

The End of Capitalism?

7-24-15

The Guardian (UK) published an excerpt from Paul Mason's new work *Postcapitalism* entitled *The End of Capitalism has Begun*. Times are so bad that what is presented as *post* can't even manage to catch up with *present*. It's like the New Age version of radical politics. Information Technology has made such great strides that it has penetrated the constraints of capitalism. We now have self-organizing alternative structures developing on their own – Wikipedia, Bitcoins, etc. It's as if autocatalytic sets have run amok. And it's not as if we have to take any risks getting rid of the system, Mason merely has us nurturing these new niche developments within the system, and eventually, very eventually, something wonderful will happen. It's all pretty harmless except that he tries to base his shallow nonsense on the writings of Marx.

First, it's high time that everyone who thought Marxism existed in various countries after 1925 clear their minds of such rubbish. Around that time Stalin overthrew the one and only Marxist state and set up a bureaucratic dictatorship within the existing framework – hence, a version of communism properly called Stalinism. Since it was a parasitic system on top of the productive class while claiming to be otherwise, it was only a matter of time before it dissolved the contradiction and made the conversion to de facto/de jure parasitism. The dust-up between the Gorbachev and Yeltsin may have caused some confusion, but the Chinese transformation has occurred (unusual for China) right before everyone's eyes.

Once the mind has been cleared of what people thought was Marxism, it's possible to understand Mason's misuse of Marx's writings. His source is Marx's *Fragment on Machines* from the *Grundrisse*. The latter was Marx's notebooks for Capital and other works, in other words, those finished works take precedence. His central citation is Marx's description of the development of automated machinery where an unskilled worker merely supervises its operation rather than performing the actual making of anything. According to Mason this will mean plenty of everything with plenty of free time. Only a fool would think that all or even the majority of what a human requires to live comfortably can be generated in that manner. But it's true that great strides have been made toward that end through scientific advancement. Mason notes that Marx located the source of this advancement in the collected intellect or social labor rather than straightforward unilinear development. Then Marx describes the end of capitalism and the core of his communist goal – a society without scarcity in which the individual can develop to their full capability culturally (arts and sciences). But there is no possible way it could happen gradually through peaceful evolution (even natural evolution is not peaceful – punctuated equilibrium, etc.) Previous systems like slavery and feudalism were removed by force. As Marx makes clear at the end of the Fragment – capitalism has advanced to the point where it has made its own negation. Only people organized to effect that negation can bring about the change.

IBM revenue was down 13.5% in the second quarter. Profits down 17%. This marks the 13th straight quarter of declining revenue. Bloomberg headlined this report "IBM beats estimates." IBM is the largest computer services company in the world. A growing real economy would require its services. But only the unreal segment of the economy is growing -- and headlines like Bloomberg's are there to help it survive.

Greece paid the IMF 2.05 billion E. in arrears. It also sent off 4.2 billion E. to the ECB. The money came from a 7.0 billion short term loan from the EU. If Greece seems like a victim of the loanshark racket, no, the sharks would let the pigeon keep a larger percentage. This gang left just enough for Europoodle Alexis to buy himself a few doggie treats. As for the Greek people, you would have to read some of B. Traven's Mexican novels to get a feel for what they are going through.

From WSJ – HBSC/Markit PMI reports that Chinese factories have cut jobs for 20 straight months. JPM reports that China had a net accumulated capital outflow over the past 5 quarters of \$520 billion.

Japan reported a 9.5% increase in exports – that's in value – no increase in volume.

On Wednesday the Greek parliament approved another list of Euro commands. The former Finance minister joined the march. On Thursday Troika representatives came to Athens to see if their leash comfortably fits Tsipras' neck.

Amazon surprised everyone with an actual profit in the 2nd quarter – \$92 million on \$23 billion revenue.

The Bloomberg Commodity Index of prices is the lowest its been since 2002. Nothing better illustrates the one-sided nature of the “recovery” – all financial fluff to cover the rolling over of the real economy.

Gold has dropped to \$1080 – the lowest in 5 years. JPM predicts it will soon be \$800.

The median expectation for new home sales in June was 548,000. The reported number – 482,000. The three previous months were reduced substantially, as will very likely June. Considering that June is only about 100,000 above the annualized bottom of the crash – and the peak was 1.2 million. There is no significant recovery in this critical economic category.

It was a down week except for Tsipras' groveling act on Monday. The Dow is negative year to date, and the NYSE composite is at 52 week lows. Never can tell if this is it.

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