

*draft December 2015 - H. McQueen "Constant Revolutionising"*

## PART THREE

Chapter six

### The current implosion

This installment of 'Constant Revolutionising' locates the current restructurings within the implosion of capital since 2007 and against the devalorisation which is its only route out of its impasse. A concluding chapter will weave this conspectus through an evaluation of the steps that working people will need to take to escape the worst from a restructuring of labour that is impelled by the restructuring of global capital.

#### The New Normal

Having warned of a 1930s implosion eight years ago, the Bank for International Settlements (BIS) now senses that the 'unthinkable' is 'perceived as the new normal.' The central bankers' bank headed its 2013-14 *Report 'Long shadow of the crisis'* to warn that the upswing had disappointed, that challenges remained serious while new risks were emerging. Specifically, the ratio of government debt to Gross Domestic Product had surged to 275 per cent in the advanced economies and 175 per cent in the emerging ones. This hyper-Keynesianism had done no more than to postpone the day of reckoning. A crisis, by definition, cannot be permanent, or even go on for very long without turning terminal. That prospect stalks the headline of the BIS's 2015 *Report: 'Is the unthinkable becoming routine?'*

Debt ratios are not the only headwind which the authorities have to tackle head-on. According to BIS, reversing the decline in productivity growth depends on further liberalisations of product and labour markets, and a more focused use of public spending. Since money-traders are certain to cheat, as B.I.S. is in the best position to know, the financial sector calls for proactive, rigorous and intrusive supervision. Such efforts cannot be popular with workers or with the corporates. Greece is the only working people to these kill in order to cure prescriptions. The rise of anti-politics from both Left and Right risk overt dictatorship STATE resistance at ballot boxes, and here too since B.C.A.'s 2014 budget spotlights the democratic deficit so far as the Masters of the Universe are concerned.

Writing in the *Wall Street Journal*, (27-28 September 2015), the authorised biographer of Margaret Thatcher and erstwhile editor of London's *Daily Telegraph*, Charles Moore, summed up what is becoming conventional wisdom among those in the know:

But pretty much the whole of developed world is still in the convalescent ward, and no one is sure whether the wonder drug of quantitative easing can yet be abandoned, or even whether it does no more than suppress the symptoms of disease. Despite years of supposed austerity, debt is still strikingly high. It remains possible that banks, or even whole countries in

the Eurozone, could collapse. And who knows whether or not China's banks are bust?

Long-term decline in real incomes even for those in standard work  
Housing 'negative equity'

Turbulence from military and economic conflicts at once powers and derails the transformations that swirl around capital's need to expand.

Every consideration of 'where to next for workplace restructurings?' has to begin from the overhangs of excess capacity, bank debts, government deficits, wars and limits on effective demand.

The upheaval is not from the prospect of five million jobs in play in a bit-player like Australia but three billion or so across the planet. A 2013 Report put half of the existing jobs in the U.S. at risk from technological changes.

Most of the excess capacity that underpinned the 2007-9 crashes has yet to be written off. Instead, alongside the closure of auto and steel plants in the West, more have opened in China and India.

Excess capacity can be overcome only through a devalorisation of capital, another of Schumpeter's 'gales of creative destruction'. World war, not the New Deal, ended the deflationary cycle of the 1930s. Wars continue to chug away in the background and a global shooting match is never out of the question. A nuclear exchange will not bequeath capital a second post-bellum boom. Any benefits from vaporising production equipment will be lost since the bombs will do the same to the wage-slaves from whom all profits flow. That fact explodes claims that a neutron bomb is the weapon of choice for capitalists because it killed people but left property standing.

### **Department I**

If world war three cannot redeem capitalism from its current round of excess capacity, what will achieve the necessary devalorisation? One answer is already underway in the productive equipment **that** cheapens the machines that make the new machines that spew out the commodities. Indeed, this in-built devalorisation has been exacerbating the problems from excess capacity. HOW effects the four forms of capital: money, production equipment, production goods (including labour power), and the resultant commodities. This accelerated rate of producing production goods is far from the planned obsolescence of smart gadgets.

Overtake all existing means of producing surplus-value.

A comparison will spotlight the change. A steam engine built in 1860 could be expected to keep transferring the value present in it for 100 years.

Current production goods in **Department I** also contain less variable capital/value. Writing them off, therefore, is not so great as a loss. SEE JAPE

Distinguish the production capital that is involved with the production of production goods as commodities – the machines that make machines - from the production goods that make commodities for personal consumption, including durables, if that term retains any significance.

A new kind of deflationary cycle,  
not as in Japan after 1990 or the 1930s.

WalMart and prices and labour costs and growing inequalities with six of the fifteen richest U.S. Americans being from the bible-banging Waltons.

Survival times: no longer depreciation, was never really understood, when not deliberately confused.

Whether to value an asset at original cost or replacement cost became a tax dodge, as when B.H.P. did from the late 1970s by adding onto its standard allowance for depreciation a write-off for the inflated costs of replacing all its existing plant. Profits becomes losses and tax liabilities disappear.

Marx on the shifts in quantifying the socially necessary

Not how much value once went into a machine but how much can you still get out of it. In addition, and more decisively, the current value of a machine has to be compared with competitors' equipment. In isolation, a machine a inanimate Robinson Crusoe, autarkic then can continue to work out its lifespan, but if its unit cost is ten but the average is now five then ????

Now cease to transfer the constant capital present in it long before its use-value is exhausted.

Deflationary cycle in Moore's Law??? explain how so. Increases in computer capacity came in tandem with falls in their unit cost. And hence prices reduces unit value too. However, the danger of a deflationary cycle in that sector has been held in check by ???? pumping up demand for the newest models since they deliver additional services and not just smarter casings.

So far, not to postpone buying. Not waited for prices to fall but have remained anxious for the next generation of devices. Effective demand therefore remains high

The **computer** has exemplified capital's need to compensate for declines in the quantum of value in each unit, by increasing the total volumes and values that have to be realised as profit

This restructuring of the turnover times for production capital to mean that the survival rate among the *Fortune* 500 will be worse than the one in ten corporates that have hung on for the past sixty years.

### Globalisations

Parlour Leninists reject 'globalisation' as an rebuttal of Lenin's *Imperialism*, which they persist in misreading as little more than Kiplingesque colonisation. Despite their adoration of their master's voice, **they** ignore his focus on monopolising capitals. Nor can they admit that his 'popular outline' ignores labour other than to **condemn** the divisions that allowed for an 'aristocracy'. Bukharin at least mentions 'labour' twice while Hilferding goes two better by relating labour-times to money as their universal equivalent. Nor is there anything about labour-times in Hobson or Luxemburg;

A failure to see globalisation as the onward march of universal labour-times is not confined of a fringe of sectarians. The entire labour movement opposed WorkChoices on the grounds that it would cut wages. That was true, but secondary. By further breaking down organised labour, WorkChoices promised capital even greater control to discipline labour-times for the extraction of surplus-value, both absolute, by prolonging the working day, and relative by intensifying the application of labour-power and to eliminate down-times.

### **The phases of Imperialism**

Although Lenin's sub-title 'The Highest Stage of Capitalism' might well yet prove to be the case, how its final passing comes about could not be frozen into the forms that monopolising capitals went through in the years leading up to 1916. '*Novosti*' '**highest**' or '**newest**', or as he heads chapter VII 'Imperialism as a Special Stage of Capitalism'.

Lenin's 'popular outline' made the then not unreasonable assumption that capitalism could not outlast the war and its aftermath. We now know that a quartet of restructurings allowed capital to boom through the 1920s. First, by 1920, the visible hands of management were restructuring their corporations into multidivisional, pioneered by Du Pont with General Motors: 'The industrial corporation ... has proved ... the greatest invention of them all.' Secondly, by ignoring labour-times, Lenin missed the relative-value effect from scientific management until he needed time-and-motion to lift the productivity of the Soviet workforce. Thirdly, mass marketing and consumer credit allowed more values to be realised, notably in auto mobiles which had been luxury items but became one for mass consumption. Coupling of the sales effort with hire-purchase added two counters to the tendency the rate of profit to fall. They reached their limit within a few years to ?????? the crash of the late 1920s.

Lenin needed no lessons regarding the fourth restructure since no one was more insightful on the lengths to which the state would go in order to guarantee the rule of capital. We came to know the form taken by the overt dictatorship as fascism from its 1922 success in Italy. And suffer from the delusion that all over dictatorships are 'fascist'.

Lenin's recognition of the state in class rule and in promoting exploitation also means that he would never have fallen for the recent claptrap about corporates vanquishing the nation-state, in reality, the nation-*market*-state. As ever, some are being weakened – try Iraq for starters - and others strengthened, **China**

After the 1997-8 Asian crisis, the IMF abandoned its anti-state prescriptions in favour of funding 'effective states', that is, apparatuses powerful enough to stomp on the political turmoil in Thailand and Indonesia.

Fear of global corporates can blind progressives to the state as the arm of capital. Similarly, a fondness for government intervention and public works lets the state seem somehow anti-capitalist and thus socialist.

**Similarly**, the proposal to build R.A.N. submarines in Japan reminds us that the state organises capital to meet its long-term and global needs and not to serve the profits of particular enterprises, least of all those in a subordinate player like Australia under the U.S. imperium as it seeks to restore its **cold-war era** arc against China, stretching from Japan around to India.

Nothing is fixed. Since the 1870s, the era of monopolising capitals has unleashed as many gales of creative destruction as did its free-trading predecessors. Imperialists remain as revolutionary at upending economic and social orders as the usurer and merchant accumulators of initiating capitals had been into the 1700s.

### **The Year of Our Ford**

**Proponents** of Post-Fordism get the recent restructurings wrong twice over. First, they misunderstand Fordism as no more than particularisation and

thereby overlook the production line as a machine to minimize interruptions to the application of the labour-power that capital purchases in units of labour-time. Both the extreme division of labour and the speed of the line are apparent in Chaplin's *Modern Times*, especially in the contraption to feed Charlie while he continues to add value. Secondly, the Post-Fordists miss how 'capitalism with Chinese characteristics' relies on Fordism to trump the work-teams of Sweden and Japan. In 2015, Fordism is only getting started. The failure to understand its past and future is tied to the comparable inability to make sense of **globalisation** by ignoring the pivotal place of labour-times.

Similarly, few of the Post-Modernists understood Modernism which held most of the elements they claimed as their own. The one Grand Narrative that did go away is that of capital accumulation.

In addition, understanding the significance of globalisation and neo-liberalism in recent restructurings continues to be muddled by gabble about Neo-Liberalism as if that ideology were an Hegelian Idea striding about the planet – like 'the Accord' - wrecking havoc. Neo-Liberalism is but the latest expression of some of the ways in which certain segments of capital seek to expand at the expense of rivals as well as of their wage-slaves and retail customers. Lefties are happy to mock the market as if it were a real living person endowed with will and consciousness, but are slower to do the same for 'Neo-Liberalism'. Ideas are good for classes qQUOTE 3cr  
Materialists do not activate categories, neither History, nor Science nor Religion. Those categories do nothing. Only real, living human beings

Speculation on derivatives kept the Australian dollar high even while mineral prices began to fall. The reverse is underway with the funds in flight. But more recently up again because of uncertainties about U.S. interest and bond rates.

Charles Moore

I am no alarmist, and no one should worry that I have become a late convert to Marxism. Marx's prescriptions were mostly wrong ...

But Marx did have an insight about the disproportionate power of the ownership of capital. The owner of capital decides where money goes, whereas the people who sell their labor lack that power. This makes it hard for society to be shaped in their interests.

In recent years, that disproportion has reached destructive levels, so if we don't want to be a Marxist society, we need to put it right.

Nonsense about markets and liberty

The implosion has spawned utopian capitalists whose understanding of the system they worship not any capitalism that has ever been real or existing but one dreamed up from reading Adam Smith and Frederick-August von Hayek. Abolish the firm which R.H. Coase considered anti-competitive.

No joint-stock, no limited liability, perfect competition as in textbooks, quote **stigler** no swindles, no cartels,

Even then there would be exploitation of wage-labour on equal exchange  
Like those souls laments that Christian never behave like Christians

I have some empathy because of the Socialists who deny that every attempt to build socialism have anything to do with their fantasyland  
Would abolish capitalism as anyone has ever encountered it.