

Capitalism'sEssentialsREV4

The Essentials of Capitalism Through Definitions: From Adam Smith to the Present Day¹

W. Robert Needham (2005)

World-wide capitalism kills more people everyday then Hitler did. And he was crazy. Ken Livingston, Mayor of London,
http://en.thinkexist.com/quotes/ken_livingstone/

"It was the incarnation of blind and insensate Greed. It was a monster devouring with a thousand mouths, trampling with a thousand hoofs; it was the Great Butcher--it was the spirit of Capitalism made flesh." Upton Sinclair, *The Jungle*.
http://www.litquotes.com/quote_author_resp.php?AName=Upton%20Sinclair

"The mere fact that communism didn't work doesn't mean that capitalism does. In many parts of the globe it's a wrecking, terrible force, displacing people, ruining lifestyles, traditions, ecologies and stable systems with the same ruthlessness as communism." John le Carré

The problems that exist in the world today cannot be solved by the level of thinking that created them. Albert Einstein

"Justice is the first virtue of social institutions, as truth is of systems of thought. A theory however elegant and economical must be rejected or revised if it is untrue; likewise laws and institutions no matter how efficient and well-arranged must be reformed or abolished if they are unjust." J. Rawls, *A Theory of Justice*, (Cambridge, MA: Harvard University Press, 1971), 3.

"...the socialist objection of justice to the market economy is that it allows private ownership of means of existence which no one has the right to own privately, and therefore rests upon an unjust foundation. ...the socializing state is not violating rights, or even overriding them in the interests of something more important, but righting wrongs; it is rectifying violations of rights, violations inherent in the structure of private property." G. A. Cohen, "Freedom, Justice and Capitalism," *New Left Review*, No. 126(March/April 1981), 13.

1. Standard Scholarly Definition of Capitalism:

¹ This is a list of citations compiled by W.-Robert Needham from the work of authors dating from Adam Smith to the present day. Of course the story may be constantly up-dated. One might particularly see, for example: John McMurtry "Understanding the U.S. War State," *Monthly Review*, (March 2003): <http://www.monthlyreview.org/0303mcmurtry.htm> and: Harry Glasbeek, "The Corporate Social Responsibility Movement—The Latest in Maginot Lines to Save Capitalism," *Dalhousie Law Journal* 11(1985). Hary Glasbeek, "Best Friends" (2002) Excerpt from *Wealth by Stealth*, <http://rabble.ca/redirect.php3?ID=1584>. Susan George, *The Lugano Report: On Preserving Capitlaism in the Twenty-first Century*. (new Eedition, (London: Pluto Press, 2003).

“...under capitalism ownership of the means of production is vested with one set of individuals while work is performed by another ... the buying and selling of labour power is the differentia specifica of capitalism.” P. Sweezy, *The Theory of Capitalist Development: Principles of Marxian Political Economy*, (New York: Monthly Review Press, 1942), 56.

2. C.B. Macpherson’s moral corollary -- consistent with Sweezy:

“...a capitalist society...compels a continual net transfer of part of the power of some men to others, thus diminishing rather than maximizing the equal individual freedom to use and develop one’s natural capacities which is claimed [by the proponents of capitalism].” C.B. Macpherson, *Democratic Theory: Essay in Retrieval*, 10-11.

And related Macpherson states:

“...when the liberal property right is written into law as an individual right to the exclusive use and disposal of parcels of the resources provided by nature and of parcels of capital created by past work on them, and when it is combined with the liberal system of market incentives and rights of free contract, it leads to and supports a concentration of ownership and a system of power between individuals and classes which negates the ethical goal of free and independent individual development.” C.B. Macpherson, *Property: Mainstream and Critical Positions*, xi.

“Those who in a market society have no land or capital have no extractive power. They also may be said to have, at any given time, no power (or only negligible power) of any kind. For their productive power, their ability to use their energies to produce goods, has continuously to be sold to someone who has land or capital, and sold for a wage which goes to replenish the energy which makes their capacities saleable next week. They are left continuously with no productive power of their own. If they have any leisure, and any energy left for leisure pursuits, they have indeed some power left, some ability to use and develop their own capacities for themselves. But...with wages always tending to a subsistence level and energies tending to be fully absorbed by the productive work for which their energies have been purchased, the amount of such power could be treated as negligible. Thus the whole power of each non-owner could be taken to be virtually the same amount as his extractive power; the latter is zero, the former is negligible. Those who have the land and capital have extractive power. In a full capitalist society, with its substantial concentration of ownership of capital and productive land, a few men have extractive power over many; hence each of the few has extractive power equivalent to the whole (or virtually the whole) power of several other men. The greater the concentration of capital, the greater the proportion of each owner’s entire power consists of his extractive power. This can be readily seen ...[by]...expressing the amount of benefit a man is able to extract from others as the (whole or fractional) number of men he is able to ‘oppress’.” C. B. Macpherson, *Democratic Theory: Essays in Retrieval*, 43-44.

3. Capitalism as Governance:

“Capitalism, more than a system of resource allocation and income distribution, is a system of governance.” S. Bowles and H. Gintis, *Democracy and Capitalism: Property, Community and the Contradictions of Modern Social Thought*, (New York Basic Books, 1987), xi.

“The conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country. ... We are governed, our minds are molded, our tastes formed, our ideas suggested, largely by men we have never heard of. This is a logical result of the way in which our democratic society is organized. Vast numbers of human beings must cooperate in this manner if they are to live together as a smoothly functioning society. ... In almost every act of our daily lives, whether in the sphere of politics or business, in our social conduct or our ethical thinking, we are dominated by the relatively small number of persons ... who understand the mental processes and social patterns of the masses. It is they who pull the wires which control the public mind.” Edward L. Bernays, *Propanda*, (New York: Horace Liveright, 1928).

“Once you base your whole life striving on a desperate lie, and try to implement that lie, you instrument your own undoing.” Ernest Becker, *The Denial of Death*. (New York: The Free Press, 1973).

4. Adam Smith on Class structure—A Conservative View:

“...[profit] is naturally low in rich, and high in poor countries, and it is always highest in the countries which are going fastest to ruin. The interest of this third order, [the capitalist class] has not the same connexion with the general interest of society as that of the other two [workers and landlords]. ...As their thoughts...are commonly exercised rather about the interest of their own particular branch of business, than about that of the society, their judgment, even when given with the greatest candour (which it has not been upon every occasion), is much more to be depended upon with regard to the former of those two objects, than with regard to the latter. ...The proposal of any new law or regulation of commerce which comes from this order, ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men, whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public, and who accordingly have, upon many occasions, both deceived and oppressed it.” [While, of the workers, Smith argued that] “...though the interest of the labourer is strictly connected with that of society, he is incapable of comprehending that interest, or of understanding its connexion with his own. ...In the public deliberations, therefore, his voice is little heard and less regarded, except upon some particular occasions, when his clamour is animated, set

on, and supported by his employers, not for his, but for their own particular purposes.” A. Smith, *An Inquiry into the Nature and the Causes of the Wealth of Nations*, (New York: Modern Library, 1937), 250.

“What improves the circumstances of the greater part can never be regarded as an inconveniency to the whole. No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable.” *The Wealth of Nations*, Book I Chapter VIII

“Wherever there is great property there is great inequality. For one very rich man there must be at least five hundred poor, and the affluence of the few supposes the indigence of the many.” A. Smith, *An Inquiry into the Nature and the Causes of the Wealth of Nations*, (New York: Modern Library, 1937), 670.

"[W]herever there is great property, there is great inequality.... [T]he affluence of the rich supposes the indigence of the many." Heilbronner says "Its Adam Smith speaking not Karl Marx."

“The proprietor of stock is properly a citizen of the world, and is not necessarily attached to any particular country. He would be apt to abandon the country in which he was exposed to a vexatious inquisition, in order to be assessed to a burdensome tax, and would remove his stock to some other country where he could either carry on his business, or enjoy his fortune more at his ease. By removing his stock he would put an end to all the industry which it had maintained in the country which he left. Stock cultivates land; stock employs labour. A tax which tended to drive away stock from any particular country, would so far tend to dry up every source of revenue, both to the sovereign and to the society. Not only the profits of stock, but the rent of land and the wages of labour, would necessarily be more or less diminished by its removal.” *The Wealth of Nations*, (New York: The Modern Library, 1937). Book V, Chapter II. P. 800.

"All for ourselves and nothing for other people seems, in every age of the world, to have been the vile maxim of the masters of mankind". Adam Smith, *The Wealth of Nations*, 1776, (New York: The Modern Library, 1937). Book III, Chapter IV. Pp 388-389. Cited in N Chomsky, Notes of NAFTA: □ "The Masters of Man" <http://www.zmag.org/chomsky/articles/9303-nation-nafta.html>

Adam Smith on the Good Citizen:

“...he is certainly not a good citizen who does not wish to promote, by every means in his power, the welfare of the whole society of his fellow-citizens.” Adam Smith, *Theory of Moral Sentiments*. PART VI □ □ Of the Character of Virtue Consisting of Three Sections Section III □ □ Of Self-command Chap. II <http://www.adamsmith.org/smith/tms/tms-p6-s3-c2.html>

5. Karl Marx—A Radical View:

“The ideas of the ruling class are in every epoch the ruling ideas, i.e. the class which is the ruling material force of society, is at the same time its ruling intellectual force. The class which has the means of material production at its disposal, has control at the same time over the means of mental production, so that thereby, generally speaking, the ideas of those who lack the means of mental production are subject to it. The ruling ideas are nothing more than the ideal expression of the dominant material relationships, the dominant material relationships grasped as ideas; hence of the relationships which make the one class the ruling one, therefore, the ideas of its dominance. The individuals composing the ruling class possess among other things consciousness, and therefore think. Insofar, therefore, as they rule as a class and determine the extent and compass of an epoch, it is self-evident that they do this in its whole range, hence among other things rule also as thinkers, as producers of ideas, and regulate the production and distribution of the ideas of their age: thus their ideas are the ruling ideas of the epoch. For instance, in an age and in a country where royal power, aristocracy, and bourgeoisie are contending for mastery and where, therefore, mastery is shared, the doctrine of the separation of powers proves to be the dominant idea and is expressed as an “eternal law.” Karl Marx □ *The German Ideology* Part I: Feuerbach. □ Opposition of the Materialist and Idealist Outlook B. The Illusion of the Epoch <http://www.marxists.org/archive/marx/works/1845/german-ideology/ch01b.htm>

“As soon as this process of transformation has sufficiently decomposed the old society from top to bottom, as soon as the laborers are turned into proletarians, their means of labor into capital, as soon as the capitalist mode of production stands on its own feet, then the further socialization of labor and further transformation of the land and other means of production into socially exploited and, therefore, common means of production, as well as the further expropriation of private proprietors, takes a new form. That which is now to be expropriated is no longer the laborer working for himself, but the capitalist exploiting many laborers. This expropriation is accomplished by the action of the immanent laws of capitalistic production itself, by the centralization of capital. One capitalist always kills many. Hand in hand with this centralization, or this expropriation of many capitalists by few, develop, on an ever-extending scale, the co-operative form of the labor-process, the conscious technical application of science, the methodical cultivation of the soil, the transformation of the instruments of labor into instruments of labor only usable in common, the economizing of all means of production by their use as means of production of combined, socialized labor, the entanglement of all peoples in the net of the world-market, and with this, the international character of the capitalistic regime. Along with the constantly diminishing number of the magnates of capital, who usurp and monopolize all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working-class, a class always increasing in numbers, and disciplined, united, organized by the very mechanism of the process of capitalist production itself. The monopoly of capital becomes a fetter upon the mode of production, which has sprung up and flourished along with, and under it. Centralization of the means of

production and socialization of labor at last reach a point where they become incompatible with their capitalist integument. Thus integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.”

Karl Marx □Capital Volume One Part VIII:□Primitive Accumulation CHAPTER THIRTY-TWO:□HISTORICAL TENDENCY OF CAPITALIST ACCUMULATION.

<http://www.marxists.org/archive/marx/works/1867-c1/ch32.htm>

“No sooner is the exploitation of the laborer by the manufacturer, so far at an end, that he receives his wages in cash, than he is set upon by the other portion of the bourgeoisie, the landlord, the shopkeeper, the pawnbroker, etc.” Karl Marx and Frederick Engels, *Manifesto □of the Communist Party*, 1848

<http://www.anu.edu.au/polsci/marx/classics/manifesto.html>

6. Einstein From *Why Socialism?*

...“The profit motive, in conjunction with competition among capitalists, is responsible for an instability in the accumulation and utilization of capital which leads to increasingly severe depressions. Unlimited competition leads to a huge waste of labor, and to that crippling of the social consciousness of individuals This crippling of individuals I consider the worst evil of capitalism. Our whole educational system suffers from this evil. An exaggerated competitive attitude is inculcated into the student, who is trained to worship acquisitive success as a preparation for his future career. I am convinced there is only one way to eliminate these grave evils, namely through the establishment of a socialist economy, accompanied by an educational system which would be oriented toward social goals. In such an economy, the means of production are owned by society itself and are utilized in a planned fashion. A planned economy, which adjusts production to the needs of the community, would distribute the work to be done among all those able to work and would guarantee a livelihood to every man, woman, and child. The education of the individual, in addition to promoting his own innate abilities, would attempt to develop in him a sense of responsibility for his fellow-men in place of the glorification of power and success in our present society.” Albert Einstein, “Why Socialism.” In: L. Huberman and P.M. Sweezy, *Introduction to Socialism*, (New York: Monthly Review Press, Inc., 1968). Reprinted from *Monthly Review*, I:1(1949): <http://www.monthlyreview.org/598einst.htm>. And also:

<http://economics.uwaterloo.ca/needhdata/EinsteinWhySocialism.html>

Consistently: "Donald Thain, an emeritus professor who for four decades taught at what is now the Ivey School at University of Western Ontario, agrees that *he and his colleagues must shoulder some of the responsibility for the moral decay of contemporary business*. ... "We should have seen this whole culture becoming dysfunctional. We didn't take the big position against it." (Pitts, Gordon, "Schools stand trial along with disgraced alumni: Corporate scandals touch some of North America's best alma maters," *The Globe and Mail*, Monday March 8, 2004, B6).

7. **McLuhan**

On the origins of predatory laissez-faire commerce McLuhan is enlightening:

"Let me tell you that religion is not a nice comfortable thing that can be scouted by cultivated lecturers. It is veritably something which, if it could be presented in an image, would make your hair stand on end. Hence the fate of those poor uneducated undisciplined devils who stumble upon some of its "horrors" while remaining inaccessible to its resources. Such was Bunyon and countless others. It is no wonder that men unable thus to see God and to live, quickly rationalize their beliefs as has happened in all the older Protestant sects. Men must be at ease in Zion if they are to pay more than a flying visit.

The 17th cent. Protestants abandoned the world and the flesh to the Devil and packed up for Zion. They found the climate their [sic] impossible and returned to earth only to discover that the devil had been making hay. That is the origin of predatory laissez-faire commerce: [and quoting Burdett] "Industrialism [capitalism] establishes a state of slavery more corrupting than any previously known in the world because the master is not a man but a system, and the whip an invisible machine. With this it is impossible to enter into any but inhuman relations, and in such an inversion of humanity all the instincts become perverted at their source. Osbert Burdett, *The Beardsley Period: An Essay in Perspective*, (1925), 268). See: M. Molinaro, Corinne McLuhan and William Toye. Eds. *Letters of Marshall McLuhan*, (Oxford: Oxford University Press, 1987), 75.

8. **Keynes—A liberal View**

"Capitalism is the astounding belief that the most wickedest of men will do the most wickedest of things for the greatest good of everyone."

"Capitalism is not a success. It is not intelligent, it is not beautiful, it is not just, it is not virtuous, — and it does not deliver the goods. In short we dislike it, and we are beginning to despise it. But when we wonder what to put in its place we are extremely perplexed... We each have our own fancy. Not believing that we are saved already, we should like to have a try at working out our own salvation. We do not wish, therefore, to be at the mercy of world forces working out or trying to work out some uniform equilibrium according to ideal principles, if they can be called such, of laissez-faire capitalism. ... We wish — for the time at least... to be our own masters, and to be as free as we can make ourselves from the interferences of the outside world... It is my central contention that ... we all need to be as free as possible of interference from economic changes else-where, in order to make our own favorite experiments toward the ideal social republic of the future... We shall discover it as we move along, and we shall have to mould our material in accordance with our experience." Keynes, J.M., "National Self-Sufficiency." *Yale Review*, XXII(1932-33).

9. **Thomas More**

"I don't see how you can ever get any real justice or prosperity so long as there is private property and everything is judged in terms of money — unless you consider it

just for the worst people to have the best living conditions, or unless you are prepared to call a country prosperous, in which all the wealth is owned by a tiny minority [...] while everyone else is simply miserable.” Thomas More *Utopia*, (Cambridge: Cambridge University Press, 1989) 38.

10. Mander’s Consistent List:

Jerry Mander, “The Rules of Corporate Behaviour,” in J. Mander and E. Goldsmith, eds., *The Case Against the Global Economy and for a Turn Toward the Local*, (San Francisco: Sierra Club Books 1996), 309-322.

1. the profit imperative (“...the ultimate measure ...It takes precedence over community well-being, worker health, public health, peace, environmental preservation, or national security.” Recall (see the Introduction to this book, page 4) the differences between the negative freedoms desired by workers and society within capitalism and the positive freedoms of capital against workers and society.)
2. the growth imperative (p. 316—to exist is to grow larger and more powerful, “... the world’s few remaining pristine places are sacrificed to corporate production. The people’s who inhabit these resource rich regions are...pressured to give up their traditional way ... Banks will resist funding companies that limit their growth.... Corporate culture” abhors limiting goals and profits.”)
3. competition and aggression (p. 316—“[externally]...you must aggressively push to win against the other corporations [and internally] ...you must be ready to climb over your own colleagues.”)
4. amorality (p. 316-317—“Not being human, not having feelings, corporations do not have morals or altruistic goals. [they] ... seek to hide their amorality and attempt to act as if they were altruistic, [though] ...They have little interest in community goals except the ones that serve their purposes. ... When corporations say we care it is almost always in response to the widespread [perception that they do not care. And they don’t. How could they? ... All their acts are in service to profit.”)
5. hierarchy (p. 317—top down management decision making, “... rarely questioned ... [though] ... effective, non-hierarchical modes of organization exist on the planet and have been successful for millennia.”)
6. quantification, linearity and segmentation (p. 318—the only ‘values’ that are important are quantifiable for profit purposes , e.g., “automobile manufacturers evaluating the safety level of certain production standards calculate the number of probable accidents and deaths at each level of the standard. The number is then compared with the cost of insurance payments and lawsuits from dead driver’s families” etc.; workers are mere cogs in the corporate wheels)

7. dehumanization (p. 318—the employee is objectified and dehumanized, depersonalized),
8. exploitation (p. 319—“Karl Marx was right: A worker is not compensated for the full value of his or her labour; neither is the raw material supplier...While the worker earns a wage, the owner of capital receives the benefit of the worker’s labour plus the surplus profit the worker produces, which is then reinvested to produce yet more surplus....the formula remains intact profit is based on paying less than actual value for workers and resources”),
9. ephemerality and mobility (p. 319—existence beyond time and space “Having no morality, no commitment to place, and no physical nature...the traditional idea of community engagement is antithetical to corporate behavior”),
10. opposition to nature (p. 320—the control of nature and the transmogrification of what is extracted from nature.
11. homogenization (p. 320—of choice and of cultures)

10. Harry Glasbeek from *Wealth with Stealth*:

The book by Harry Glasbeek, *Wealth by Stealth: Corporate Crime, Corporate Law and the Perversion of Democracy*, (Toronto: Between the Lines, 2002) should be read by everyone -- those concerned and those unconcerned about the nature of capitalist society. It ought to be of particular professional concern to students and teachers of economics.

Harry Glasbeek is a graduate of the University of Chicago and Melbourne Law Schools, and Professor Emeritus and Senior Scholar at Osgoode Hall Law School, York University, Toronto.

The following are taken from his Chapter two of *Wealth by Stealth*: titled “An Ill-Assorted Trio: Capitalism, The Market, and the Corporation”:

One page 15—the preamble to ch 2.:

“Wherein we learn how greed and all sorts of inequalities are successfully portrayed as virtues, but also find out that there is something of a fly in the ointment.”

On page 19:

“The market, then, justifies greed and inequality on the basis that it leads to overall *economic* efficiency, and therefore, not only to the overall good, but also to a proper distribution of economic welfare as each market participant will get what she or he deserves. It is very useful for capitalism—a *political* economic system that promotes the satisfaction of the greed of the few by permitting the exploitation of the many—

to be able to legitimate itself by claiming its congruence with the market. The market transforms greed from a dubious moral value into a useful technical catalyst. Greed—the ugly engine of capitalism—becomes a valuable ally to the pro-market capitalism policy makers who claim to be pursuing the overall economic welfare of the nation. It can be advocated as a good thing. A nice example is provided by the occasion when Barbara McDougall, as minister of state for finance, addressed a conference on Native Canadian business and expressed her government’s support for Native-owned businesses: There is one underlying motive in business shared by all—it is greed. We support it wherever it happens.

The equation of capitalism, a political-economic regime, with the market, portrayed as a piece of machinery designed to promote economic efficiency, has another significant benefit. The market also provides support for an ideology and a set of political ideas that bolster the *political* aspect of the political economic regime we call capitalism. What are these ideological and political messages embedded in the market model that are so useful to the legitimacy of capitalism?”

On page 23:

“... Macpherson’s critique of Freidman is that workers are compelled participants in labour markets, not voluntary ones. The insight into Freidman’s reasoning undermines it completely. There are many other persuasive critiques of market modeling.”

On page 23-24:

“What we need to recognize is that the corporation facilitates the very opposite of what market modelers claim to be their goals. Remember that capitalism gets legitimacy by allying itself with the market, but that corporations are capitalists’ favourite vehicle for participating in that Market. Any evidence that corporate behaviour is antagonistic to the ideals of competition, Individual sovereignty, the equality of all persons, and democratic principles will align capitalist behaviour with monopoly, hierarchy, and oppression rather than with economic competitiveness or political equality and freedom, the values said to be promoted by the market model. An expose of how corporations are structured and how they actually behave when notionally engaged in market activities, has great political potential. It is not too hard to mount such a persuasive expose.

The utility of the corporation to capitalism’s accumulation-of-wealth project rests in the condition that functionally, it is a collective of capitals, of inorganic and human resources. But as a market actor, it needs to be treated as an individual-and that is because individualistic, sovereign decision making and the taking of responsibility by selfish individuals lie at the heart of the market model’s claims to be the institution capable of achieving the most economically efficient behaviour and of enhancing political freedoms. Law, by a sleight of hand, treats a corporation as an individual, as an economic actor in harmony with the idealized market model. This feature allows the *collective* to take advantage of the legal and political rights and privileges of flesh and blood *individuals*, such as you and me. It also enables the human captains on

industry, finance retail, and everything else, who hide behind their corporations, to get more protection from economic failure than the rest of us and to have more political sway than the liberal model should give them. But the legal pretence that the corporation is an individual is just that: a pretence. It creates inevitable tensions because of its objective falsity. When the tensions are confronted, the myriads of ways in which privileged corporate actors profit from the collective corporate form will reveal ugliness and evils that cry out for fundamental reform, if not transformation, of our political economic system.”

From: Glasbeek’s Chapter 14—“Outing the Captains of Industry, Finance, Retail and Everything Else”

Preamble: p. 252

“Wherein an attempt is made to devise strategies arising out of the findings of the book to make the captains of industry, finance retail and everything else the target for political action, thereby opening the way for a new participatory project.”

p. 252-253 “...wealthy property owners are able to hide behind the legally created corporate veil as they distort the very economic and political model by which they ask the majority of the population to live. They profit hugely from these perversion, to the disadvantage of the majority of people in our society. ... there now are two governments in the United States, the permanent and the provisional. The permanent government is constituted by the corporations on the Fortune 500 list, plus the attendant lobbyists, media and entertaining syndicates, research institutions and universities, law firms, and the like. What characterizes the permanent government is that it is “obedient to the rule of men, not laws” as it controls production and the way in which people are to live. The rule of men (and the gendered nature of this expression remains the right one) is, of course, the rule of rich men, rendered virtually invisible by the artifice and miracle of corporate law. The provisional government is based on the notion that it is subject to a rule of law and not of men. Consequently “it must live within the range of high-minded principle” while controlling very little of real substance. Richard Gwyn says ...’the expansion of the power of corporations” means that “there is less and less to vote for.” As a consequence he writes, ‘the political parties and Parliament are becoming shells, like those downtown churches whose parishioners have all moved to the suburbs. “The continued pretence that our citizens are able to participate in the vital decisions related to their own welfare and values asks us to live a lie. This is politically, socially, and morally intolerable.”

“If you always do what you have always done, you will always get what you have always got.” Glasbeek, p 254, cites one Sue Hickey.

Some of Glasbeek's suggestions: p. 272:

“Each and every time a corporate violation of law occurs, a concerted campaign should be mounted to prosecute the human actors, responsible as well as the corporation.”

“Inasmuch as these actors are senior executives who exercised control over the operation of the violating corporation, or who might have been able to exercise such control, they are also people who have been willing to claim both the intangible—such as praise and prestige— and tangible rewards— such as increased bonuses and options—whenever the corporation does well, regardless of the effects of their personal efforts. To hold them responsible, therefore, is a tactic justified by the paradigm they favour. More, inasmuch as they are presumed to be rational actors and inasmuch as they are presumed to be risk-averse—two presumptions posited by the corporate cheerleaders— their recognition of the of possibility that they could be held personally responsible and go to jail could lead to better behavior. Another result could be an increasing unwillingness on the part of many people to become corporate executives, Profiteers usually do not want to take risks, but only desire to impose them on others, and it is politically useful to have this point recognized.”

Page 277

”... in a society that makes claims about the legal equality of all people as a basic democratic right: it is not right that citizens who are wealthy property owners should be able to exercise power over citizens who are much less wealthy and/or non-property owners; it is not right that the wealthy property owners should, as it were a virtual birthright of wealthy citizens, be allowed to continue to combine their wealth by incorporation and thereby, to increase their ability to exercise power over the citizens who are much less wealthy and/or non-property owners; and it is not right that the less wealthy and the non-property owners should be forced to compete with each other, thereby increasing the power of the wealthy owners over them, unless they can jump through legally complicated hoops and over major economic hurdles and form a trade union, which will give them a restricted amount of countervailing bargaining power.”

p. 282-283

“It is vital to have a coordinate strategy to delegitimize the private enclaves of power created for the captains of industry, finance, retail and everything else. Demands for profound change must be made at all levels at the same time. As Frederick Douglas reportedly said, “power concedes nothing without a demand. It never did and it never will.”

In Anglo-American jurisdictions, capitalists have been blessed by a form of corporate law that promotes irresponsibility, criminality, and the perversion of democracy to advance their goal, the maximization of their wealth and political power. The corporation makes it all seem normal: selfishness, avarice, disregard for others, impersonal, commodified relations, the subjugation of the majority to the

whims and caprices of the few. The very normality of it all makes the mediation of the impacts of unequally divided wealth, so characteristic of capitalist economies, all the more difficult to achieve. All of this is to be tolerated because it generates wealth. Greed is elevated to a moral value, supported by massive education campaigns and commercial advertising techniques perfected to wrought changes in expectations and wants. To be a consumer is what citizens are taught. As Stanley Deetz noted when describing the effect of the increasingly large corporations on civil society: “Employee obedience to those in power supercedes any private romantic loyalty to church, family, community, or nation state. The employee is first a resource never a citizen.” Not surprisingly, there is a palpable tendency for elected governments and their bureaucracies to refer to the citizens they are to serve as clients and consumers. Only a few weeks after the devastating events of September 11, 2001, the U.S. leaders, fearful of a recession setting in, were urging their shaken American fellow-citizens to do their patriotic duty by getting out there and consuming. President George W. Bush told the White House news corps, “We cannot let the terrorists achieve the objective of frightening our nation to the point we don’t conduct business or people don’t shop.” What could be more revealing of the sorry pass to which corporate capitalism has brought us?

If those engaged in the political struggle for change see capitalism and capitalists as the beast they must defeat, they cannot ignore that beast’s major weapon, the corporation. a central theme of this book is ... that corporations block democracy, at home and abroad. My belief is that only if we recover, and enrich, our political lives as democratic citizens will we be able to become useful and effective participants in local and worldwide movements to tackle the enormous human problems we face. As C. Douglas Lummis argued in *Radical Democracy*, to be a democrat is not an abstraction. It is a state of being: “Democracy is a world that joins *Demos*—the people with *Krakia*—power. ...It describes an ideal, not a method for achieving it. ... It is an historical project ...as people take it up as such and struggle for it.”

These proposals take up what we have learned in the previous pages about the enemy of this historical project, and they are intended to help fuel the spirit of would-be democrats as they engage I their struggles to bring together *people* and *power*, break down the corporate shield, and lay the groundwork for a humanizing transformation of our polity.

11. Meyer Weinberg. *All Rights Reserved*.

"... capitalism is regarded as an economic system distinguished by certain characteristics whose development is conditioned by still other elements. The basic characteristics are:

1. private ownership of the means of production,
2. a social class structure of private owners and free wage-earners, which is organized to facilitate expanding accumulation of profit by private owners; and
3. the production of commodities for sale. Conditioning elements are:

- a. a certain division of labor;
- b. institutional arrangements to insure a dependable supply of wage labor;
- c. a degree of social productivity sufficient to permit sustained investment;
- d. commercial organization of the market—including banks—whose scope is adequate to the productivity of the community;
- e. a political process whereby economic power can become translated into governmental policy;
- f. a legal structure that is protective of private property; and
- g. a certain toleration—at the least—of new ways of making a living.”

Source: *A Short History of American Capitalism* Copyright © 2002 by Meyer Weinberg. All Rights Reserved. <http://www.newhistory.org/CH01.htm>

12. Charles A Reich:

“A look inside the larger corporations in the United States helps specify the elements of the private administrative component. Pricing and production decisions have long been removed from the market by an immense planning, programming and research apparatus. Undoubtedly many an American giant, had the equivalent of a Five-Year Plan earlier than did the Soviet government. ...” *Opposing The System*, page 61 and Quoting Theodore Lowi, *The End Of Liberalism*. (1979), p. 27.

13. Some Additional Insightful Comments²

Keynes:

Capitalism is the astounding belief that the most wickedest of men will do the most wickedest of things for the greatest good of everyone.

The decadent international but individualistic capitalism in the hands of which we found ourselves after the war is not a success. It is not intelligent. It is not beautiful. It is not just. It is not virtuous. And it doesn't deliver the goods.

The difficulty lies, not in the new ideas, but in escaping the old ones, which ramify, for those brought up as most of us have been, into every corner of our minds.

The importance of money flows from it being a link between the present and the future.

Einstein:

A hundred times every day I remind myself that my inner and outer life depend on the labors of other men, living and dead, and that I must exert myself in order to give in the same measure as I have received and am still receiving.

² These citations are from amongst many others that may be found on many web sites, see for example: <http://www.brainyquote.com/>

All that is valuable in human society depends upon the opportunity for development accorded the individual.

Strange is our situation here upon earth. Each of us comes for a short visit, not knowing why, yet sometimes seeming to divine a purpose. From the standpoint of daily life, however, there is one thing we do know: that man is here for the sake of other men.

Strive not to be a success, but rather to be of value.

Technological progress is like an axe in the hands of a pathological criminal.

The ideals which have always shone before me and filled me with the joy of living are goodness, beauty, and truth. To make a goal of comfort or happiness has never appealed to me; a system of ethics built on this basis would be sufficient only for a herd of cattle.

The important thing is not to stop questioning.

The most important human endeavor is the striving for morality in our actions. Our inner balance and even our very existence depend on it. Only morality in our actions can give beauty and dignity to life.

The Difficulty of the Sages ... "The real difficulty, the difficulty which has baffled the sages of all times, is rather this: how can we make our teaching so potent in the motional life of man, that its influence should withstand the pressure of the elemental psychic forces in the individual?"

Daniel De Leon

Capitalism is a fraud within a fraud. Proclaiming itself individualistic, it organizes collectively in order to promote the aims of a few. Socialism, on the other hand, is genuineness itself. Believing that industry is collective in organization and operation, it proclaims itself in favor of collective ownership and control.

Holly Sklar

The dream of capitalism is to co-opt people with higher living standards without redistributing any wealth. Without co-optation, widespread repression is the only guarantor of gross inequality.

George Bernard Shaw

Capitalism has destroyed our belief in any effective power but that of self-interest backed by force.

Joseph A. Schumpeter

Capitalism inevitably and by virtue of the very logic of its civilization creates, educates and subsidizes a vested interest in social unrest.

Ken Livingston

World-wide capitalism kills more people everyday then Hitler did. And he was crazy.

Suggestions for Required Reading on the Culture of Capitalism (only a few selections from literally thousands)

Bircham, Emma and John Charlton, eds., *Anti-Capitalism: A Guide to the Movement*. (London and Sydney: Bookmarks Publications, 2001).

Chomsky, Noam, *Failed States: The Abuse of Power and the Assault on Democracy*, (Metropolitan Books, 2006).

Chomsky, Noam, *Profit over People: Neoliberalism and Global Order*, (New York: Seven Stories Press, 1999).

Chomsky, Noam, *Necessary Illusions: Thought Control in Democratic Societies*, (Toronto; Anansi, 1989). (Based on The 1988 Massey Lectures).

Dobbin, Murray, *The Myth of the Good Corporate Citizen: Democracy Under the Rule of Big Business*. (Toronto: Stoddart Publishing Company Limited, 1998).

Drohan, Madelaine. *Making a Killing: How and Why Corporations Use Armed Force to do Business* (Toronto: Random House Canada, c2003).

George, Susan, *Another World is Possible if ...* (London: Verso: 2004).

George, Susan. *The Lugano Report: On Preserving Capitalism in the Twenty-First Century*, (Pluto Press (UK) 1999 and 2003). <http://www.tni.org/books/lugano.htm>

Glasbeek, Harry, *Wealth by Stealth, Corporate Crime, Corporate Law and the Perversion of Democracy*. (Toronto: Between the Lines 2002). (a corporate lawyer, and retired law Prof from Osgoode Hall).

Glasbeek, H. "Commercial Morality Through Capitalist Law: Limited Possibilities," *La revue juridique Themis*, XXVII, No 2-3, (1993), 263-308.

Clinard, Marshall Barron, *Corporate Ethics, and Crime: The Role of Middle Management* (Beverly Hills: Sage Publications, c1983).

Clinard, M.B. Yeager, P.C. *Illegal Corporate Behavior*. (Brissette, J. Publisher: 1979).

Clinard, MB and P.C. Yeager, *Corporate Crime*, (New York: The Free Press, 1980).

Einstein, Albert. "Why Socialism?" This essay was originally published in the first issue of *Monthly Review* (May 1949). <http://www.monthlyreview.org/598einst.htm>

Heilbroner, Robert L. et. al, *In the Name of Profit: Profiles in Corporate Irresponsibility*, (New York: Doubleday, 1972).

Johnson, B. and P. Kavanagh and K Mattson, *Steal This University: The Rise of the Corporate University and the Academic Labor Movement*. (New: York: Routledge, 2003.)

- Melman, Seymour *Pentagon Capitalism: The Management of the New Imperialism*, (McGraw-Hill (June 1970);
- Melman, Seymour *The Permanent War Economy: American Capitalism in Decline*, (New York: Simon and Schuster, 1974).
- McMurtry, John "The Social Immune System and the Cancer Stage of Capitalism," *Social Justice: A Journal of Crime Conflict and World Order*, XXII:4(1995), 1-25.
- McMurtry, John *Value Wars: The Global Market Versus the Life Economy*, (Pluto Press: 2002).
- McMurtry, John *The Cancer Stage of Capitalism* (London and Tokyo: Pluto Press and Springer-Verlag, 1999)
- McMurtry, John, *Unequal Freedoms: The Global Market as an Ethical System*, (Toronto: Garamond, 1998).
- Moore, Richard, *Escaping the Matrix: How We the people can Change the World*. (Redwood City California: The Cyberjournal Project, 2005).
- Palango, Paul, *Above the Law* (Toronto: M & S, c1994).
- Pitts, Gordon, "Schools stand trial along with disgraced alumni: Corporate scandals touch some of North America's best alma maters," *The Globe and Mail*, Monday March 8, 2004, B1, B6. On p.6: "MBA programs beef up mandatory ethics courses." {Harvard, Wharton, Kellogg, Stanford, McGill, Toronto.]
- Pitts, Gordon, "McMaster names dean of business," *The Globe and Mail*, (Thursday, March 4, 2004), B4.
- Reasons, Charles E. *Corporate Crime in Canada: A Critical Analysis of Anti-combines Legislation* (Scarborough, Ont: Prentice-Hall of Canada, c1978).
- Reich, Charles A. *Opposing the System*. (New York: Crown Publishers, Inc., 1995)
- Reich, Charles A. *The Greening of America* (Three Rivers Press; 1st Pbk edition, 1995).
- Saul, John Ralston, *The Collapse of Globalism and the Reinvention of the World*, (Toronto: Viking Canada, 2005).
- Saul, John Ralston, *Power versus the Public Good: The Conundrum of the Individual and Society* 1996 Hagey Lecture.
<http://economics.uwaterloo.ca/needhdata/SaulJRHageyLecture1996V2.PDF>
- Saul, John Ralston, *The Unconscious Civilisation*, (Toronto: Anansi 1995).
- Snider, Laureen, *Bad Business: Corporate Crime in Canada*. (Scarborough, Ont: Nelson Canada, 1993).
- Sweezy. P. M and Baran, Paul *A Monopoly Capital; An Essay on the American Economic and Social Order* (New York, Monthly Review Press (1966)
- Wood, Ellen Meiksins. *Empire of Capital*, (London and New York: Verso 2003).

Previous: http://economics.uwaterloo.ca/needhdata/Capitalism's_EssentialsREV3.pdf

