. French, Russian, British and American. A black market proliferated. Germans had nothing and their infrastructure had largely been bombed to smithereens. Other social factors had included the revenge attacks of rapes against German woman by the allies into their hundreds of thousands (in return for German rapes of Russian Woman and other European cities). Many abortions, and many unwanted children with single mothers giving rise to an economic barbarity which does not come across in the old black and white news reel footage of the time. To counter the spread of the black economy the Deutschmark was introduced, but Stalin felt that this new currency could spread into the Soviet Union, and destabilize their economy, which was in fact its aim. To counteract this (and also against the threat of growing allied suspicion, and cold relations) he threw up an Iron curtain across the Soviet border. This economic beginning to the cold war showing the real divisions which philosophies alone could not initiate. Only when western banking and monetary order is threatened is the “war” a serious issue.

The arms race followed on from this, and has led to the development of the permanent arms economy. Capitalism has no other option but to go to war to defeat a new economic theory, it also in turn drags the new economic system into a war, forcing it to compete on its level, and adopt its methods. This results in a dialectical struggle to the point of absurdity, both intellectually and in practice, one has only to look at the war games between the Straussians (Leo Strauss, neocons) and the Soviets during



the period from 1955 to the present day, through the cold war, and espionage and surveillance across the divides.

America finally deciding that if it could not detect a Soviet weapon, it was a sign that it does exist, it was just not discovered yet. (whilst it could be argued that the seekers of this new “invisible” weapon, were actually the invisible weapon themselves !) This type of planning leading to Americas present position of pre-emptive strikes.(Stemming form the precautionary principle, a green policy against future climate problems, but one which goes back to the war games of the cold war).

Nuclear weapons also increased this new type of pressure, as it meant that Capital to be ultimately managed by one group over another had to be covertly won. Low level intensity operations, amidst the possible threat of a nuclear strike.

Robert McNamara commissioned a report to see if “peace” was possible in the world

The report was began in August 1963. its intent sent shockwaves through the American establishment as it was known that President Kennedy planned to smash the “C.I.A. into a thousand pieces”. the report unlike President Kennedy is still available to refer to today, made into a novel “**Report from Iron Mountain on the possibility and desirability of peace**” by **Leonard Lewin**, Colonel Prouty quotes from it.

**Lewin.**

“The organizing principle of any society is for war the basic authority of a modern state over its people resides in its war powers.....War readiness accounts for approximately a tenth of the output of the world’s economy”

Colonel Prouty further points out from the report,

“ The state needs a cause ...a cause needs an enemy and..... the presumed power of the enemy sufficient to warrant an individual sense of allegiance to a society must be proportionate to the size and complexity of the society”

Prouty continues mentioning that the real aim of the war at least since “WW2” is not to win (although this may happen) but to force a no-win situation.

“Today this method of ‘no-win’ warfare is called the doctrine of ‘low intensity operations’. therefore when we discover that \$137 billion was spent by the united states ‘military operations’ alone in 1985 we must understand it has become the objective of ‘low intensity operations’ to continue the wasting of money, the pointless killing of defenseless people, and the consumption or attrition of costly war material to make way for the procurement of more.

Low intensity operations is the way in which hundreds of billions of dollars of armaments produced each year can be used , destroyed and wasted this year, in order that more may be procured and used next year”.

### **Prouty (1991)**

Colonel Prouty continues that for every \$1 dollar spent on arms ten more will be needed for their maintenance and support.

In 1954 John Foster Dulles, brother of Allan, a Nazi, supporter of Hitler and instigator of the C.I.A.

“walked out of a Geneva conference because the majority had agreed on democratic elections in Viet-Nam that would unify the North and South of the country. His action ignited a war that took five million lives”

### **Pilger (2002)**

The signing of security memo 263, reversing the Vietnam war in 1963, seems to have arrived a full five years before, even wall street financiers, told President Johnson to get of Vietnam in 1968.(TET

offensive)The logical conclusion of this is that Colonel Prouty was himself engaging in a “Black op” (being as he was the head of black and covert operations in Washington in 1963) by publishing his book.?

The point however is that Prouty still correctly identifies, the real organizing principle for war, and explains it mechanizations better than most anti-war intellectuals.

Arise Sir Noam, who explains that the Cold War was not the result of Stalin's refusal to remove his troops from Eastern Europe and allow free elections (free, but pointless as ultimately voters do not represent themselves only their choice of candidate for undemocracy) but rather the imperial machinations of a United States determined to hold on to its newfound domination of the world.

“In crucial respects, then, the Cold War was a kind of tacit arrangement between the Soviet Union and the United States under which the US conducted its wars against the Third World and controlled its allies in Europe, while the Soviet rulers kept an iron grip on their own internal empire and their satellites in Eastern Europe, each side using the other to justify repression and violence in its own domains.”

### **Chomsky**

This suggests an arrangement between the US and the USSR, or between financial capitalism and state capitalism.

Chomsky (2003) *What Uncle Sam really wants* (see also web version and chapter “How the cold war worked”)

<http://www.zmag.org/chomsky/sam/sam-contents.html>

We must not forget that America and Russia were allies in “ww2” and in very war since, and since the remarkable publication of diaries by **Major George Racy Jordan**, showing the export of Uranium from North America through Alaska to the Soviet Union in 1944, we get a better picture of how close the relationship, between “enemies” was and is. Major Jordan reported the matter to the F.B.I, and yet nothing was done about it.....having diplomatic immunity the “lendlease” scheme as this operation was known

became more apparent as to its true meaning after the Hiroshima bomb exploded in 1945. Major Jordan is seen being promoted by the “Soviet” state capitalist in his dairies.

**Jordan, Major George Racey (1952) *From Major Jordans Dairies***

Rumours abound at the time of the assassination that Kennedy was a Communist,(but which type?) as was Lee Harvey Oswald, and indeed he (Oswald) was first a US citizen then a Russian citizen before “fleeing” to Russia, and arriving back (unchallenged into the USA). Bush in 2000, did not feel that Americas role was to interfere in another’s country’s realm, whilst after 9/11, he was in favour of the pursuing the “evildoers”. Kennedy pursued vast military intervention in South Asia, yet security memos show a reversal of this policy in Vietnam. What is left out of the equation, is the competition between various factions in the military itself, both domestically and internationally. Today there is competition between the CIA and FBI, and Homeland security.

(To repeat from Chapter 8)

Just as financiers told President Johnson to get out of Viet- nam (TET offensive), Kennedy was also met with powerful lobbying to not only, to build up Vietnam, but also encourage an all out war with Cuba.

After the “bay of pigs” fiasco, responsibility for Cuba was changed from the CIA to the DOD (department of defence) by President Kennedy. This also sent shockwaves through the establishment. Further Kennedy whilst supporting the build up of troops in Viet-nam, rejected “Operation Northwood” a plan but forward by the Joint Chiefs of Staff (the military industrial complex) to launch terrorism attacks against the USA itself, and US citizens. This was to include not only “fake MIG Russian plane fighters bombing America, but “false communist atrocities in Miami and Florida, bombings across America and numerous “panic simulations” “the Russians are coming

etc".Originally dreamt up in the Eisenhower administration it was to be another "pearl harbour" .Many in the right wing Kennedy era were worried (with possibly Colin Powell types running around shouting "neo-con fucking crazies" before being shot in Dallas).On the day of Kennedy's death, Washington went into blackout, and Johnson signed security memo 273, reversing Kennedy's security memo 263, reversing the escalation of the Viet-nam war, and the planned invasion of Cuba and wider perceived Communist forces, and also "Operation Northwood"

**Bamford**

**Prouty (both)**

**Ahmed**

In effect it changed operations to a smaller scale, away from the CIA (and away from "British" Anglo intelligence control, and OSS ...the Nazi party).The TET offensive ordering Johnson away from Vietnam, took financiers five years to ponder over)

Just as wars were deliberately began as a inducement to provoke the other side preemptively in WW2 and pearl harbour (Roosevelt won a ticket of not involving America in another European war, but then allowed Pearl Harbour, which was a massive attack), so to the Gulf of Tonkin incident was a preemptive strike. Similar scenarios paint the Boston Massacre in 1770, the Mexican American war in 1845/6, the Spanish American war of 1897/8 (the sinking of the Maine), and bizarre circumstances surrounding the sinking of the Lusitania in 1915, which brought America into World war one.

**Ahmed**

Further to this "WORLD WAR 1" actually began in 1899, when America and England made a pact between them.

**Bryan**

The pact including mutual respect for Suez, which was a tollgate before it was a canal port (guarded by the English..not the Egyptians. which is a war of Imperialism itself) allowing passage to India and China. Germany had bought a port in Agadir in Morocco, to allow for refueling of her coal ships, it had also persuaded Turkey to extend an existing railway, to go from Berlin to Baghdad, and so bypassing the Suez. Although fair it was unacceptable for Turkey and Germany to reduce English capital gains in such an inventive manner. In 1911 “interference” at Agadir was reported at the German gunboat “the Panther” was sent to investigate, and was forced out of the harbour by British and French cruisers. Now known as the “Morocco affair” “ it was the last great prelude to W1”

### **Knuth**

England supposedly honour bound to defend Belgium neutrality and enter world war 1.Colonel house (see also “the intimate papers of colonel house” writing to President Wilson on May 29<sup>th</sup> 1914, stated that whenever England consents France and Russia will close in on Germany and Austria. Prince Archduke Ferdinand was assassinated on June 28<sup>th</sup> 1914, and war began on August 1st 1914.(Russia had sent warships to help President Lincoln fight the Confederacy.)

### **Knuth**

In July 2005, a “war commemoration” event unleashed millions of poppies on London and the Queen. Poppies are chosen as in world war one the mass (trenches helped as graves) graves and fields were full of rotting flesh and torn limbs and of course blood in hundreds and hundreds of gallons, including also Irish men and Welsh men and Scots who died in the meaningless slaughter of the war the rich made. The poppies and the celebrations are not appropriate.

After Versailles helped to build Germany up again and Wallstreet (and the Bush family) helped start another war, with help from “Pearl Harbour” and its foreknowledge, it was discovered at Versailles that Britain and Japan had made various secret treaties, which were not revoked, even under world war 2. The treaties allowed England to keep Japan in slavery and exploit Pacific trade, even as the USA is doing now.

### **Knuth**

War is for the rich against the poor, all of the above have been wars of Imperialism.

The state finances the arms companies through and with taxpayers money, or with new loans from IMF or the World Bank (at international arms fairs). Private bank loans are also (eventually) underwritten by taxpayers money, via the government.

After the revolution in Russia the bureaucracy, which surrounded the vanguard replaced capitalism. “so although the arms companies rarely compete for markets with anyone, they have to behave as if they do. Capitalism continues to exist – even though the state bureaucracy acts as a substitute for it” in effect the market is the state bureaucracy itself.

### **Binns, Cliff, Harman.**

Workers who are separated from the means of production, have no means of turning accumulation into consumption for their own ends.

“Secondly there has to be competition between those who own the means of production. Without it each capitalist could freely decide whether to consume the fruits of the exploitation of the working class, to accumulate it, or even return it to the workers who created it.”

“What makes the system into a capitalist one is the fact he (the capitalist) is compelled to accumulate it. The compulsion comes from the process of competition, which threatens each capitalist with extinction if he does not invest in the most modern and efficient equipment- and hence accumulate the capital” (capital= labour, commodities and money)

### **Binns, Cliff, Harman**

Driving all three is the competition between money. Which can be across competing currency fluctuations, or by differing loan rates, or by forced competition which repaying money (principle amount) with interest rates. Interest drives not only the lenders to compete with each other, but also the owners with themselves and each other, and the workers with each other also.

Speaking of central banks

“These banks were intended to operate regardless of private profit, in order to help the member banks and general business. Any private profit motive in central banking is always a source of danger. This is especially true under a 10% reserve system.”

### **Fisher**

As competition and the drivers for competition increase, eventually swallowing smaller concerns, all that is left is one monopoly. Under state capitalism Russia became one big monopoly in a fact a big factory. In its banking and commerce however the market became the state itself, only it is controlled, and not free, but still has the vital ingredients of capitalism. Walmart could be seen as a microcosm of



state capitalist Russia, and the poor and those living below the poverty line are employed in their hundreds of thousands both in the USA and Britain today..

### **Ehrenreich**

“figures show that 272,000 workers are paid illegally below the minimum wage” (in Britain)

### **Tonybee**

This is not socialism.

A vital part of Capitalism is that it creates an underclass, even if many capitalists do not intend it. The real underclass is of course much higher over 85% in fact, as many are in hock to mortgages, reportages, credit cards and loans. The very possessions they have around them including food and housing are not theirs, whilst their wages could never afford them.

Trotsky had theorized that Capitalism would not survive the war, it would bust as a result of the enormous cost involved, but this did not materialise. If one looks at the national debts of each “democracy” since 1942, and before, you will see a sharp rise after every war period, and in America today this is evident as the project for the new American century rolls out.

In 1917 this was not as evident, and foreseeing how much national debts (I.O.U.s we supposedly owe ourselves) would escalate, as an artificial black hole, in which “Capital” and its limits are transcended was unimaginable at the start of the twentieth century.

### **Nasim**

It is perceived that Dexter at the Bretton Wood conference won out, but the reality is that Keynes and his economics (micro) of state guiding the economy but not interfering (although in practice interference was a

daily constant economic indicator, as it controls the level of Capital and production and also therefore the money supply), won out. Until the oil shocks of the early 1970s, Keynesism had dominated but in Britain, under these growing economic problems, Jim Callaghan gave way to Thatcher and Monetarism. State capitalism gave way to “financial capitalism”, but in reality both these types of capitalism merged and financial capitalism became directly linked into productive capitalism, in effect “the City” became the state, but the limits of Parliamentary “democracy” gave way even further to unchallenged plutocracy.

### **Middleton**

This produces the virtual Parliament, which by “adjusting” international currencies into continual currency flight shifting around the globe the domestic parliament already unrepresentative and moribund, becomes completely defunct. This produces the “Dual constituency conundrum”, one is the defunct domestic “democracy”, the other is international globalization.

### **Chomsky 2004.**

For over a thousand years England (the city) has been a Dual constituency conundrum, with Britain moribund. Just as Rome became corrupt (by the circulation of money with interest, controlling money capital lubricating the bribery) the City controls Parliament.

This is personified by Medusa’s (who as minister of education stole our milk in 1969/1970) successor Tony Blair. Just as Dennis Healy said the difference between public ownership and private is a red herring (it is the ability to serve the people that counts), Thatcher saw public ownership as ownership by an impersonal legal entity; “it amounts to control by politicians and civil servants”.

### **Hobson**

Introducing PFI/PPP construction schemes (mortgaged long term loans with also equity, private and mostly public money), they became Private operations financed by the people, controlled by politicians and civil servants in an impersonal legal entity.

Tony Blair then introduced a third way although it was heavily influenced by the Government white paper (1991) “competing for quality”. State workers were given the “citizens charter” encouraging the new “executive agencies” to set targets for service to the public and awarding charter marks.

The unemployed became clients, (but could not register any dissatisfaction they might have, and threaten to take their unemployment elsewhere) and as a customer you could achieve shopping satisfaction by getting the most out of your tax office, by putting more in. (likewise you could not move tax offices to the “competition” down the high street).

The third way mutated out of this, and Britain became Britain PLC, where (possibly, but never actually) business’s (this includes the new executive agencies, and civil service, and trains, the latter sometimes reverting back to nationalised business’s for accounting/funding purposes), could be owned by nobody in particular and everyone would become owners in the “Stakeholder Company”.

This idea which is based on Tawney’s socialism and pre Marxian socialism was dropped as soon as Mr Blair came into office.

“It dispenses with the need for the Public to own the company altogether; control by the manager as philosopher king, is enough”

**Hobson**

Ownership becomes membership. Customers want the margin between costs and revenues to be as narrow as possible. Suppliers want costs to be as large a proportion of revenues as possible. Employees want revenues paid to them. Shareholders are a nuisance to Directors as they wish to see increased profitability, whilst Directors want to be free of this outside pressure, i.e. sales revenues exceeding costs by a wide margin as possible (for the shareholders) and moral campaigners (activists, charities etc).

Shareholders have delegated the company to the fundmanager, and also see the banks and their loans as a drain on profits.

Both types of PLC (private and public), ultimately all are funded by loans, and the majority (workers) are either, without control as stakeholders or reduced to battery hens. Further the more people who have a stake in the firm, the less control any of them will have.

### **Hobson**

Therefore in theory you could if you found yourself waiting too long in the Jobseekers (with new contract of un-employment conditions) agency or the tax-seekers agency, you could simply complain to the concierge (sometimes bored security person) and have your complaint sent to the general manager....and then livid at the way you have been treated, walk out with the chair you have been waiting on, as compensation for the tedious delays. You owned the chair in any case, ...as a stakeholder, unless other stakeholders objected and tried to retrieve the chair. This would be hard to explain to the local crime-seeking agency and very difficult to prove your ownership in the crime-decision agency, who seeking the golden rule of the impersonal legal entity, may find your defense to be invalid. After all, what next, the stakeholders might demand a hundred acres each, and 100% of the people might own 100% of the land (enshrined in human rights legislation).

DeSoto says the main problem in developing countries in particular South America, is that the landless do not own land, and if they cultivate it, they have no legal tenure, or proof of ownership. Therefore they cannot raise capital, and build an infrastructure, and prosper.

## **DeSoto**

Yet when the state and its agencies become both buyer and seller, thus controlling prices, it is not a free market. Further with tariffs and scarcity amongst plenty...it is also not a free market, both of these examples are twists of what Adam Smith actually preached, both are representing finance and state capital. An overabundance can be produced, yet the landowner can create a scarcity if he wishes, and make a lot of money. This is essentially liberal economics, and it has merged with state capitalism, which in turn has left socialism far behind.

This raises the old problem of ownership. Private ownership and as can be seen state ownership, both eventually accrue vast amounts of land, away from the peasant, even if they have legal ownership. Whilst they can be re-imbursed for their land (and just as easily, have it stolen, even with legal proofs), all money eventually returns to the capitalist, leaving the land accumulated in the hands of the few.

Guevara noted that limited renting of rooms by landlords, produced greed and dissatisfaction, whereas the state, could provide cheaper alternatives. Whether people wanted that alternative is a question of quality. Setting land as a basic human right, as with housing is a simple solution, forming a new consciousness and a new morality is not as simple, as the basic human desire to improve one's self will always rise. Faced with the alternative land ruination large corporations inflict and the endless cycle of accumulation, people will eventually see the benefits of land and/or as a human right.

If taxes fund the work, then everyone will own the company, and perhaps the real “stakeholder” idea could frame it.

The environment (linked into how we treat the land see chapter 5) faces very severe catastrophe. Whilst Bush has avoided the Kyoto agreement, despite individual US states implementing it, the neocons have at least publically had to acknowledge that Hurricane Katrina (July 29th/y 30<sup>th</sup> 2005) in America is increased in its severity due to rising water levels in the sea, causing the Hurricane to react differently than it would have done in previous centuries and decades.

However Bush nominee John Bolton, the new US Ambassador to the UN(main quote ..the UN does not exist) has demanded that the rest of the world change the new UN reforms, including climate change proposals. The biggest meeting of world leaders ever is due to take place in early September 2005.He has stepped in, asking for hundreds of changes, including changes to the climate proposals, mainly to protect US polluting rights, and Georges own family interests.(Globally).Bolton also wants his changes, scrapping the UN,s goals of reducing world poverty and promoting development. Is this a Christian attitude ?

More than this Hurricane Katrina, has revealed the vast urban underclass that resides (not just in New Orleans) but all over America, the richest country in the world. All of which (Americas urban underclass, and the rest of the world) surrounds the Federal Reserve Bank, which is making a profit on money (our money) as it circulates, originating in American taxation. Incredibly F.E.M.A. the emergency disaster relief agency in the USA, was shown to be negligent, and grossly inadequate. Downgraded, and grossly underfunded and placed under the department of Homeland security. Its head was appointed by Bush, and whose former Job was a manager of a horse breeding farm. Planning except for war, has no place in rich

America, one survivor scathing as she complained “the rich are laughing at us”. Reduced funding to state contractors is also now very apparent, and the national guard were left until it was too late. The hurricane disaster also shows that “the army” is supposed to help society, and not destroy it.

News commentators added (Ian Walkden “Habitat for homes”) that “Katrina” exposed the massive “underclass who exist off the economic radar”. Habitat for homes reveals that in the USA

“ 5.1 million American families have "worst-case" housing needs, forced to pay more than half their income for housing, endure overcrowded conditions and/or live in houses with severe physical deficiencies. While the number of families in poverty is growing, the number of affordable rental units is shrinking, and most families who qualify for government housing assistance aren't receiving any aid”  
and worldwide

“Some 2 billion people worldwide live in poverty housing. More than 1 billion live in urban slums, and that figure is expected to double by 2030. Many of these people earn less than US\$2 per day.”

Habitat for homes, build homes in the USA for an average \$45,000, and in developing countries \$800. There entire industry takes planning, planning that the worlds governments are not doing, as in fact the worlds government is out there somewhere watching the Dow or the NASDAQ, or matters which are totally unrelated to the needs of the worlds population, and what they actually require. These points were supported by Mr. Jack Pringle president of the Royal institute of British Architects. (news item BBC 1 6/9/2005)

<https://www.habitat.org/default.aspx>

NASA announced in September 2005, a new program to send men (and woman) to Mars, but they cannot even get to New Orleans.(but is this war?)

Planned society with affordable housing, with gardens and housing people are proud to live is a philosophy of the French “manifesto city” who are council Architects, who build not for profit but for society’s needs. Further these builds are not bland and quickly constructed, but interesting and well constructed with imaginative and sustainable “green” and beautiful designs. Where people come first.(for manifesto city see link below)

<http://marketplace.publicradio.org/shows/2005/08/16/PM200508165.html>

Similar planned approaches are undertaken by Wayne and Geraldine Hemingway, whose non-elitist designs, reflects the problems of the housing industry in Britain. If we consider the price Habitat for homes, build homes for, it is clear that “land ownership” underpins the problem of housing which should be a Human right (as exists in Cuba).(see also chapter 2)

Cuba of course used Guevara’s “mini brigades” to push through the human rights for housing. A volunteer force which Guevara said

“man as a commodity would cease to exist”. “Through volunteer labour man starts to see himself reflected in his work and to understand his full stature as a human being through the object created, through the work accomplished” “ that man truly reaches his full human condition when he produces without being compelled by physical necessity to sell himself as a commodity”

## **Waters**

Of course man can also be fully reimbursed, and/or volunteer...he should not be compelled in either case. When we consider the world’s wealth revolving around our banking system, it is truly unbelievable that so many in the world’s population lack what should be their basic human rights, housing, food (and happiness).



People can organize themselves to change the world, and the “human right” of taking back their own taxes is easily achievable

“That the Fed is privately owned is all a shell game. The unpaid principal and interest on those Fed-purchased, and thus government-owned, bonds are simply credits and debits on the Fed's and Treasury's books. Both are government agencies and when interest is paid to the Fed by the Treasury that interest, plus other profits, are promptly returned to the Treasury, thus proving there never was a debt to the Fed. Those Fed-held Treasury bonds are a charade. The Treasury could have openly created that money and bought back those treasuries, just as was done surreptitiously by the Fed. But this would have made the simplicity of non-debt-created money visible to all and maintaining that secret is the whole purpose of the charade.”

The interest paid by the U.S. Treasury on Fed-purchased T-bills goes to the Fed, which annually returns all that plus a part of other profits (currency trading, priced services to banks, et al.) to the Treasury. Thus in 1994 the Fed received \$19.247-billion from the U.S. Treasury as interest on bonds and paid to the Treasury \$20.470-billion, or \$1.223-billion more than it received in interest.

Member banks only technically own the Fed. If they really owned it, they would be receiving the interest on bonds owned by the Fed. In 1994, as discussed above, member banks received \$212-million in dividends and \$283-million for their mysterious “surplus fund,” which only means the government should have received \$20.965-billion instead of \$20.470-billion.”

### **Smith**

<http://www.ied.info/books/ed/contents.html> (online chapter 13)

Returning to ownership “Getting private money into public assets” **Hobson**

sums it up, with ownership ...not owned by anybody in particular, but particularly not the clients who are, in any case too busy consuming in increased debt to own anything.

Merging the City into the state, is helpful if the concept of ownership has blurred legal jargon, out of which is empowered the new City-state merger with state capitalism, (both productive and financial Capital), and this becomes the model for the new Globalised city states.

### **Middleton**

As Globalisation grows however it is spurred into that growth by competition between the new “City-States” or the partnership of the financial and productive forms of capitalism. Conversely as this increases the less important the state becomes. It is not one or another as “MacDonald’s need the Marines, and both need the state to expand”

### **Haynes**

Taxpayers (citizens) in the new PLC’s, have no legal ownership, but crucially are ascribed a technical legal token, amounting to no control, but a role as consumers ...who pay ever increasing tax, or who apply for IMF or World Bank loans. Worldwide this is globalization.

The City had by the 1980s moved to America, whilst many across all parties in the Commons and Whitehall were closer aligned with Europe. The Bank of England the recipient of the nations taxes (M, Mi back to the Government) but regulated by the Financial Services Authority (who are in effect the Bank of England, employing 2000 regulators), forming the special relationship

### **Sampson**

The City (note not the Parliament, Whitehall and all the rest) is now in fact controlling America's financial destiny (unseen planning), it is also seeking to be in Europe, but not controlled by Europe, and therefore through the Anglo financial model, control Europe's planning subtly (a factor rejected by the French and Dutch 'non' voters in the Constitution referendum), and be a powerhouse of international finance, represented by the vast international banking groups, representing nearly every nation on earth. 70 % of all investment flows into Japan, the US and Western Europe, 18% into China and 12% is left for the rest of the world. The new International finance facility loan scheme will be out of the City, as it increases its stake since its lull from before 1980. Turkey's entry to the EU is primarily to weaken the EU (increased size) to boost the US in hegemony, and serves to bring Eastern European oil states under neo liberal control

The special relationship between the Keynesian inspired IMF, and the monetarist World Bank, is indistinguishable between the City and the USA, it is along with Japan and Western Europe, organizing the new city states PLC's into conglomerates, homogenised into consuming nation states. The City and the USA are now one and the same. The Dual constituency conundrum, virtual parliaments, city states Joint collaboration between state and finance capitalism, was increased dramatically in the 1970s, basically in response to "people power" which it sees as a threat.

All of which requires your taxes and your lack of control over the un-democracies you live in. The plutocracies.

Issues surrounding the war on poverty, tend to look to ideas like the Tobin tax, which seeks to place a tax on currency exchanges. Yet as with "aid" how can we be sure it would reach the starving and landless? (etc) However ATTAC <http://www.attac.org/index.htm> (and others like CADTM) have shown how easy it would be to raise \$100 billion dollars (in 1992) from a 1% charge. A one world currency would reduce

this aim significantly, but it has adopted to raise a charge on capital flight around the world, which is currently up to \$14 Trillion dollars a day.

This is also one possible solution from the **Institute of Economic Democracy, online written by J.W. Smith** he suggests a similar tax placed on all currency passing through the federal reserve, he also provide very good idea's, borrowed and original on the concept of social land and its history, and a land tax to provide society's wealth, (as well as history of imperialism and a wide range of subjects) here quoting Gore Vidal

“In 1986 the gross revenue of the government was \$794 billion. Of that amount, \$294 billion was Social Security contributions, which should be subtracted from the National Security State. This leaves \$500 billion. Of the \$500 billion \$286 billion went to defense; \$12 billion to foreign arms to our client states; \$8 billion to \$9 billion to energy, which means, largely, nuclear weapons; \$27 billion to veterans' benefits, the sad and constant reminder of the ongoing empire's recklessness; and finally, \$142 billion to loans that were spent, over the past forty years, to keep the National Security State at war, hot or cold. So, of 1986's \$500 billion in revenue, \$475 billion was spent on National Security business.... Other Federal spending, incidentally, came to \$177 billion ... which is about the size of the deficit, since only \$358 billion was collected in taxes”

**Vidal,G (1988) *The Nation***

and **Smith (2005)** adds

“The value of all land in the United States in 1990 was \$3.7-trillion. The current private tax (interest) at 6% converted to landrent would bring in \$222-billion. Former Budget Director David Stockman's calculation of only 9% of federal expenditure being for legitimate government business, applied to Gore Vidal's \$500-billion in 1986 quoted above, leaves a proper cost of \$45-billion to have run the federal

government that year. Allowing \$50-billion for a rational defense budget and pointing all those feeding at the government trough back towards the free market that they claim is their ideal, leaves \$127-billion plus the property taxes already being collected to run state governments. Serious Georgist scholars have calculated that in both the United States and Britain “the share of rent in the modern society, if the current system of taxation were abolished, would be [22-to-25%] of national income.” That is enough to fund local, state, and federal governments.

The payment of that landrent is, at first look, only slightly less costly than purchasing that land under current law. But a second look takes into consideration the elimination of all other taxes which, on balance, returns the cost of owning land to zero. Landrent has replaced all other taxes and all now have access to land. Landrent cannot be evaded and full rights to that part of the modern commons will have been regained.

The accounting and collection costs of landrent would be but a tiny percentage of the cost of collecting sales and income taxes. As all are paying landrent through the price of products, it will fall on each equally according to that individual’s standard of living.”

**Smith (2005) (see online below)**

<http://www.ied.info/books/ed/land.html#h1> (for land and ownership, from pre-history to Rosseau to today)

<http://www.ied.info/books/ed/land.html#h1> (for home page)

Many would add that this is reformed Capitalism, but the starving do not care. Initially it would serve until a proper corrected economic democratic system was in place.

Another approach is knock the “anti-globalisation whinger”.

It provides a friendly face to the pro-gloablisation supporters, advocating a form of DeSoto’s ideas, and the need for developing countries poor to get legal recognition (proof) of their land ownership. It provides a criticism of blatant “free trade”, and suggests that NGO’s should be supported. Also advisably is the need

to input conditions for higher growth which will alleviate poverty. Whilst not totally raw free trade, it resembles a Keynesian model.

## **Bhagwati**

Dr Bhagwati also criticises the way in which blatant capitalism was thrown onto the collapsed Russian economy in 1991/1992, giving rise to extreme hardship. Of course it is presumed that failed communism or socialism, suddenly injected with rockwiel free trade, could not cope. Rather it is failed state capitalism, which did not have the infrastructure for blatant free trade capitalism, this is not mentioned. Further Germany has had improved growth but unemployment is still the same, poverty can occur where there is “growth”. People and society are not considered as a whole.

It is always presumed that “other worlds” have always been scrambling around for enlightenment, and the inability of free trade and capitalism to prosper these societies, is the new saviour. In fact Colonialism, Imperialism with capitalism is the cause of the backwardness (in economic terms). Having a paluge of locusts return is not the cure for the locusts destruction.

A prominent globalist Stephen Roach, chief economist at Morgan Stanley in New York says:

“Globalisation, technology and the interplay of the two have long worked to erode the bargaining power of employees in developed countries. Indeed, the main slide in the wage share occurred between 1985 and 1995” But now the ‘abundant and cheap pools of labour are... opening up - to an unprecedented number of sectors - [this] is taking the phenomenon to another level’

<http://www.morganstanley.com/GEFdata/digests/20050620-mon.html>

The ability of working people to buy back the goods that they produce is therefore undermined by the threat of an economic recession or slump. This like any other Capitalist problem is overcome with “fictitious capital” i.e. loans and debt and more debt. (see chapter 6 on the “third world”)

Finally over a twenty year period, existing in a sweatshop, with 24 hour shifts 3 days a week earning 40 pence a day, living on a rubbish dump, possibly selling his own kidney, a worker is delighted with Globalisation. Or working in a “outsourced 1st world job” with disgusting hourly wage, able to view the mile high glass skyscrapers, and occasionally clean or outsource in them, wishing you owned 100 acres of good pasture and arable land (wishing every day for twenty years) would Dr Bagwati take up this challenge for twenty years, and then write a sequel. Perhaps his wife would have left him, or was killed or cleansed, and whining about his romantic problems, he could then provide a more interesting insight into Dickens and Dostoevsky. Perhaps if he can do this whilst waiting for prosperity to trickle down we could admire his book, by then he may be looking to the anti-globalization side wondering how prosperity can be taken back, from below.

Today in the economic growth of India there are 150, 000 children living on the streets of Delhi.

An interesting overview of free trade and ten years of NAFTA, can be viewed below.

<http://www.newint.org/>

Why did the workers state in Russia, give way to totalitarianism. ?

**From Lenin and the New Economic Policy, to Stalin the economic driver in the New Economic Policy had become a Capitalist system, based upon the Economic Accounting System:**

“The alternative economic accounting system was in use in enterprises organised by the National Institute of Agrarian reform, then headed by Carlos Rafeal Rodriguez, as well as those accountable to the Ministry of Foreign Trade, directed by Alberto Mora. This was a method of planning and management, adopted from the Soviet Union and Eastern European countries, that relied substantially, on use of capitalist Market mechanisms, profit criteria, and material incentives. Under that system, state enterprises retained their own funds, out of which they financed expenditures and investments in line with broad targets set out in the state economic plan. (This system was thus also referred to as “financial self management”)

Transactions among state enterprises were organised on the basis of money payments and enterprises, took loans at interest from the state bank to carry on their operations and expand. As a result, the money “profits” of an individual enterprise, and credit and interest policies of the state bank played a substantial role in determining economic priorities”

### **Compared with Guevara’s Budgetary accounting system**

“Under the budgetary finance system, these enterprises (state enterprises) were financed by the state bank from funds budgeted in accordance with the national economic plan and state planning agencies. Enterprises had no funds of their own to use at their individual discretion. Money relations between



the enterprises themselves, were simply accounting procedures to monitor implementation of the goods produced by various enterprises (and trace their trends up and down)”

“In a budgetary finance system, with properly functioning systems of controls and supervision (Guevara wrote) there is no need for the bank to be involved in investment decisions. These are political decisions concerning economic policy that are in the purview of the states Central Planning Board.....The bank should concern itself with scrutinizing fund withdrawals according to proper procedure, which is its specific function”

**Waters (this last quote from Guevara “La Banca, el credito y el socialismo” article from Escritos vol 8 page 48)**

In other words people are the bank, who just as competent, could fund and issue money in exchange at home and internationally, and do as much work or as little as they needed, whilst seeking all the time to improve themselves. This recognizes that money collected via taxation is the peoples money not the banks or the states (and there is a difference between the state and the people. Stalin and the New Economic Policy had in effect become State Capitalism as opposed to finance capitalism or private finance)People are the wealth, and the workers can plan themselves, but workers, without a sense of class can encompass all levels of trades, professions and administration.

There are other critics of the New economic Policy who do not see the economic accounting system as the problem, but the Great Turning-Point of 1929 -- the Stalinist Thermidor (the beginning of Soviet totalitarianism) The question of whether Lenin led to Stalin, or did Lenin’s centralization lead to Stalin’s counter revolution has rumbled on for decades. For the revolution prior to 1917 (1905 – 1907 up to 1917)up to Lenin to Stalin up until the capitalist liberal reforms of 1991, all of these had to be

funded, and the type of funding gives rise to who makes the decisions and who owns the choices, the assets and eventually everything. Prior to the Berlin Wall falling Capitalism with totalitarianism, had already taken root from 1923, and it was in fact totalitarianism which had collapsed in Russia, brought about by Capitalism albeit State Capitalism. Today in America there is simply Capitalism with totalitarianism, which views “the wall” as now encircling the planet.

“ All new capital, to commence with, comes on the stage, that is on the market, whether of commodities, labour or money, even in our days, in the shape of money that by a definite process has to be transformed into Capital” (i.e. transformed into either commodities, labour or money)

### **Marx 1906 Chapter 3**

If M = Money and C = Commodities (and L = Labour, Work), then Marx analyses the absurdity of M = M if the capitalist exchanges £100 for £100, who would want to do this, yet if M is exchanged for MI (Money and interest) then this is the easiest way of making money providing that the borrower repays. If MI is not repaid then the C of the borrower, can be claimed as payment (assets, house, car etc).

When a bank is outside of the sphere of influence of the people, who as Chomsky states simply become spectators to the economic activity of the system, then what is the difference in this system after a revolution than before. If the vanguard (new) simply adopt this system, the workers and everybody else, simply reside in a new Capitalist system, whether it is state capitalism or finance/private/merchant capitalism. Marx states the absurdity further arises when M-C- M (money – commodity –money ), i.e. money, exchanged for a commodity, which in turn is exchanged again for money. A merchant could buy 2000 kilos of cotton for £100, and sell it for £110 pounds, but would he buy it for £100, spin it for himself, or exchange it for 20 tins of paint or resell it for £100. This activity

has not brought him the £10 profit or as Marx calls it surplus value, but he has at least gained a use. Commodities can begin C- M –C, or in a barter economy they can be C-C (corn for cotton etc).The Capitalist can only acquire this £10 surplus value by exploiting the Labour that is required to produce a commodity, or by selling money (even non-existent money) at interest. Since all money can only be accumulated from taxes at state level, or by mortgages or bonds underwritten by the taxpayer (or worker), then the Labour power is also exploited, not only by the state, who in turn do not democratically take this new money (increased money) to spend on the workers or taxpayers, but also amalgamate the state to private finance or merchant finance, who in turn also exploit the worker out of his labour power (wages), but who also exploit his labour by siphoning away tax pooled for society, which as Marx says (this last example forming a National debt) by necessity means increased taxation the following year. Criticisms against it also become irreverent, and replace the unpardonable sin of blasphemy against the Holy Spirit.

### **Marx 1906.**

In chapter 2 it was hoped that the term inflation was explained, which gives rise to the gap between prices and wages, and also robs the worker and society of his purchasing power.

Valuing the labour of the worker, (as opposed to the hirer) as a commodity, and giving the worker (or taxpayer) the total profits as a result of that labour (and controlling the method of manufacture), was a method of filling the gap between prices and wages. **Marx**

Rejecting the invisible hand, i.e. an excess over demand will cause prices to rise, and an excess of supply over demand will cause prices to fall, scarcity only comes when you cannot pay for the product, of which in the shops and warehouse's there is an over abundance.

The unemployed and poorly paid, have a scarcity problem, but the rich do not. Reaching the equilibrium price when supply and demand makes a middle price beneficial to all never really appears. Especially when a child dies every 3 seconds, 30,000 a day, 18 million a year die of poverty ?, can we really be saying now that the market rules our world economics and balances everything out in equilibrium.

When work is valued not as part of the market, but a value in itself and life is also seen as rich, varied and free (not slaves, and this does not just mean feudal images of slavery but modern slavery also) and the overproduction can be shared and used, then society might be getting somewhere.

Wage slavery cannot pay a worker a fair days wage, otherwise the employer would not make a profit, if he did pay exactly what a commodity cost to produce, what need is there of the employer.

Self employed people do not really own their own production, even though they have a van or tools or an office, but they are paid closer to what they should produce. We have a debate on how much should worker A, who works at one job, get in comparison to how much worker B gets, but wage dependence society's, only exist as a result of people being forcibly removed from the land over centuries, passing as it did into the hands of the few (Scotland and Ireland are good examples).Owning the land before this, or even today by legal deed was a way of raising capital, as well as sustaining yourself on it. Producing from it to compete in the market (the excess) drives competition to the point where technological advance remains at a certain level, and instead wages are forced down to make production more competitive (and on and on and on).This will lead to increased output to increase profits, making higher wages in a circular boom, and the stock market bets on future price rises (a bull market).

As costs increase profits decrease confidence ebbs, production eases down workers are laid off , and the stock market begins to bet on price falls (a bear market), and then there is a crash.

**Marx 1906**

**Harman (1995).**

Of course some Marxists claim that a limited market can exist on a few commodities, forming divergent opinions between “Socialists” and “real socialists”. **Bukharin**

Whilst the “minutia” of economics in any new emerging state or revolution is vital to forming a base on which to organize for the future, Trotsky next saw in the organization a problem which he defined as follows;

“when there is a queue, you need somebody to control it, and the gendarme that controls the queue looks after number one. The source of the queue is scarcity. But the theoretical question that has to be asked is, why does scarcity exist”

“In Russia they managed to send people to the moon, but they didn't manage to build enough houses. If the emphasis was on housing, or consumer goods, there would be less scarcity. The bureaucracy decides how to distribute flats, clothing or food. But previously the bureaucracy also appears in the decision over whether to produce flats, or to produce machines, heavy industry, tanks and airplanes. Therefore the bureaucracy appears not only in the process of distribution but also in the process of production.”

**Cliff (et al)**

Yet others criticized not only the bureaucracy in Stalin's epoch (Trotsky thought that Capitalism would not survive WW2 instead it expanded into Eastern Europe, and remained as a State Capitalist totalitarian society.), but also in Lenin's era

During the Russian Revolution, did the Bolsheviks systematically undermine the factory committees and soviet assemblies and concentrate more and more power into the hands of their central committee.?

Then by adopting the New economic Policy faced with the crisis of being attacked by the Western powers and the civil war, capitulate ?.

Unions too can become too bureaucratic, and suddenly everything was as before, the leadership is top down not from the people up. Rosa Luxemborg could not understand why overproduction was needed, who should it be sold too ?, (Stalin at first wanted socialism at a “snails pace” , but by 1931, accumulation and increased production was his mania) why not take things easier and have a slightly less surplus and distribute it out amongst us equally, or even if vast over production, give everybody a double helping.

Today overproduction despite the USA, trying to agree devaluation of China’s currency, has eaten right into Americas terrority, overtaking it as a world producer. Is this imperialism, and is it preferred to US imperialism. The USA does not like it, but why should this be China’s concern, or any other country who have suffered at the US’s imperialism, worry. Lenin answered Rosa Luxemborg by disagreeing with her (as did Bukharin), citing capitalist competition for profit rents, and not crisis as the cause of Imperialism. Could the overproduction be given away to impoverished countries, who are suffering because of trade tariffs, free trade and blatant Corporation colonization via Globalisation.?, whilst anarchists complained, seeing everything as a form of control, going beyond their own loose empowering ideas of people self management. And if democracy is based on equality, then why does it tolerate the situation where the many alienate their power to the few by means of election?, but if unelected inner elites take control to then ensure that everybody has a say, but then decide not to step down, has anything changed. ? (etc)

Just as Stalin eventually formed a market economy, based upon (for a few) private property laws, would **Proudhorn** have regarded him as any less of a thief than William the Conqueror. ?. Yet if Stalin or William the conqueror had taken a mass survey and concluded that every person could have 100 acres to do as they wished, would this then amount to a legal form of ownership, to the people or to Stalin or the Conqueror. If

the people then elected officials to administer the bureaucracy would they, become the new owners, and would all the owners of 100 acres, each have access and rights across each others land.

With the size of the planet, it is easy to allocate such strips of land to individuals who are currently landless as a human right, of course it could be done, and if they have access to free credit, is this still anarchy?.

When the NHS gives away its commodities (decommodification) this is surely a form of common ownership, yet British Leyland (also once a state industry) sold its products, why did some state bodies, but not others act as if common ownership was inherent. Why does the state now not compete with private capital?Perhaps Lenin's view that the state exists to facilitate one class ruling over the other, means that a free NHS, could keep the workers healthy and more productive, and so working, therefore help to make British Leyland's profits (move from red to black)

When a institution is formed its type of funding and philosophy and purpose seem to combine to define how it should operate, yet a decision in principle could turn any of the above examples into common ownership, once its financing is adjusted.

Today "we have allowed ourselves to be sucked in, not by the fact that there is a neo-liberal model of the state, but by the illusion that there is a neo-liberal model of the state." Although it still regulates, taxes and owns.

## **Haynes**

The growing Globalised city-states, are becoming an Empire in themselves. Open autonomy suggests that there is a revolution going on, it's just that the workers do not have to do anything themselves.

The Stalinist bureaucracy smashed the Left Opposition in order to safeguard and entrench itself as a privileged caste; the group of Democratic Centralism declared in 1926 that the workers' state was liquidated. We have here a degenerated workers' state under the dictatorship of the bureaucracy. The more complex the economic tasks become, the greater the demands and the interests of the population become, all the more sharp becomes the contradiction between the bureaucratic regime and the demands of socialist development.

“Soviet (it would be more correct to say, anti-Soviet) bureaucrat is the product of social contradictions between the city and the village, between the proletariat and the peasantry (these two kinds of contradictions are not identical), between the national republics and districts, between the different groups of peasantry, between the different layers of the working class, between the different groups of consumers and, finally, between the Soviet state as a whole and its capitalist environment.

Workers in 1917, needed to have autonomy from the bureaucracy, not from power or Capital itself, and when attempting to inspire or inform “the working class”, or “the many who are not enlightened socialists”.

It is not helpful and is elitist to maintain that this new empire arising around the planet, has no centre or any one area of control, and is therefore bound to come out in favour of the masses, when the world's slaves (1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup>), know that they are definitely not the centre of power themselves, and know they are voiceless even if they cannot understand Latin. People who cannot penetrate post modernist jargon, do not want to plough through its impenetrable foliage, only to find that there are not many new inspirations contained within. Further and having reached this disappointment, the “multitudes” do not need to do anything about it, and indeed cannot. Although “working people” have by organizing in a pre-revolutionary capitalist society, managed to change Capitalism, forcing it to



adopt better working practices (etc), this is the limit of what it can hope for, although there is hope  
(*Aegroto, dum anima est, spes esse dicitur*)

Instead of confronting Capitalism, the working people can dissolve it, almost by subtraction. This may be a realistic view, given the force of armaments on the planet, and it is true that if everybody stopped work for a week, Capitalism worldwide would collapse, yet the following day the ability to run matters would still mean the uniformed worlds police and armies would have to agree and join with the “working people”. The danger is that taking power from above is simply swapping one form of capitalism for another reformed version, when in fact taking power has to be from below. Taking economic control, without mass mobilization is possible, by simply subtracting the state from control of capital in its most simplest form, it is the most visible and apparent form of people, organizing and ruling their own lives. It also has a moral and immediate incentive, as you do not need to be “an enlightened socialist” to understand how empty your own wallets are, whilst so much wealth exists around you.

Hardt and Neri in *Empire*, could commission a “no nonsense” guide to their work, which would be easier to dip into (at work, on the bus...in the queue), and whilst it is an impressive and insightful overview, its direction which is undoubtedly a reality, (as over the last 7 to 8 years in particular people around the world are more aware of what is happening) needs more clarity on how the world can change.

Working people are growing angrier at the inequality and injustice in a world of barbarism and extremes, making the link with Capitalism and its effects, but can this situation be changed for them, without workers doing anything..... No.

However Ghandi, brought the Anglo empire to its knees by walking for 22 days and picking up a handful of Salt, naturally occurring at the seas edge. England had imposed an unpayable tax on salt, a tax that would have caused hundreds of thousands of deaths. This was a non-violent protest, but it was doing something.

Marx's uncompleted work on capitalism's international phase, provides challenges, from both points of view, from Francis of Assisi and Spartacus.(as having Catholic tastes, sometimes requires protesting clarity, yet “faith without deeds” is indeed wasted )

### **Hardt and Neri                      &                      Callincos.**

Alex Callincos points out citing Lenin’s opinion that “Bolshevik leaders should be open to any religious believer who is prepared to work for socialist revolution” including all faiths, (which is also a feature of capitalism) and pointing to where liberation theologians part company with Marxists and vice versa, (quoting Pope Ben ..Rattinger, and difficulties noted with other liberation theologians, which Pope Ben is against )

“there has to be a religious surplus, an element of belief in suffering and loss beyond this world, and also therefore an acceptance of a hardcore of suffering and loss and injustice that cannot be resolved in this world”

“the only way of removing large scale suffering and injustice is in this world, is through social revolution, through a social and political transformation that breaks the structures of imperialism and capitalism”

Although it seems the theory parts company, people often do not, as was evident at the Edinburgh “live 8” demonstrations in July 2005, when of course many church groups, demonstrated with many political groups.(Making Capitalism history)

However it is this difficulty which has prevented society advancing for fear of each others philosophy from overtaking or watering down the other (notwithstanding that the G8 leaders did little, have now reversed their decrees, or acted in order to facilitate more arms dealing).

<http://www.vincentpeters.nl/triskelle/lyrics/asirovedout01.php?index=080.010.020.010>

<http://www.makem.com/discography/recordings/lyricpage/golassie.html>

Songs often express in a few words the analogy of larger issues.

Its the words of Bob Dylan who states you do not have to be political to be a protestor or activist, and in any case the strain of remaining true to yourself, whilst wanting to carry on your protest became evident in his exhaustion whilst touring. The debate between pure folk singing and electric seems irrelevant now, and when one hears a live band, and then an hour later hears an acoustic set, you get the best of both. Trying to balance protest against allowing the establishment to avoid change, under pressure, can change the high notes to low. And in Oxford town, when you are suddenly classed as Communist, you can only reply by saying that you can be in my dream if I can be in yours. What ever your view or experience there's always tomorrow to do things better, and carry on freewheelin, but the outrage against war and "free trade" can never be allowed to dissipate, just look around the planet everyday.

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Although there is a parting of the theories, it is interesting that God, or at least, his theory of the interaction between his creations in commerce and money, is that he is an interventionist. His view is that every type of money transaction in whatever form would take place (including bartering), and that this would inevitably go wrong or have a problem.

Therefore the general secretary of the congregation would decree a cancellation of all debts, mortgages and loans every seven years. Not once but every seven years. Further every 50 years a decree (on successful completion of a 50 year tenure of rule...7 x 7 ) not only would the seven year decree follow, but also a return of lands lost by default in loans or conquest would be given to the vanquished or the family of the vanquished. This also included slaves, and those who were seen as inferior or foreign. **Dr Gates Brown, T**

Pope Ben would obviously agree that the theology of the resultant liberation is an attempt to bridge the gap between this world and the next. Further it is also open to any believer of any Christian or Jewish faith (and many Muslim denominations) to decree for the their benefit, or the benefit of any other faith, or even Marxist revolutionaries.

However Dr Gates Brown does point out that this was always an unpopular law in Jerusalem. One can imagine if these decrees were enacted, banks offering loans for six and a half years, or conspiracies bumping off monarchs on their 49th year of rule etc. The world is still waiting for such a decree to take place, and so it seems is God.

This year a suspected Marxist, the Archbishop of Liverpool David Sheppard died on the 5<sup>th</sup> March 2005. He was given the label of Marxist by Margaret Thatcher for his forthright views and books on the poor, who were first to be considered in this world and the next. The establishment could not begin to consider the anathema that economics and Christianity meant, intervention into the lives of the poor, or that the Bible was in terms of wordage and space allotted, wholly concerned with the poor, and injustices caused, by the war of the rich on the poor. With five times the space allotted to teaching on

money, than to prayer and fasting.(Although it seems hours of praise and prayer was left unsaid but understood, whereas money was more complex).

Such was the horror of the establishment that David Sheppard might raise this question that the very Parliament, Judiciary and infrastructure and history (from the 1<sup>st</sup> century AD forwards) of England (from the 11<sup>th</sup> century onwards)and the Christian Celtic era from 50AD was tied up in Christian terminology, and therefore had an onus to the poor and an aberration of vicious capitalistic policies, that they could not even suggest he was a good samaritan.Rather this was skipped and he was jumped into he category of Marxist, as surely Capitalism was from God.

This is also the worry of the so called teachings of the prosperity Christians who teach that Christians or believers can accumulate cash by praying into faith scriptures that quote ideas, that God will give life abundantly. This moves from the idea that life abundantly could mean very good health or lots of love, or happiness...in abundance, to one of materialism. Its proponents not reaching into the area, that life in abundance, does not mean acquiring cash produced in the capitalist debt system (as all cash is), in which 30,000 children starve every day, and 2000 children are killed everyday by bullets and arms produced in the west, but also transforming society around us, in every area of commerce, economics and the world itself.

Perhaps both politically and theologically this can never be achieved in its entirety, but then this realistic view does not mean you should not try. Gandhi by his life, fasting and untimely death had brought an end to the inevitable civil war between Hindus and Muslims, after independence. Whilst acknowledging theological differences could not be bridged, he knew that freedom would create a better life for both.

Che Guevara wrote that people are not perfect, and this realization is there to remind us also not to take things too seriously, except for injustice and world poverty and war which can be resolved here on earth, these are not, unachievable unreachable dreams. Whilst men can equal out resources and the worlds abundance, it is impossible to stop people thinking and dreaming of anything they like.

Can Mr.Chavez in Venezuela (or should he) take his reforms further. His oil program is helping alleviate poverty, and this is only right and fitting. Bolivia is also wanting to own its own resources, as indeed they should. Both should continue to full command of power.

The USA is now deploying, its troops stationing them around Paraguay and other countries around Bolivia's borders, in order to be ready to force back "the working people", taking what is theirs. Note that US forces are deployed for British Gas (empires) interests, not to install democracy, or rid an "evildoer", but in the interests of money and theft. This potential invasion, has no high moral agenda, just a blatant selfish, one, it is the terror, and it is the terrorist. The "working peoples" in the USA, are supplying the resources to maintain this military invasion, simply by paying for its upkeep from their own taxes. Now having to work two jobs both with longer hours and also pay increased mortgages, with less savings, so that unelected Corporations can hoard and control the worlds wealth at gunpoint (which they also will not see any benefit of).Of course Bolivians should take full control as should Mr. Chavez.

This would be equally true for Americans, who are also a part of this struggle. If the case was a army from Bolivia stationed in their hundreds of thousands on Canada's borders waiting to seize control of the America's resources, on Britain's behalf, you can be sure Americans would be looking to control their own country, and re-distribute the wealth back into the population for the benefit of the "working

people” Both America and Bolivia whilst acknowledging that nationalizing its Gas via the state is a step up from private control, how long would it be before the state simply, sided once more with the private finance capital, bringing matter s back to square one.

Smashing the state, is pointless if the workers themselves, simply build another prison.Somewhere between Hardt and Neri’s empire and the endless theorising of intellectual discussion, and past disappointments, and successful experiences, is the desire to actually have a real revolution, which is preferably non violent, but also one in which society can build and plan. With the growth of the internet and speedier communications, the growing amount of statistical evidence, showing how much wealth there is in the world, in comparison to the stench of poverty and barbarity, is inspiring people to realize that there is certainly enough to go around.

Trotsky while upholding the New Economic Policy, correctly identifies, the subjection of the country to the town (and its bureaucracy) as a problem in any economic system, also recognizes that the pool of collected taxation should be less, to encourage poorer peasants to produce more, is also the collective resource for the new workers state.

“There ought to be an end to the jabbering about underestimating the role of the peasantry. What is really needed is to lower the price of the merchandise for the peasants. The capital economic task of the day consists in establishing between industry and agriculture and, consequently, in industry, a correlation that would permit in industry to develop with a minimum of crises, collisions and upheavals, and in assuring industry and state commerce a growing preponderance over private capital.

That is the general problem. It is divided into a series of partial problems: what methods should be followed in the establishment of a rational correlation between town and country, between transportation, finance and industry, between industry and commerce?

Which institutions are indicated to apply these methods? What, finally, are the concrete statistical data that make it possible at any given moment to establish the plans and the economic calculations best suited to the situation? Everyone, obviously, a question whose solution cannot be predetermined by any general political formula whatever. It is necessary to build the concrete reply in the process of construction.

What the peasant asks of us is not to repeat a correct historical formula of class relationships (*smychka*, etc.) but that we supply him with cheaper nails, cloth and matches. As a fundamental practical measure, I proposed: 'To replace the requisitioning of the surpluses by a levy proportionate to the quantity of production' (a sort of progressive income tax) and set up in such a manner that it is nevertheless more profitable to increase the acreage sown or to cultivate it better"

**Trotsky.**

**Fisher** argued that with plenty of (real) money circulating in the economy, prices would not lower, but would remain stable. Of course if wages rise and quality of life improves, prices will be lower.

The romantic medieval era produced prices that remained the same for hundreds of years; this stability without a feudal system will make this a reality.

Guevara also pointed to the budgetary finance system (not just cheap credit, but interest free credit), and this in a country with only one main crop (sugar) for export.

"The budgetary finance system aimed at creating an integrated and centralized national structure of economic enterprises. This would provide greater leverage for the working class to exercise decision



making over economic and social priorities in allocating Labour and resources to various sectors of production. The budgetary finance system sought to promote growing workers control in the factories as a road toward increasing working class management and administration of these economic enterprises”

“But it is just this centralized planning, Guevara pointed out, that becomes impossible for the working class to organize if the relations between state enterprises are commodity relations. Instead such functioning inevitably breeds corner cutting disregard for quality, price gouging, justified by cost accounting, speculative hoarding of raw materials, spare parts and inventories, and all other symptoms of bureaucratic mismanagement that mark most enterprises and institutions in the Stalinist dominated workers state”

“The law of value will whither away only as commodity production and exchange themselves disappear”

### **Waters.**

Marx showed that it is impossible for capital (money) to be produced by circulation, yet that it was equally impossible for it to be produced without circulation. The capitalist must buy labour (a commodity) only if someone sells it. Selling it for a defined time period is vital, or then he would be selling himself completely (as a slave). The step from this is to sell his labour, by also owning the means of production. One further way that the capitalist can intervene in the selling of commodities is to make the very method of money exchange a surplus value for himself. (M,Mi)

“therefore the Usurer is most rightly hated (quoting Aristotle), because money itself is the source of his gain, and is not used for the purpose for which it was invented. For it originated in the exchange of commodities, but interest makes out of money, more money. Hence its name (greek TOKOS, interest and offspring)”

### **Marx (1906)**

Therefore the very process of money circulation robs Labour of its use value (and as many companies complain also, its surplus value), and if instigated at the very point of circulation, also distorts planning, making a nonsense of cost accounting, encourages time studies increasing competition, but moving away from quality, and encourages bureaucracy instead of freeing society to begin far and pleasurable planning

.If honesty is going to surface about the situation in 1917 – 1923 and beyond, then well and good, if not what is the purpose of Marxism. **Cliff (et al)**

Greek society recognized at least the need to debate problems.

“History’s first land reform actually took place in ancient Greece before Communism was born or thought of. Small peasants had been getting deeper and deeper into debt with local merchants and obliged to mortgage their land (sound familiar ?) .In the sixth century BC the plain of Athens was covered with standing stones bearing notice that X’s land was now mortgaged to Y.

Farmers and their families were reduced to conditions of near slavery, and for the first time a class of landowners who did not themselves farm appeared. Landless farmers were obliged to take refuge in the mountains, where the first ‘guerrilla movements’ sprang up.

Peasants allied in political parties with small shopkeepers who had also been disposed by wealthy merchants.

Finally, pressures for reform were overwhelming. The mortgage stones were razed, debts were abolished, and in 524 BC Pisistratus confiscated the big estates and redistributed land to its former owners. In Greece this refusal to allow great wealth concentrate in the hands of the few was called democracy.”

**George (1991)**

Of course Communists might say this is communism, but then what does this matter. Mortgages are loans with attached interest.

“Nobody- except the odd lunatic fringe- wants revolution for its own sake” “The bitter truth is, however, that landowning classes consistently refuse even limited concessions and thus eventually tend to bring revolution on themselves”

**George (1991)**

“Giving poor people in the essentially rural UDC’s a livelihood and enough food means primarily giving them access to land. Wherever this has happened, in socialist or in market- economy countries, serious food shortages have disappeared, although problems resulting from centuries of colonialism have not entirely vanished. Nations like China, North Vietnam and Cuba are the first to admit their own shortcomings, but the admirable difference is that they use such self criticism to move forward- and best of all, they do it without us”.

**George (1991)**

With land reform also workers also need quality of work. Time measurements however can never account for a worker who loves his work (do what you love, and work is for the people, not people for

the work) .Laborers, craftsmen and skilled artists, may wish to go beyond “doing their work”, simply because they are consumed by the pleasure of creating and doing...they enjoy it. This can never be forced, and should never be prevented or restricted...it is outside of the rules of quantification. Coupled with a civic consciousness (which can never also be instilled, but conditions to help self awareness can set the seeds), work then becomes a pleasure and is not the dictate of some bureaucrat or boss.

“Based on experience in class combat, a study of history, and an understanding of scientific communist theory. Guevara was profoundly convinced that any variant of the economic accounting system-regardless of the intentions of its advocates not only blocked the working class from entering onto this road, but diverted the toilers onto an opposite course that ultimately threatened the conquests of the workers state”

### **Waters**

(the road toward that future with enthusiasm, improving knowledge as they go)

Che’s consciousness was not just a consciousness of production. Castro said “under socialism no system can substitute for politics, for ideology, for people’s consciousness”

### **Waters**

Aside from the Greek land reforms of 524 bc, other ancient cultures saw land equality combined with planning, as essential to producing a society which was not only planned well but which was also beautiful.

**Dr. Gregory L. Possehl of the University of Pennsylvania.Considers Dholavira and Harappa, & Mohenjo-daro unearths early society with proof of planning, as a key to its success.**

“In an article in the current issue of The Journal of World Prehistory, another leading archeologist in the field, Dr. Gregory L. Possehl of the University of Pennsylvania, described how theories about the Indus culture by earlier scholars have been swept aside, but have yet to be replaced by a new consensus. "You catch us at a moment of change and re-interpretation," Dr. Possehl said in an interview at the University Museum of Archeology and Anthropology in Philadelphia.

"We have a stubborn problem; call it a double-whammy problem," Dr. Possehl said, finally. "So much archeological reconstruction of a civilization depends on an interplay of physical remains and written records. Forget about Indus writing. We can't decipher it and, besides, we have found no inscriptions of more than 26 characters, so we are left with no long narratives. Also, the physical remains, the archeological expressions of the Indus people, don't look like anything we are familiar with -- no palaces or monuments or temples."

“In other excavations, archeologists have found distinctive Indus cubical weights, made of chert or agate and used for measuring goods before a transaction, at many sites of Arabian Sea ports. These weights have also turned up at all Indus settlements. Even if the cities reveal no monumental traces of strong rulers, all around is indirect evidence of some kind of organizing influence. Who oversaw foreign commerce by sea and regulated the system of weights? How to explain the apparently common religion, uniform pottery and coherent Indus style of artifacts over a period of 700 years, spanning nearly 30 generations?”

"We have the peculiar expression of an ancient sociocultural complexity without the ostentations of ideology or evidence of a focused leadership, like a king or queen," Dr. Possehl said. "There's no real model in history or ethnography that suggests that somewhere else there was a civilization like this one."

The Indus cities themselves attest to the presence, if not the identity, of some powerful guiding hand in the culture.

Dr. Michael Jansen, an archeologist at the University of Aachen in Germany, calls Mohenjo-daro "a founder city." That is, like Alexandria, the Egyptian city ordered built by Alexander the Great, Mohenjo-daro bears all the signs of a city that was willed into existence by some powerful person or group of people. The streets were straight, laid out on a north-south and east-west grid. Houses of brick on top of stone foundations seem to have been built to standard designs. Nearly all of them were connected to a city-wide drainage system, and each block had one or more water wells. Simple burials seem to fit the one persistent image of Indus society, which is that of a practical people without centralized rulers or kings but with wide-ranging economic interests”

<http://www.upenn.edu/researchatpenn/article.php?674&soc>

### **And Dr Posshl in Dholavira and Harappa**

“Nor is there any sign of grandiose rulers. "There was no cult of the individual," says Harvard University's Richard Meadow, who is excavating an Indus city called Harappa, in modern Pakistan. There are "no fancy burials, no monumental displays of wealth."

Somehow, without war or charismatic strongmen, the Indus people imposed their culture across a territory larger than France. Everywhere, their builders made bricks in a length-to-width-to-height ratio of 4 to 2 to 1, a signature of Indus construction. Tax collectors used standardized weights to assay goods, potters turned out identical designs, and the elite carried soapstone seals, embossed with Indus script and animal designs, to stamp trade goods. "They also had tremendous craft technology, if not the best craft technology in the

Bronze Age," says Shaffer. In city after city, the Indus people built deep, brick-lined wells, smelted and cast copper and bronze, and made jewelry.

The cohesion of the Indus culture may have been rooted in commerce. "Possibly it was a large economic empire with a strong sense of national ethos," says R.S. Bisht of the Archaeological Survey of India, who heads the excavations at Dholavira. The Indus people sought raw materials, including metals and semi-precious stones, from as far away as Afghanistan, and their ships carried beads, bangles, and other products up the Persian Gulf to the cities of Mesopotamia. These trade links might have kept the elite of the far-flung Indus realm in close touch."

Possehl says. The Great Bath at Mohenjo Daro in Pakistan, 40 feet long and 8 feet deep, may have been the Indus equivalent of a temple.

Water wasn't the only force in Indus spiritual life. Seals and tablets found in the ruins depict unicorns, three-headed buffaloes, and encounters between humans, gods, and beasts. "If we could unravel these folk tales," says Possehl, "we could get into the ideology of the Indus people."

<http://www.usnews.com/usnews/doubleissue/mysteries/indus.htm>

[http://en.wikipedia.org/wiki/Indus\\_Valley\\_Civilisation](http://en.wikipedia.org/wiki/Indus_Valley_Civilisation)

What this reveals is a system of great baths up to 40 foot long and 8 feet deep, surrounding a central living area, they had constant water, centrally planned with a simple economic system, which produced a paradise, dating back to 2500 bc approximately.

See also China TO 1000 9000 BC approximately

<http://www.users.kudpc.kyoto-u.ac.jp/~p51987/Bohai/summary-E.html>

Capitalism “is really the private profit system and profits are a difference between the gross income and costs, including fixed charges associated with debts”.

“the price of wheat is not fixed by the demand and supply of wheat alone. It is partly fixed by the demand and supply of money. Money is for most people, overlooked entirely as a price determiner. That is where people make a big mistake, measuring every price in that money, but unable to measure that money itself (by an index number).”

When a currency value falls, it loses its purchasing power, it buys less goods. A competing currency may then rise, if its value has risen, it buys more goods, “but neither change was responsible for the entire gap between them”

“The supply and demand of dollars fixes the general, or average price level, and the supply and demand of wheat fix the extent to which the price of wheat is out of line with the general or average price level. When the general price level rises 10 % and wheat rises 13%, only the extra 3% is due to supply and demand of wheat. The 10% is not due to wheat at all, but to money”.

“An individual price and a price level are as distinct as a wave and the sea level, and the causes are just as distinct. The general price level goes up and down with monetary inflation and deflation, just as the level of a lake rises and falls with the amount of water in it. But the price of wheat goes and down with its demand and supply just as the height of a wave is great or small according to the wind”

## **Fisher**

War is only prosecuted by Parliament instructing the treasury to print more money.

“Then congress would have to pass a law permitting the treasury to issue money (or requiring the currency commission to buy more bonds with new money) regardless of the price level, which would therefore rise. This would be inflation. Stabilisation would cease forthwith.” “Thereafter the war would be fought by



inflation as usual, which is to say at the expense of people having relatively “fixed” incomes. On these classes the high cost of living with wages, salaries, interest, and rent lagging behind would as it did in the world war, virtually amount to an income tax of 50% or more.”

## **Fisher**

The last quote directly above, is what would happen if the banking system was already operating a 100% money system, instead of a 10% reserve system (which is actually less than 0.5 % if at all), and the government called it as an emergency measure in time of war.

However if you examine it, you will see that it is actually a description of the permanent arms economy. In effect a permanent indirect taxation of interest. This is the crisis. Profits are also therefore permanently falling (not withstanding monopolies and business making short term profits) over time.

Professor Fisher who wrote about 100% money was a “capitalistic” economist, (his own description) and he wrote the book to defend capitalism, outlining its vast faults, suffering as he did in the Wall Street crash. However after losing everything in the Wall Street crash, his brilliance became neutral, and is a good analysis of the debt problem. State capitalism also adopts this method and is joined to the “city-state” (productive and finance). When Che Guevara and the vanguard were asked by Castro if anybody wanted to be the economist in the new government of Cuba, he volunteered thinking Castro had said Communist not economist. Essentially measuring money is neutral, both the same sides of the same coin, and is central as to whether we are serious about creating a society (worldwide), which puts people first or one in which the issue is never raised and we have a permanent competing ideological debate, which goes round in circles. I believe Che Guevara would have placed the surplus value back into society, and indeed Cuba’s economy produced staggering results, before America started to blockade, and attack its economy.

If (as nearly was in December 2004) £450 Billion was collected in taxes, and assuming it was set at 25% tax rate (actually 22% ish), then £2200 Billion is circulating in the economy, and taking Professor Fishers 100% Money proposal, this £2200 Billion could be made as the yearly limit of money (auditing only, as MO..Cash in circulation, is only £45 Billion). (With less taxation, and council tax and other adjustments, this amount could still reach £1800 to £2000 Billion in circulation, or whatever was decided as sufficient) However if an extra £100 Billion was created separately, and made to build schools , hospitals, roads, houses at very reduced price levels etc, it could after its distribution be collected back, and destroyed, allowing the separate £2200 Billion to carry on circulating.(not separate during circulation) The separate extra £100 billion is in effect an IOU, but set against the infrastructure and works carried out, Is this IOU then paid, is it met by the physical asset everybody owns, allowing it to be destroyed.?

If not why not. Granted it is a simple outline, but when we consider that in America an extra £300 Billion can be created to create war, and carnage, and blow the world and people to smithereens, is this any less simplistic, especially when the debts it amasses (the permanent national debts see chapter 9) increase and at interest accrue interest on the debt, increasing taxation, and is in existence long after hundreds of thousands have died and cities have been bombed into the stoneage).If you can plan for war you can plan for peace, and both the £2200 (or £1800 - £2000) Billion and the £100 Billion can be issued interest free. (taxation and hoarding will cause complications which can be scientifically ironed out, but these problems compared to what we see in the world today, are very acceptable).Alternatively the £100 Billion can be turned to equity (on the assets/projects built) and provide a social dividend, or taxed out of existence, placing the assets as debt free existing infrastructure. Simply canceling after a work/s is completed is best. As mentioned Smiths (in chapter 10) land tax provides circulation calculations the same as the above.

A banker in the preface of the 100% money book said it could produce an “embarrassment of riches”, not just money, but a perfectly well planned society with equality, beauty and vision.

All of it can be produced with interest attached. (to view alternative methods of finance see chapter 6B)

**Given the fact that the government has earmarked £110 Billion for PFI's over the next 25 years, this has obvious implications, as has the attached interest ...7 to 8 £Billion pounds)**

The European Social forum in Athens in March/Apri 2006, will be a forum to discuss alternative finance models.(see chapter 9)

The current preoccupation with bringing a liberal democracy and freedom to the world, which is then driven by the Christian far right, whose representatives, then pretend not to be Christians and then Christians simultaneously, is nothing more than subjugation into slavery, globalization and theft. This is made all the more apparent by the non-existence of Economic Democracy, which is for everyone, both in discussion and theory in the Middle East, Asia and South America, and in the very institutions of their invaders. A description of the process of bringing democracy is described below, Iraqis will recognize it.

“In one high-level document after another, US planners stated their view that the primary threat to the new US-led world order was Third World nationalism -- sometimes called *ultranationalism*: "nationalistic regimes" that are responsive to "popular demand for immediate improvement in the low living standards of the masses" and production for domestic needs.

The planners' basic goals, repeated over and over again, were to prevent such "ultranationalist" regimes from ever taking power -- or if, by some fluke, they did take power, to remove them and to install governments that favor private investment of domestic and foreign capital, production for export and the right to bring profits out of the country. (These goals are never challenged in the secret documents. If you're a US policy planner, they're sort of like the air you breathe.)

Opposition to democracy and social reform is never popular in the victim country. You can't get many of the people living there excited about it, except a small group connected with US businesses who are going to profit from it .

A study of the inter-American system published by the Royal Institute of International Affairs in London concluded that, while the US pays lip service to democracy, the real commitment is to "private, capitalist enterprise." When the rights of investors are threatened, democracy has to go; if these rights are safeguarded, killers and torturers will do just fine

The methods are not very pretty. What the US-run contra forces did in Nicaragua, or what our terrorist proxies do in El Salvador or Guatemala, isn't only ordinary killing. A major element is brutal, sadistic torture -- beating infants against rocks, hanging women by their feet with their breasts cut off and the skin of their face peeled back so that they'll bleed to death, chopping people's heads off and putting them on stakes. The point is to crush independent nationalism and popular forces that might bring about meaningful democracy.”

**Chomsky (2003) What Uncle Sam really wants**

Alternatively people worldwide can use their superpower and begin by realizing that they are the economy, they control their own taxes.(which in reality is a fund, to fund society). Only the workers, people can change their lives both politically and economically from below, whatever your motivation.

A belief in a personal God should also be allowed if one chooses, (or is chosen!), or a choice not to believe (both are impossible to legislate) in fact Guevara’s society of consciousness and new morality should be as interesting and as varied as possible, and as enjoyable as salsa and/or a siesta.

Do you know St Karl as your personal Savior ?, Well, if not, its no use reaching the afterlife to face Judgment, knowing you did nothing whilst here on earth. Blending different forms of economics however, makes people uneasy, providing them with a nagging doubt they are being subtly or sneakily converted, whilst remaining unsure if this is actually the case.