

COVID-19 MAY NOT ONLY KILL THROUGH INFECTION, BUT THROUGH RADIATION AS WELL!

Under the consistent (sic) hand of helmsman Trump, official estimates for the death toll in the USA are ranging up to 200,000. More worrying from the perspective of profits, talk is now centring on the probability of a six month lockdown. If the economy of the USA collapses while China's recovers, then the US's global economic hegemony will be at an end. What would have taken years, has been achieved in months.

The US is home to the world's most powerful military with bases spread around the world. The US will not give up its hegemony without a fight. Their media is starting to play the blame game. This is going beyond racism and into the realm of "someone has to pay for this". The drums of war resume their beat.

In this light I would like to continue the discussion on what socialism should represent.

Consumer planning, the social fund, the environmental tax and the homes tax.

We must recognise that consumption within a socialist society will be layered. But before we discuss this we must distinguish between personal consumption and productive consumption. By productive consumption we mean investment. There are three discreet spheres of investment, (1) expanding the means of production, distribution and information. (2) Planetary repair. (3) investment in homes and the urban landscape.

The first form of investment will be paid for out of the social fund. The second will be paid for out of a combination of the social fund and a tax on those goods with a large environmental impact. The third will be paid for out of the homes tax which should be localised. (Engels called for a rent, but that implies a landlord, but the purpose will be the same, a graduated tax which takes into account the difference in the quality of housing inherited from capitalism, whose purpose is to overcome this unevenness.)

By way of example, let us assume that each sphere of investment consumes 10% of the social product each year. Under these circumstances 10% will be devoted to expanding production, 10% to planetary repair, and 10% to building new homes, renovations, and rebuilding towns. This leaves 70% available for consumption.

But, mark, that 70% will be spread over 100% of workers. It will include those workers adding to the means of production, it will include those workers repairing the planet, it will include those workers who teach, care for, administer, who are unable to work, and it will include those workers engaged in building and rebuilding. It means 100% of society consuming 70% of production. Each worker will have donated 30% of their contribution to the social fund and the housing tax.

Thus, despite this 30% reduction, every producer will engage in consumer spending. Consumer spending envelopes the whole of society. And it must be personal. It cannot be collective in any way. One example will highlight this. If workers receive in proportion to contribution it will mean skilled workers who contribute more, will receive back more. (If they wish to only accept the average the balance will go to the social fund.) Therefore, will organisations be limited to workers of specific skill, deciding on what products to produce? Will we have common organisations with mixed skills trying to juggle the differing preferences that arise between unequal workers? Will a higher committee have to step in to make decisions when agreement cannot be reached?

We need to refer back to the Critique of the Gotha Programme. I believe Marx was concerned that individuality was ignored by the Programme and that it would have disastrous consequences, namely ushering in barrack socialism. Hence his emphasis on the question of equal rights for unequal workers. Only consumer led planning caters for this individuality. Only it is sensitive and spontaneous enough to cater for personal preferences unmediated by outside interference.

It may be a different matter for the evolution of new products. It may be the case that discussion on the advisability of a major new product will precede the introduction of that product. But this is for a future society to decide. The future is always present limited, and we must guard against getting ahead of ourselves. We are discussing the principles behind the rights.

When it comes to the social fund, all this changes. Here decisions have to be taken collectively. I am in favour of a rolling three-year plan. For two reasons. That is about the time it will take for the volume of production to grow 10% per head altering the balance of decisions. Secondly, three years is a good time to discuss, argue over, and agree the deductions and dispositions for the next round. It is enough time for panels of experts to provide the data upon which informed decisions can be made. We should recognise that these decisions are both political and technical. Political because they will have to prioritise which areas are financed. Technical because budgets have to be produced, presented and refined based on expected costs.

The pressures of prioritisation will reside in inverse relation to the size of the social fund. As the communist economy expands multiplying the social fund, so more priorities can be entertained and the clash between them reduced. Until then, some groups will argue for planetary repair, others for overcoming the unevenness in the world economy, others for education to rapidly eliminate skill divisions and so on. There is no right of wrong answer, only the agreed answers following exhaustive discussion, one in which no one is silenced.

Finally, the tax on homes will again be a story of two parts. The part devoted to building new homes and renovating old homes to achieve higher standards, and, that part devoted to urban landscaping. This is best done on a local level, a feature found within capitalist society. It goes without saying that the element of urban landscaping will be done collectively. It could be argued that the poorer areas found in every country will fall behind by this localisation. This is unlikely. Jobs will be brought to communities; communities will not have to migrate to jobs. Additionally, there will no longer be geographic differences in income as found under capitalism.

The grand plan and the organisational plan.

The grand plan is the plan resulting from the aggregation of individual consumer decisions. This is consumer led planning in action where the consumer is active and the planner passive. The organisational plan is the physical plan set in motion to satisfy these decisions, by the planning bodies.

The planning bodies therefore do not decide what to produce, but only how best to produce. They consciously allocate labour time and means of production to execute these instructions. This is a management process and not an individual process. It is in fact the biggest choreography ever attempted, one which will stretch the early communist society to its limits.

But if we confuse “the what” with “the how”, this choreography will not have a score, and it will break down. A number of authors have recognised that it is impossible to plan, if the “what” is not known in advance. Once the consumer decisions are aggregated, it becomes an administrative task to execute them. In Stalin’s Russia, planning bodies were the active decision makers being part of the state, and, this paternalism alienated workers reducing them to dissatisfied consumers.

In conclusion.

It may appear inappropriate to discuss the meaning of a socialist alternative to capitalism in the depths of a plague. But the inevitability of social unrest looms large. The head of the International Red Cross and Crescent Francesco Rocca warned recently: *"We have a lot of people who are living very marginalised, in the so-called black hole of society. "In the most difficult neighbourhoods of the biggest cities I am afraid that in a few weeks we will have social problems. "This is a social bomb that can explode at any moment, because they don't have any way to have an income."*

But it is not only the marginalised areas, ghettos and poorer countries that are time bombs. *"Economists at the Fed's St. Louis district project total employment reductions of 47 million, which would translate to a 32.1% unemployment rate, according to a recent analysis of how bad things could get."* <https://www.stlouisfed.org/on-the-economy/2020/march/back-envelope-estimates-next-quarters-unemployment-rate> This is, as FRED says, the biggest economic shock faced by the USA in 100 years. It means that after taking everything into account, less than half the adult population will be in work by mid-year.

FRED expects it to be short-lived, as do the imbecilic stock markets. But the only thing that can ensure it is short lived is a corona virus cure which is not imminent. It is unlikely that capitalist economies can weather a 6-month lockdown, even supported by their governments. Government finances are time-limited because no government is in a position to provide 6 months of assistance. The loss in GDP over this period could easily amount to >30%.

It is likely that at some point before the 6 months is over, in the absence of a cure, lockdown will be removed with only the elderly and vulnerable remaining in isolation.

It is also likely that lasting damage will have been done to the world economy. That a depression is in the making. Under these circumstances workers will be under a double burden. Forced to pay for this depression and having the threat of war hanging over them. Under these conditions it will be difficult for the ruling class to maintain its political rule under the regime of the political freedoms previously allowed.

Thus, this is the best of and most urgent of times, to discuss a living alternative to this diseased economic system.

Brian Green, 30th March 2020.