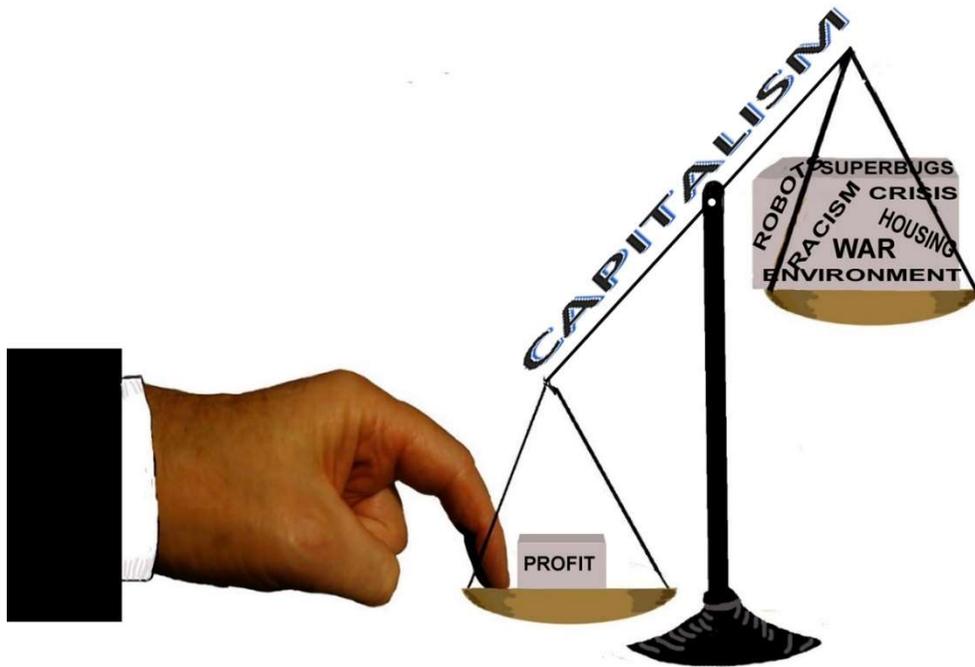


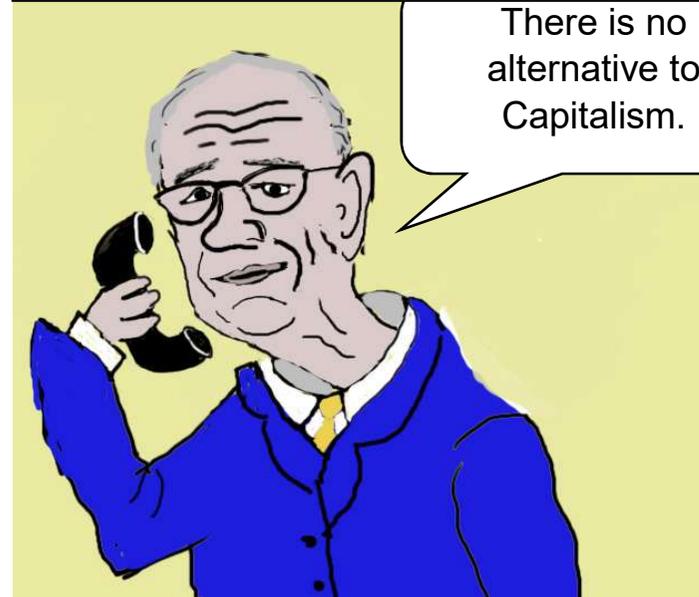
Problems Capitalism cannot solve



For **Against**

Capitalism is causing a number of inter connected problems. This pamphlet looks at those problems and argues that 'production for profit', Capitalism, needs replacing.

We cannot simply carry on as we are.



Humans have lived under, hunter gathering, slave, feudal, and mercantile societies. Those societies have been replaced. Capitalism has lasted a few hundred years, it too will pass.

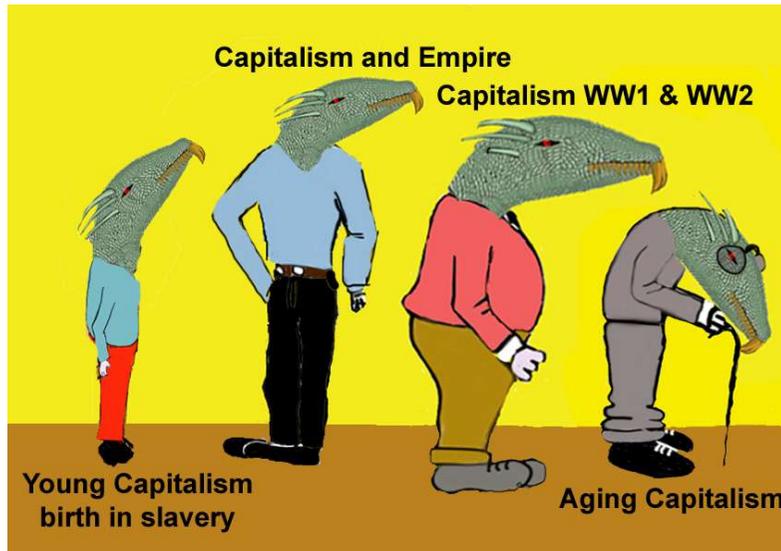
Capitalists, their apologists and their lackeys assert that Capitalism will last forever. This is known as the Christmas turkey fallacy.

The Christmas turkey fallacy.

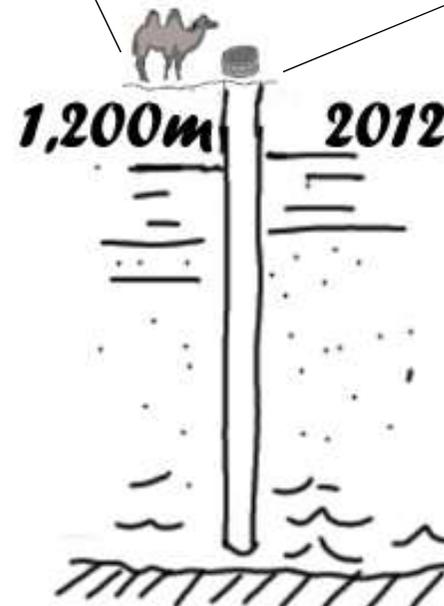
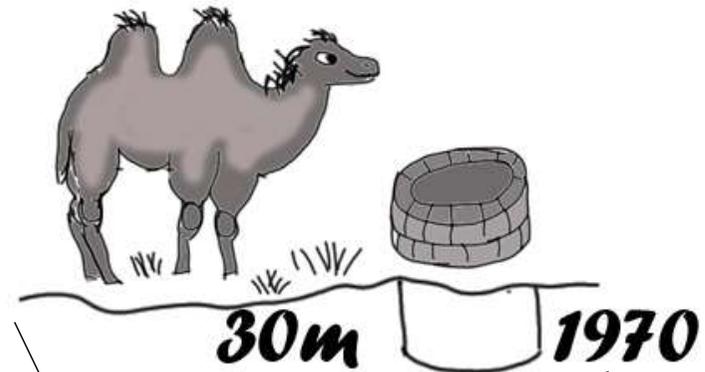


The farmer fed us
January 24,
February 24,
March 24, April
24, May 24, June
24, ... and
November 24,
Therefore he will
feed us on
December 24.

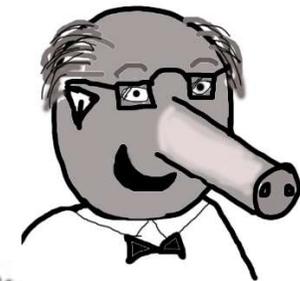
Just because capitalism has lasted 300
years does not mean it will survive for ever.



The Environment



See we can
just dig deeper



In Yemen the water table is dropping at an alarming rate. Rich people can afford to build deeper and deeper wells. It is only a matter of times before the wells empty the aquifer.

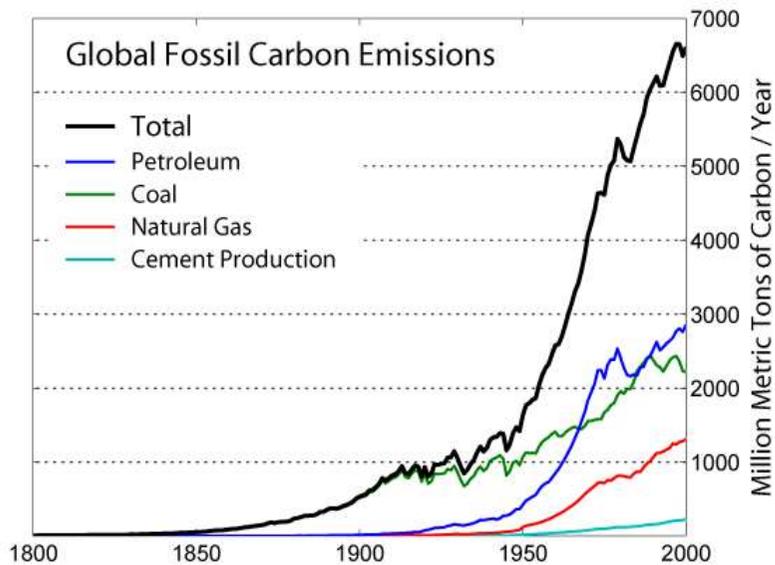
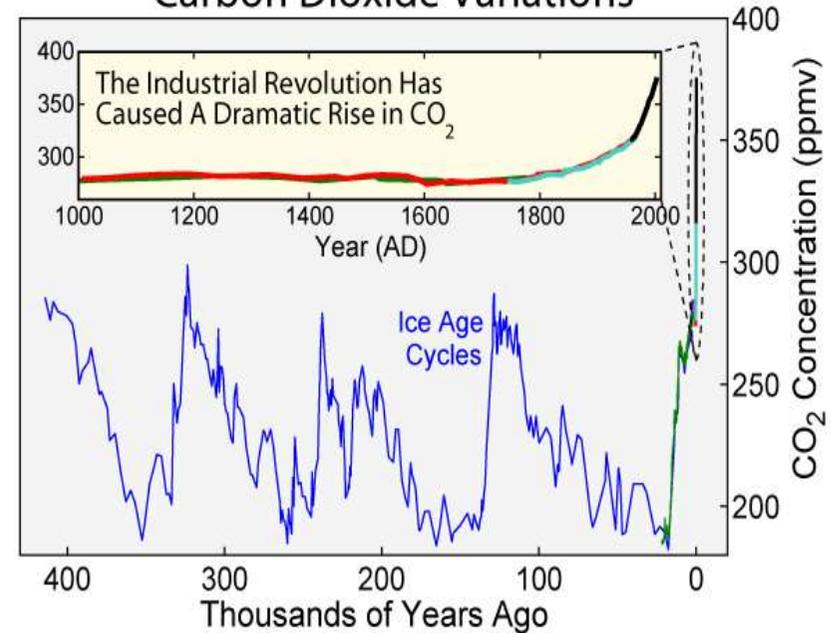
Poor people have to buy water from the rich.

“on average, each Yemeni has access to only 140 cubic metres of water per year for all uses – the Middle East average is about 1,000m³ a person annually.” Guardian 12 August 2012.

There is a connection between environmental, economic, military and other crises.

We cannot simply keep going on as we are.

Carbon Dioxide Variations



Volkswagen produced software that altered the way the car ran whenever it sensed that it was being tested.

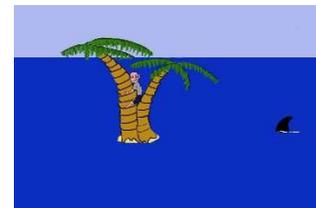


- ❑ Diesel cars fuel a health crisis that kills 40,000 people a year in the UK
 - ❑ Emissions linked to asthma, heart disease, cancer, diabetes and dementia
- Mail 26th February 2016

In 1973 the Big 3 Detroit automakers, Chrysler, Ford Motor Company and General Motors, along with import brand Toyota, were ordered by the EPA to stop using ambient temperature switches which disabled pollution controls at low temperatures. There have been further scandals in 1995, 1998, 2000s before 2016.



Will these be the last ever cartoons about being shipwrecked on a desert island?



(CNN) -- A new global study concludes that 90 percent of all large fishes have disappeared from the world's oceans in the past half century, the devastating result of industrial fishing. CNN Thursday, May 15, 2003



Inequality –

‘The paper finds evidence that high levels of inequality reduce the income growth of the poor and, if anything, help the growth of the rich’.

‘Inequality hurts economic growth, finds OECD research’

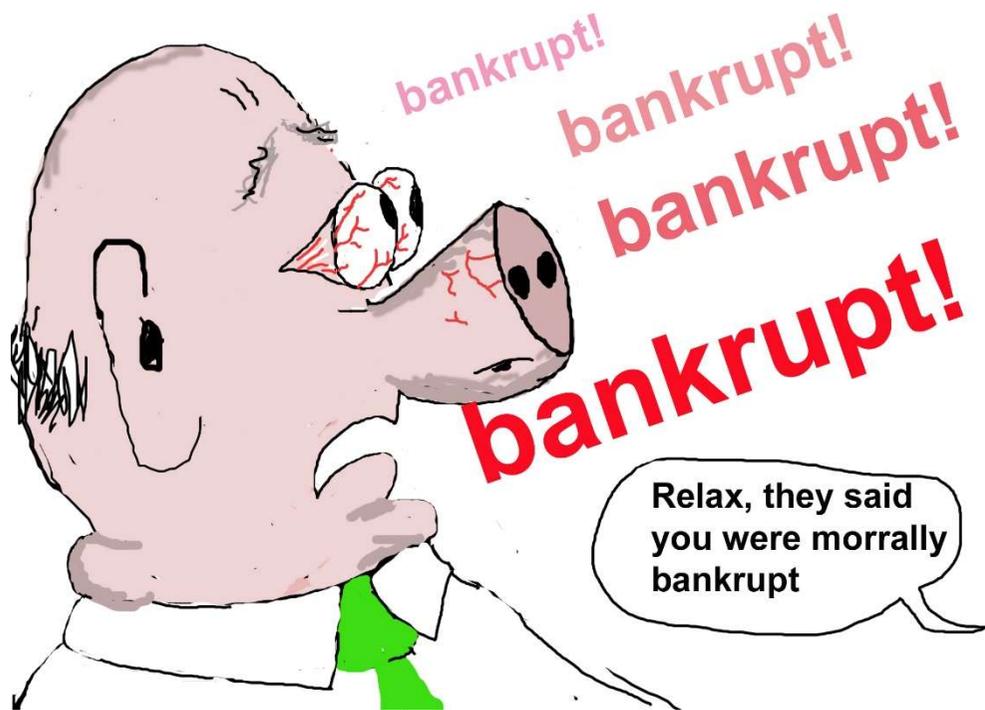
The Spirit level argues that there are "pernicious effects that inequality has on societies: eroding trust, increasing anxiety and illness, (and) encouraging excessive consumption".

So the rich get richer and the poor get poorer.
What is the problem?



According to the UN Environment Programme, the Earth is in the midst of a mass extinction of life. Scientists estimate that 150-200 species of plant, insect, bird and mammal become extinct every 24 hours. This is nearly 1,000 times the “natural” or “background” rate and, say many biologists, is greater than anything the world has experienced since the vanishing of the dinosaurs nearly 65m years ago.

Huffinton Post May 25th 2011



The rich spend more effort worrying about their wealth than their morality.

And you get to be a billionaire because of your choice of parents.



'The 7th Duke of Westminster, 25-year-old Hugh Grosvenor, is now the heir to a legacy worth more than £9bn.

Thanks to a series of trusts, which are thought to date to the death of the 2nd Duke in 1953, Hugh and his three sisters will avoid having to pay the 40% levy ordinary families are faced with when parents die.'

Guardian 12th Aug 2016



“When I was poor and complained about inequality they said I was bitter; now that I'm rich and I complain about inequality they say I'm a hypocrite. I'm beginning to think they just don't want to talk about inequality.” Russell Brand

Runaway inequality has created a world where 62 people own as much as the poorest half of the world's population, according to an [Oxfam report](#) published today ahead of the annual gathering of the world's financial and political elites in Davos. This number has fallen dramatically from 388 as recently as 2010 and 80 last year.

An Economy for the 1%, shows that the wealth of the poorest half of the world's population - that's 3.6 billion people - has fallen by a trillion dollars since 2010. Oxfam

Health and superbugs.



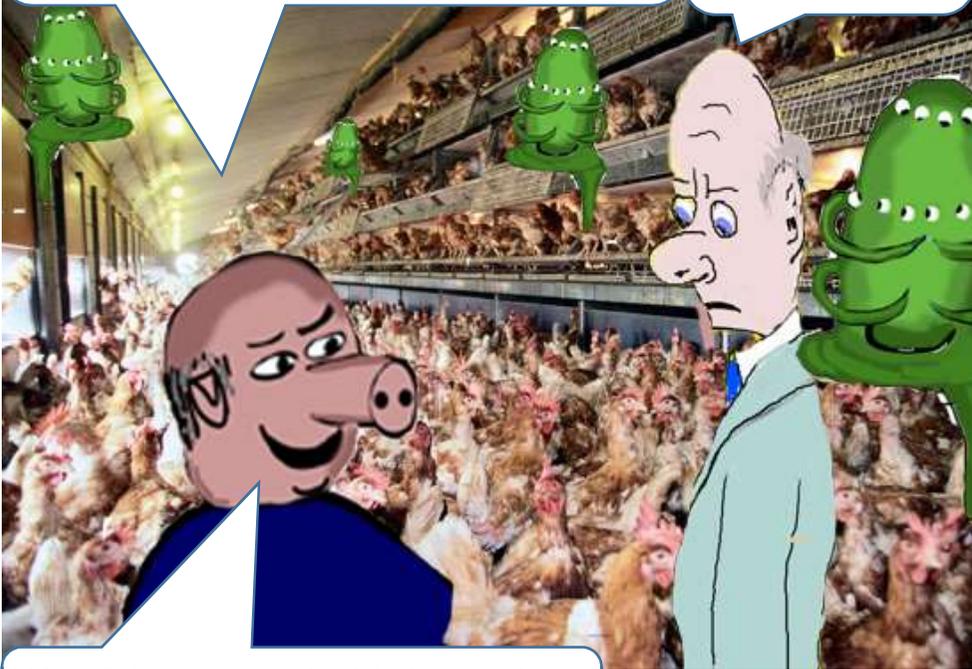
‘One in four samples of chicken bought from major supermarket chains contained antibiotic-resistant *E coli* in a study by the University of Cambridge.

The bacterium was discovered in packs of meat sold at Tesco, Sainsbury's, Asda, Aldi, Waitrose, the Co-op and Morrisons’.

Guardian 5th September 2016

We pump the chickens full of antibiotics. They grow faster and allow us to pack them into a tiny space.

But that will lead to growth of superbugs.



Yes, it is an unavoidable by-product of production for profit.

'...in the US, for instance, more than 70 percent of medically important antibiotics are used in animals ...Much of the use of antibiotics in animals is not therapeutic however. Instead, significant volumes are used either prophylactically amongst healthy animals, to stop the development of an infection within a flock or herd, or simply for growth promotion, to speed up the pace at which animals gain weight . Both uses are particularly prevalent in intensive agriculture, where animals are kept in confined conditions .'

THE
REVIEW ON ANTIMICROBIAL RESISTANCE CHAIRED BY JIM
O'NEIL

Superbugs threaten to make routine surgery unviable.

Paper cuts could become life threatening



The drug companies lie, mis-advertise and abuse their monopoly position to charge unreasonable prices.

The biggest crime is that they are driven by the profit motive. So some diseases are not of interest to them. They like diseases that require repeated doses of life saving expensive drugs.

They had little interest in Ebola while ever only poor Africans were infected.

They have shown little interest in developing an antibiotic of last resort.

When treatment is determined by the profit makers, the poor will always get the worst treatment.

There is no waiting
in line for the rich



“In the face of mounting evidence that **GlaxoSmithKline** withheld important safety data on their controversial drug Avandia, some doctors are abandoning use of this diabetes treatment. Documents released Tuesday morning by the Senate Finance Committee suggested that for more than a decade, the drug maker deliberately hid study results showing that Avandia could worsen certain risk factors for heart disease and was no better than its market competitor Actos.”
ABC news 14th July 2010

According to a scientist for the U.S. Food and Drug Administration (FDA), Avandia is linked to as many as 100,000 heart attacks. Clinical studies show that the drug increases the risk of heart attack by 43 percent
<https://www.drugwatch.com/avandia/lawsuit.php>

So you want us to produce an ‘anti-biotic of last resort’. It will cost us billions to develop and will hardly ever be used. Where is the profit in that?



You can have the hip replacement done by “Butchers R Us” in wood without anaesthetic on the NHS, on the one end or on the other, “Deluxe Health for Execs” in titanium, with anaesthetic.



The Future?

‘WASHINGTON In one of the largest health care fraud settlements in U.S. history, Johnson & Johnson will pay \$2.2 billion to end civil and criminal investigations into kickbacks to pharmacists and the marketing of pharmaceuticals for off-label uses, U.S. Attorney General Eric Holder said on Monday.’
Reuters November 4 2013

Johnson & Johnson has been ordered to pay \$72 million in damages to the family of a woman whose death from ovarian cancer was linked to her use of talc-based Baby Powder and Shower to Shower for several decades.
Jurors in a Missouri court ruled that the family of Jacqueline Fox should get \$10 million of actual damages and \$62 million of punitive damages, according to court records. Independent 24th Feb 2016

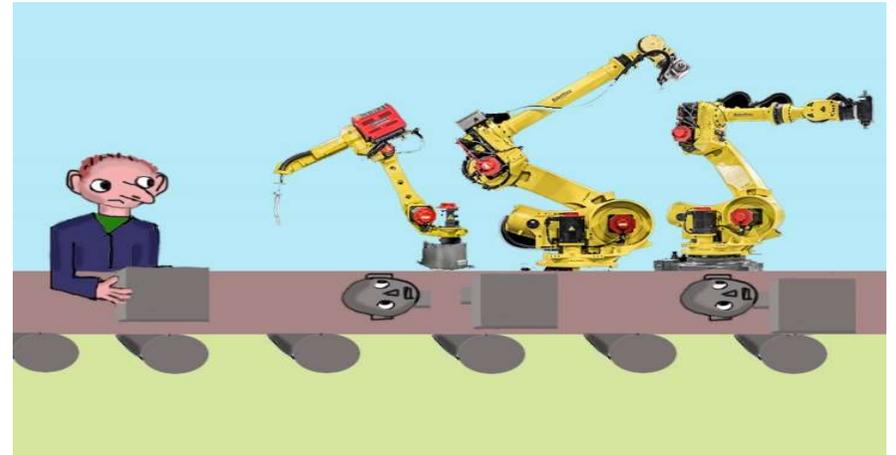
Big Pharma can also abuse its monopoly position.

“Controversial pharmaceutical boss Martin Shkreli has decided he’s not going to lower the price of his HIV medication after all....Turing and Shkreli attracted a firestorm of criticism in September after it was revealed the company had raised the price of Daraprim, a 62-year-old treatment for parasitic infections, to \$750 a pill from \$13.50 after acquiring it. The medicine once sold for \$1 a pill.”

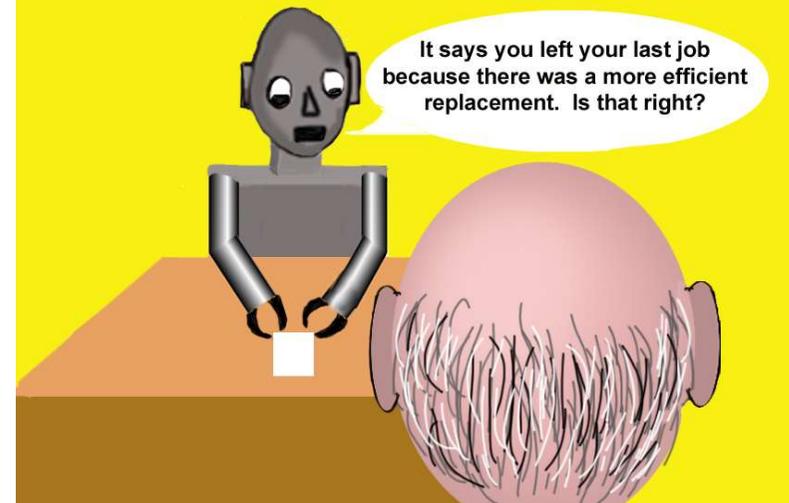
For every \$1 Johnson & Johnson spends on research it spends \$2.5 on advertising and promotions.

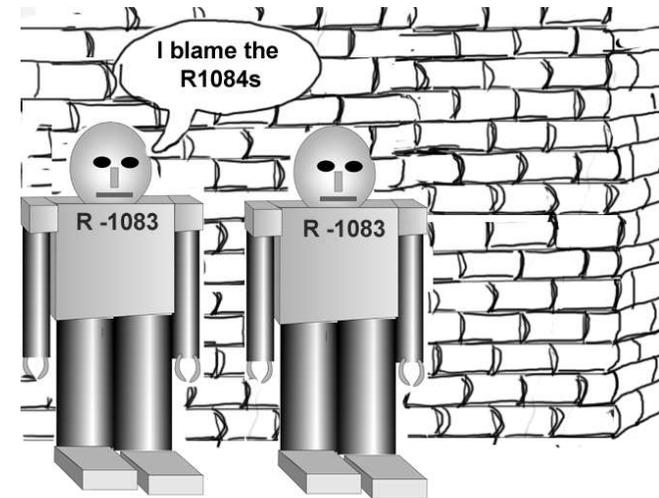
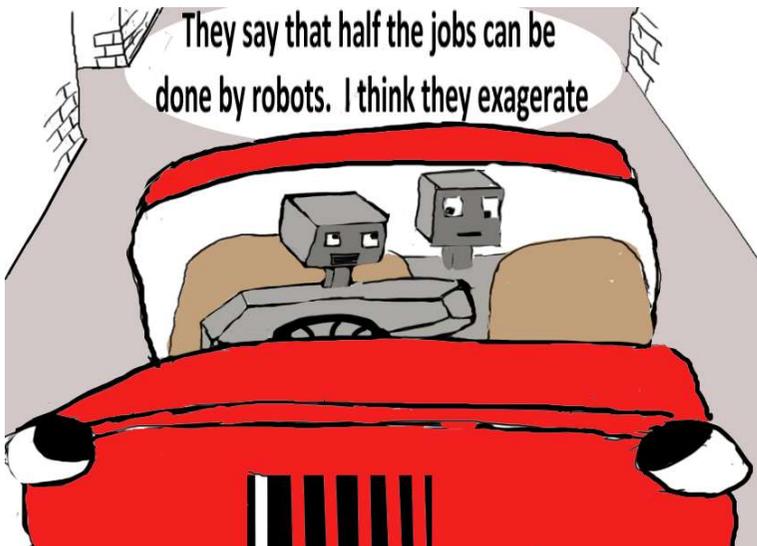
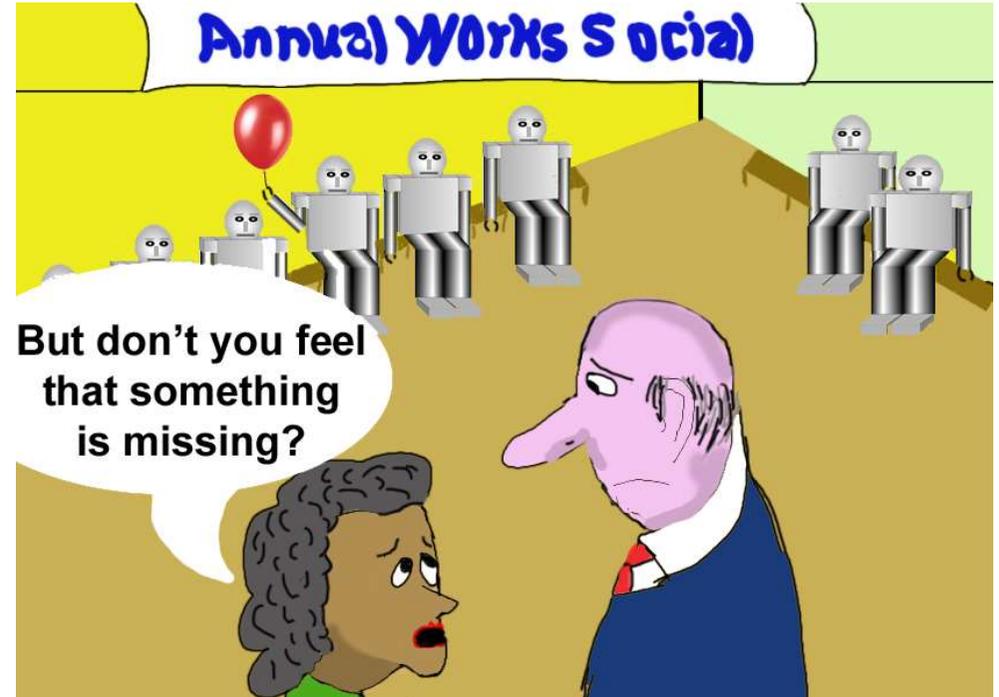
The Robots are coming

‘The Bank of England has warned that up to 15m jobs in Britain are at risk of being lost to an age of robots where increasingly sophisticated machines do work that was previously the preserve of humans.’



EMPLOYMENT OFFICE

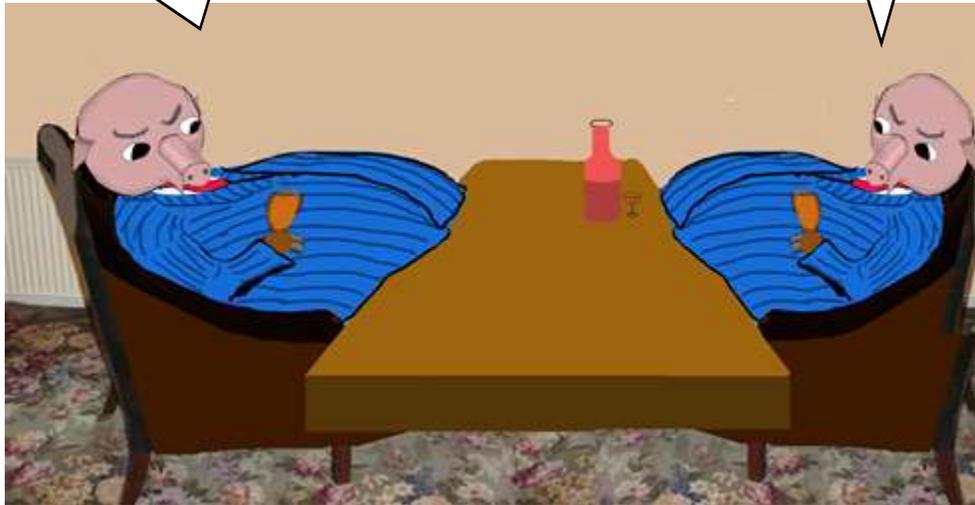




The question is who will benefit from the extraordinary productivity of robots.

So do we put in robots and sack half the workforce, or give them a 20 hour week?

Is that a trick question?

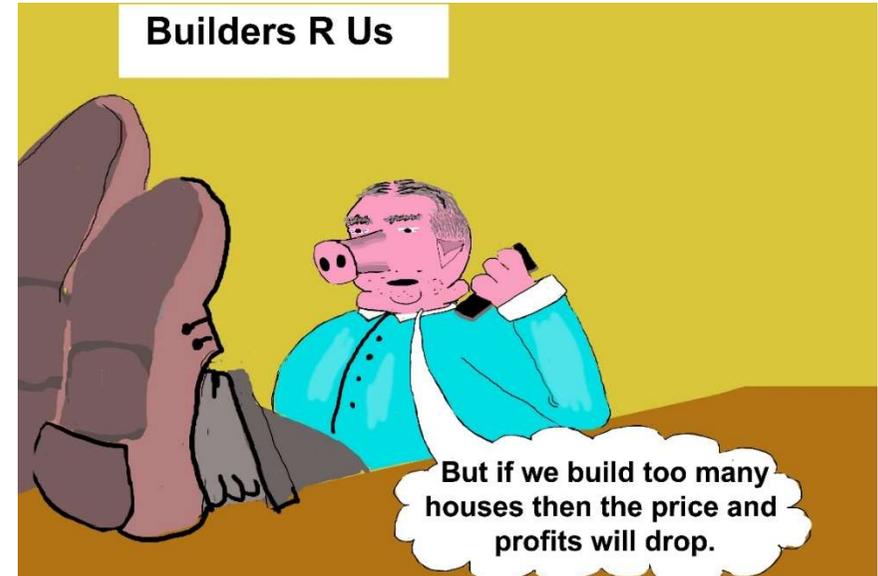


'The Foxconn factory has reduced its employee strength from 110,000 to 50,000, thanks to the introduction of robots. It has tasted success in reduction of labour costs' said the department's head Xu Yulian.

South China Morning post 21 May, 2016

The housing shortage

'Britain's housing shortage at 'crisis point' with ten buyers for every home on sale.'



England is now delivering fewer homes than in any peacetime year since the First World War, even before accounting for a much larger population and smaller households...

Doing nothing would mean access to homeownership would become the preserve of the very few, and accessible only by taking on large levels of mortgage debt Shelter2013



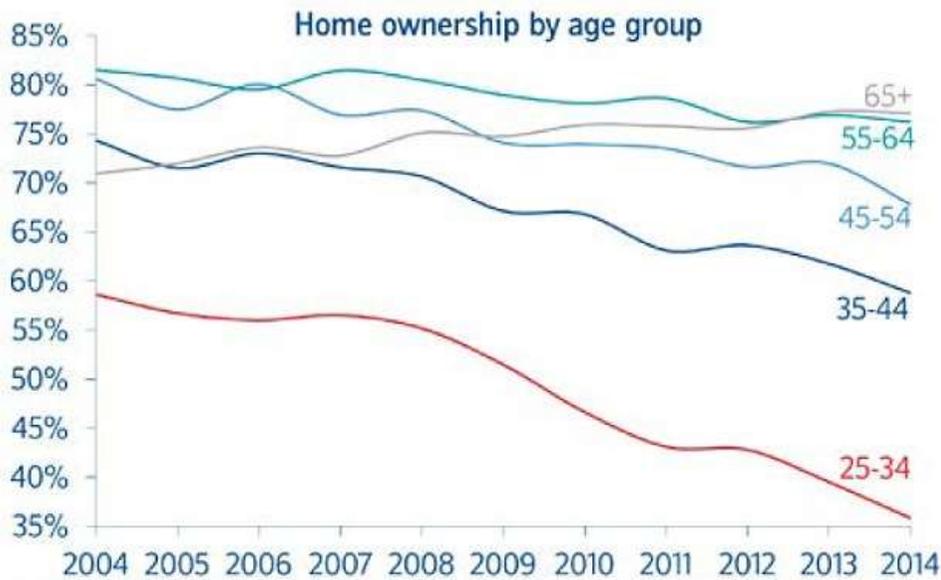
40% of all council properties sold are now owned by landlords.
One third of all MP's are landlords.

The market is the most efficient way for scarce resources to reach the richest.



"Conservatives want more people to own their own home," Mr Cameron said. "Home ownership goes to the heart of our political beliefs."

'Home ownership in England at lowest level in 30 years as housing crisis grows
Calls for government to build more homes as growing gap between earnings and house prices sees ownership fall across the country and people forced to rent.'
Guardian 2nd August 2016



Source: DCLG English Housing Survey

© Nationwide

“Taxpayer money paid to private landlords doubles over 10 years, reaching almost £10bn” Independent Saturday 20th August

How to create a housing crisis

1. End council house building. (Thatcher)
2. Allow the rich and corrupt of the world to speculate in UK housing. They buy needed houses and wait for the price to rise.
3. Allow the rich to buy up ex council houses.
4. Allow buy to rent industry to grow.
5. Reduce house building.
6. Blame Blacks and Moslems for the crisis.

There are 11,000,000 UK people who pay rent

Racism

As the crisis develops, the rich need a scapegoat. In the 1930's it was the Jews.



The millionaire Government, presides over the economic crisis, cuts jobs and services, maintains a housing crisis, increased tuition fees, abolished Education Maintenance allowance, and cut taxes for the super-rich.

As the bitterness grows the rich need a scapegoat. At present it is the Muslims.

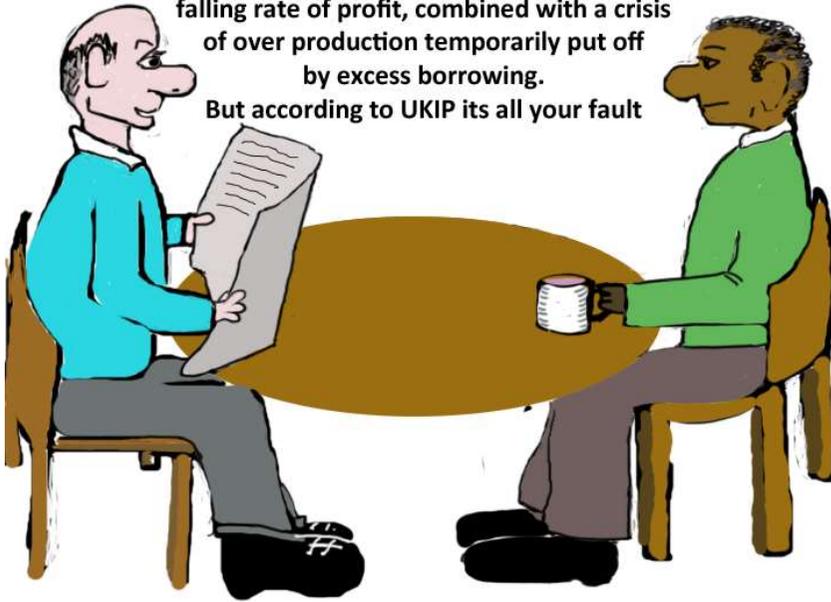


The law, in its majestic equality, forbids rich and poor to sleep under bridges, to beg in the streets, and to steal bread.

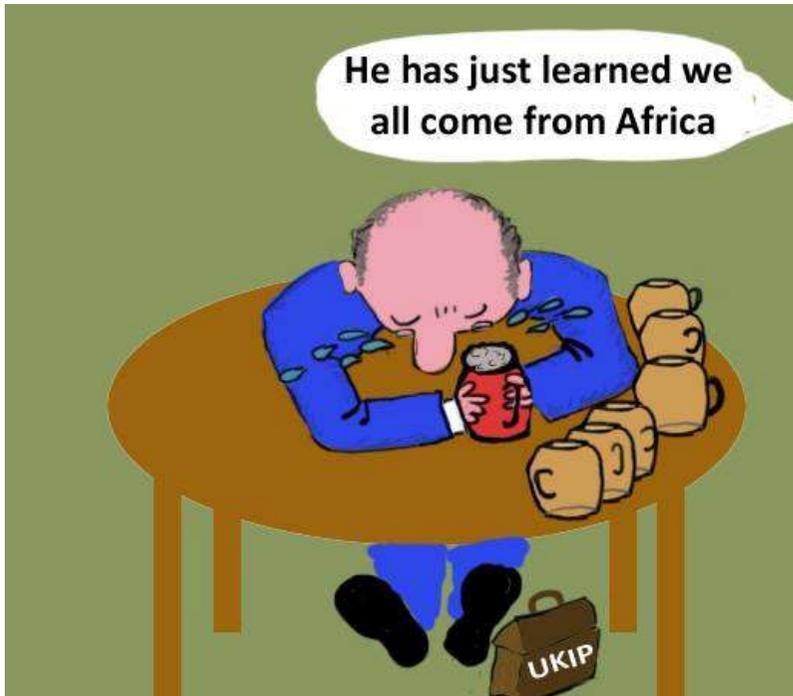
Anatole France

71% of senior judges were educated at public school. The vast majority are white males.

I used to believe that the crisis was caused by a falling rate of profit, combined with a crisis of over production temporarily put off by excess borrowing. But according to UKIP its all your fault



He has just learned we all come from Africa

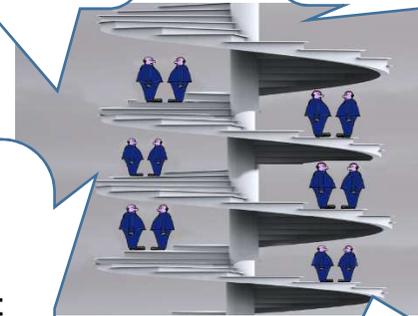


The Economic Crisis

The crisis of 2008 is still persisting, growth rates are low and most are falling.

Unemployment is rising. Tax income is falling. We must make cuts.

Demand is falling, government spending is being cut. We should not invest.



Building workers are being laid off. Unemployment is rising tax income is falling. We need to cut spending.

There is a fall in demand. We cannot sell what we are producing. We must lay off some workers.

The logic of cuts was shown in practice to fail in the 1930s. Keynes showed its stupidity in theory after WW2.

It is still being applied in Greece and the UK.



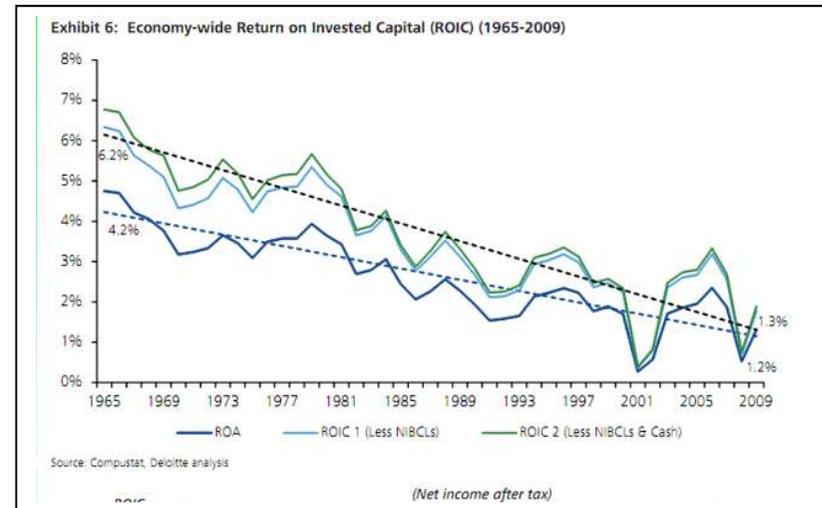
Marx showed that there were two interconnected economic problems for capitalism.

The first is the tendency of the rate of profit to fall*. The second is the tendency for capitalism to over produce.

If the problem was simply low rate of profit, the solution is to get workers to work longer hours, and more years for less.

However if you cut down workers' abilities to consume, then there will be fewer cars, fridges, etc sold. So manufacturers will refuse to invest.

***There are a mass of countervailing tendencies, to both jaws, including new technologies, luxury goods, wars etc.**



This chart shows the return on invested capital. It is not quite what Marx meant by falling rate of profit but shows that Capitalism is returning less profits. When the they get too low, investors either hoard their money, or play with non-productive markets like futures markets, currency and land speculation.

foreign exchange markets averaged \$5.3 trillion per day in April 2013

The Bank for International Settlements estimates that the current size of the global OTC swaps market is somewhere between \$600 and \$700 trillion (in notional terms).

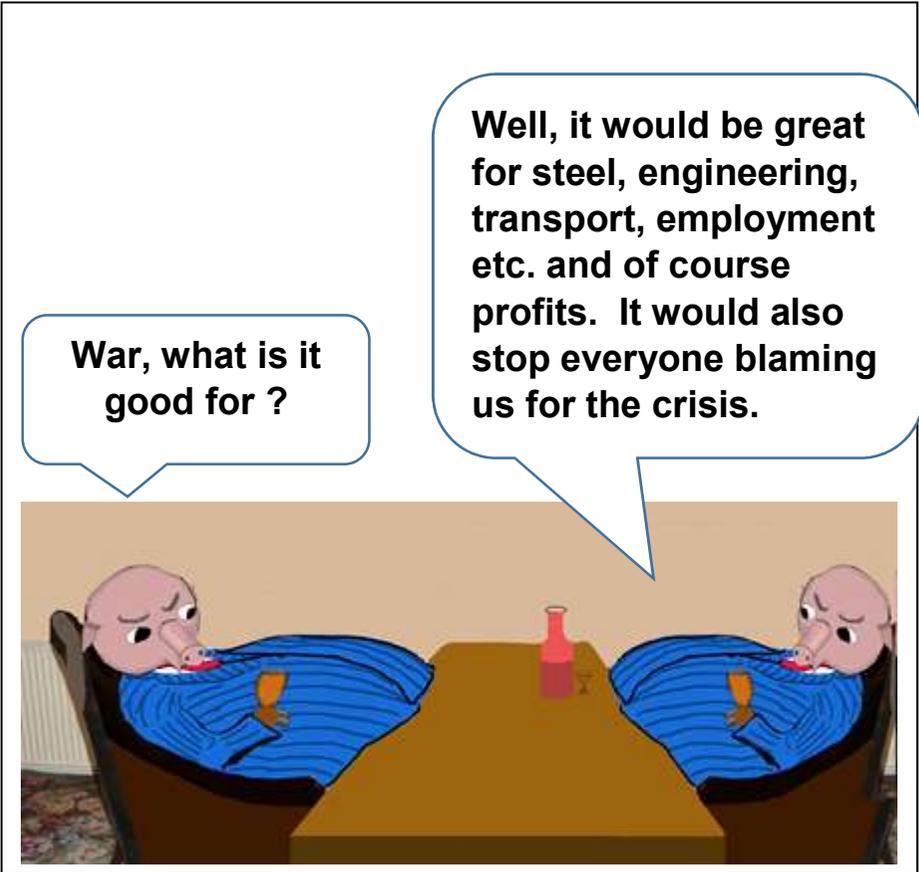


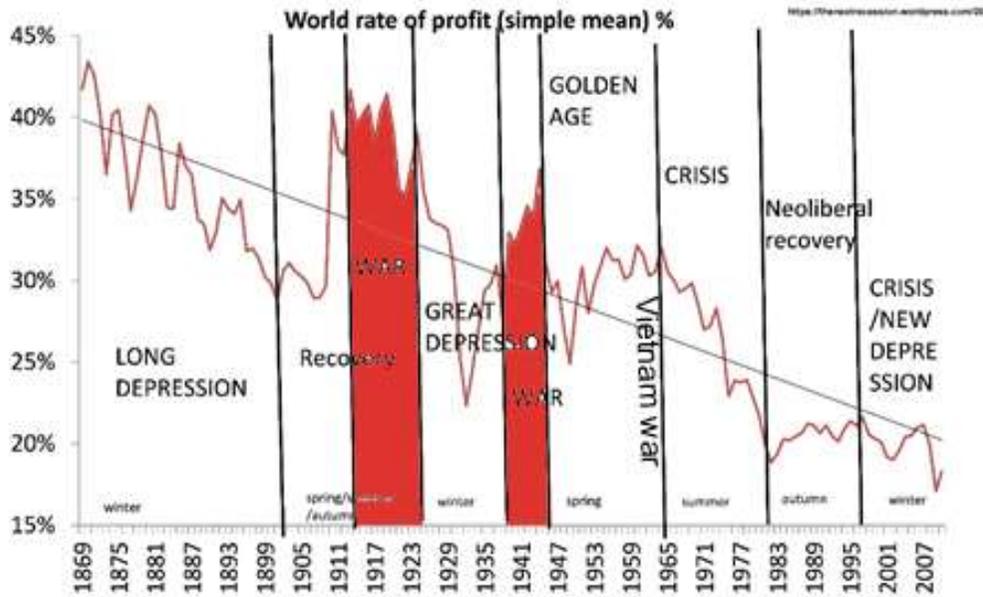
We need steel for new buildings, railways, bridges and many other things. There is low investment so steelmakers are losing money. They say there is a glut of steel.

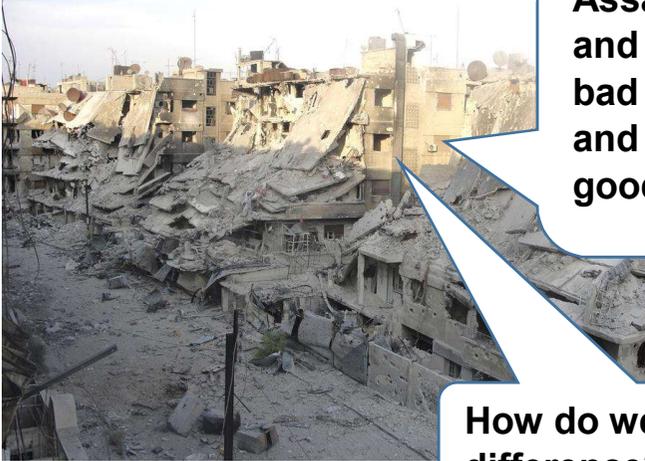


War –

In the 1930s, there was an economic crisis, a rise in racism and a drive to war. There are worrying similarities today.







Assad's, Russia's, and Iran's bombs are bad but the UK's US' and Saudi bombs are good.

How do we tell the difference?

Britain was an Imperial power that drew up borders in Mesopotamia. It imposed a minority Sunni regime led by King Faisal 1st. It maintained a military presence, invaded in 1941, helped overthrow the popular revolutionary Government led by Kassim in 1963. (Kassim had nationalised some of the oil industry.)

The Baathist Party of Iraq "came to power on a CIA train". Britain sold arms to Saddam even after the chemical weapon attacks on the Kurdish Iraqis. Britain joined the sanctions regime against Iraq. Lesley Stahl asked Madeleine Albright "We have heard that half a million children have died... is the price worth it?" and Albright replied "we think the price is worth it." The UK and the US continue to bomb the people of Iraq and Syria.

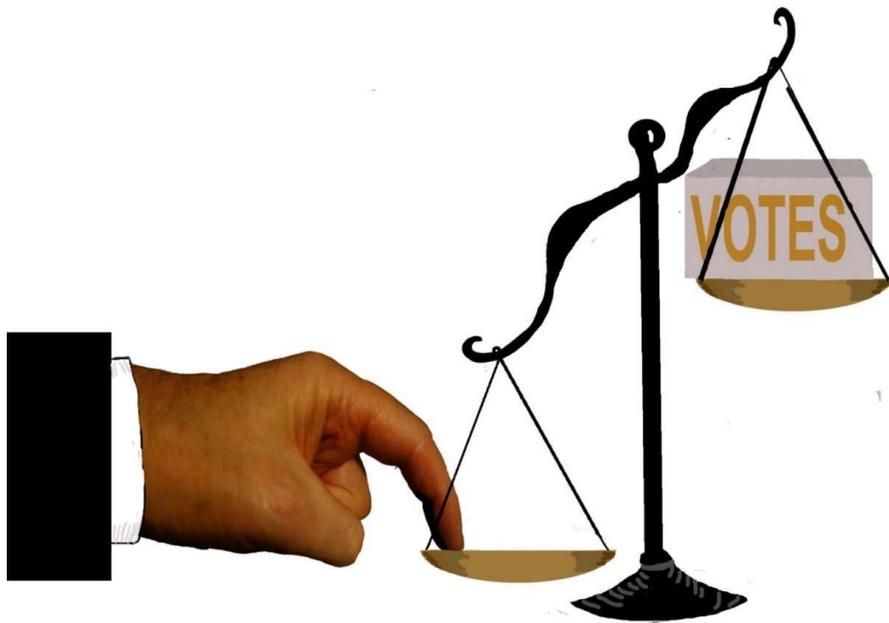
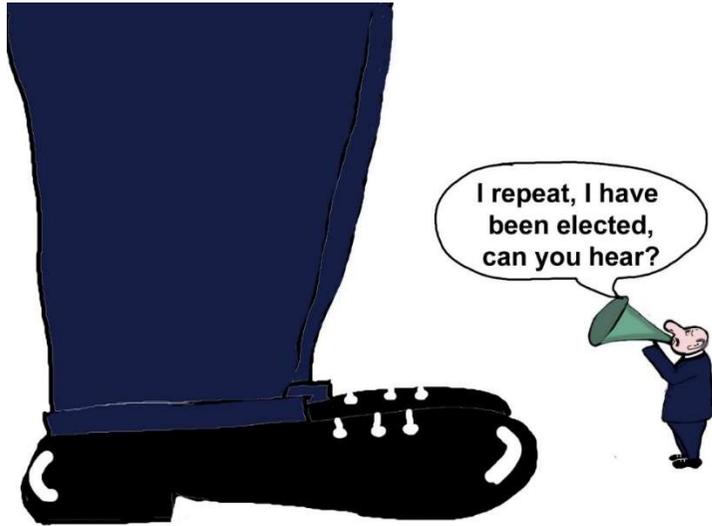
This crisis is a threat to democracy.

In the 1920s and 30s there was an economic crisis, a mass rise in race hatred and nationalism. Democracies of Germany, Italy, Spain, and many other countries was destroyed. The process ended with the WW2. We can see the same trend today.

A vice president of the European Commission, Jyrki Katainen, "We don't change our policy according to elections,"

A general election and a referendum in Greece were ignored. Greek democracy has been destroyed.

***"In a sensible world, the southern states would devalue to become competitive – but they cannot. They are locked in a single currency. And because they cannot devalue their currency, they must devalue their living standards and promote reforms to enhance efficiency. This will take years. Meanwhile, wages must fall, unemployment will rise and social unrest will increase. The severity of this medicine may not be bearable in a liberal democracy."* John Major**



How many votes does it take to change the system?

One more than the electorate.



"We had now reached the situation where a newly elected Government with a mandate from the people was being told...by international speculators that the policies on which we had fought the election could not be implemented."

Harold Wilson

Beatrice Webb a Fabian and wife of Sidney Webb wrote "So it is the financiers, British and American, who will settle the personnel and the policy of the British Government."



MI5 and M6 worked against MacDonald in 1924, Wilson in 1964, and Wilson in 1974. They did not need to work against Blair in 1997.

The intelligence services are the only part of the Government that listens to you.

Labour Governments have been undermined by economic crises in 1929, 1947, 1964, 1977, and 2008.



I am having a run on the pound.

I am not sure we are in the same boat



If you do not think that late Capitalism is failing I do not believe that you are paying attention.

The central question is do we passively observe its decline or organise to replace it.

The job of replacing an economic system is huge, but there are many more of us than them.

“The strength of the working class lies in organisation. Unless the masses are organised, the proletariat is nothing. Organised—it is everything.” Lenin

Published by Red 34.