

## FROM NUCLEAR WINTER TO BOILING SUMMERS, CAPITALISM CONTINUES TO THREATEN THE WORLD.

*This article is not about saving the world, but why the capitalist class cannot save it. Capitalism has given rise to global warming through its drive for profits, and this drive will prevent it from reversing global warming. It is said capitalism is eminently adaptable. True, but that adaption has only occurred when and if such adaption led to more profit not less.*

The IPCC Report this week made grim reading. It was testimony to 70 years of inaction on the part of the international capitalist class which now imperils the world. Has a tipping point been reached? This is always difficult to pre-determine. Such points are usually seen through the rearview mirror of history rather than through the windscreen. The reason being that change is not arithmetical but geometrical, or what is the same thing, dialectical. It accelerates as counter-vailing factors are overwhelmed. Whatever the case, our planet is now in intensive care.

### **The curse of cost-price.**

The capitalists' concept of cost is shaped by the fact that the factors of production are privately owned. To use another's property requires payment for it. It therefore appears as a cost to the user. Thus the only costs the capitalists recognise are the ones they have to pay for, the one's that cost them cash. Anything else is not recognised to be a cost. Thus while ill-health costs capitalist society much more than the revenue generated by the food industry, because it does not appear in the profit and loss accounts of the food industry, it is not recognised as a cost.

This being so, the capitalist system generates a compulsion to continuously reduce cost price in order to boost profit margins. This compulsion is greatest when competition forces firms to defend their profit margin. It is difficult for capitalist investors to peer beyond the rim of their balance sheets. Thus the destructive nature of capitalism, which resides alongside its productive nature, goes deliberately unseen by the capitalist.

Not so the capitalist state. In representing the general interest of the capitalist class it cannot allow one firm's cost saving activities to adversely affect the costs of other firms. This was commented on by Marx when he observed that a firm at the head of a river, blessed with clean water, could not be allowed to contaminate the river thus making its water unavailable to users further downstream, or at least causing them additional costs to make the water usable.

Let us call this form of pollution and its response, horizontal, that is it occurs between capitalist firms. There is another form of pollution, which we can call vertical, top down, and that is the polluting of the working class by firms both within their factories and without. Here the state was much more lethargic in protecting workers until forced to react by the workers themselves.

The capitalist class has always resisted and resented state legislation forcing them to act in a civilized manner. They call it red tape, and they cast it as unnecessary. To this day a guerilla war between firms and their respective states continues. Lobbying is endemic and gratuities are everywhere. In the most neo-liberal states such as the USA with the most compliant media, pollution and emissions are greater than in countries where there is more class consensus and better supervision. It is of course a scandal that

in some parts of the USA, the richest country in the world and one which has already spent \$7 trillion on the “War on Terror”, the country cannot provide unpolluted drinking water for its own people.

State legislation affects cost price in two ways - directly and indirectly. Directly, it forces firms to adhere to minimum standards for pollutants be they in their products, the air, water or surrounding areas and it prescribes permissible materials. This adds to costs. Indirectly, it adds to costs through the increase in taxation to undo harm. Taxes elevate cost prices primarily through their effect on wages.

It is worth adding in, that in order to avoid these controls, firms in the dominant economies tend to outsource production to dependent economies where controls are laxer. This applies particularly to the most polluting production processes. Here the real culprit are the firms in the dominant economies such as the UK, the USA and Japan, and not the client economies who are in a subordinate and vulnerable position.

**Capitalism has the capacity to reverse global warming but wastes it.**

There are many arguments relating to how global warming can be reversed. One is that we have to dramatically change the way we live and eat. This is the classless approach. We are all on this overheating planet together and we need to do our bit. This argument is favoured by those who already have what they need including the capacity to sacrifice some of it. They also tend to reject technological fixes which inevitably leads them down the anti-working-class alley.

The fact is that the vast majority of people on this planet live in poverty and have shortened lives. This means there is only one way out of the oven. It requires technology. Technology got us into this mess, and it can get us out of this mess. All it requires is a change in ownership, because it is the capitalist private ownership of this technology, and not the technology itself, which has caused this environmental crisis, which has abused our planet.

One example highlights this. Military expenditure each year ranges from \$1.8 trillion (SIPRI) to \$3 trillion (US State Dept). Arms spending itself, that is hardware and software tends to be one third of the total with the rest spent on wages and pensions as well as other non-lethal inputs. If we add in auxiliary costs particularly fuel costs, then the figure of \$1 trillion emerges. Marx once said that arms expenditure was like throwing money into the sea.

But instead of throwing it into the sea we could throw it at the sea. Best cost estimates suggests that for every \$100 million, a large-scale desalination plant can provide up to 400,000 people with drinking water. Add in an associated eco-friendly power plant and it is safe to say that for every \$100 million invested in desalination, 300,000 people would not be short of water. Now imagine what \$1 trillion can provide. If we take the figure of \$0.5 trillion thereby allowing \$0.5 trillion for wages, maintenance, piping, wear and tear and investment to prevent hyper-salination, then each year over 1 billion people could be provided with desalinated water. Within 3 years half the world's population could be provided with purified sea water. And such large-scale applications of desalination will drive down costs and improve efficiencies especially output per KWH of energy.

Desalination plants could be built on large ships and sent to where they are most needed. Even within this figure of \$1 trillion there will be capacity to make deserts bloom because not all that capacity would be needed for drinking water. A \$1.5 billion plant can produce 400,000 cubic metres of water a day, enough to irrigate 180 square kilometers a year. One hundred plants a year costing \$150 billion could irrigate

18,000 square kilometers or an area 180 kilometers by 100 kilometers. If this area is planted by trees at the rate of 250,000 per kilometer square, this could sequester 4.5 gigatons of CO<sup>2</sup> or over 10% of the 33 gigatons of CO<sup>2</sup> currently being emitted each year.

Imagine international armies of young people, no longer trained for killing and destruction, but trained and paid instead to heal the planet by planting trees and shrubs. Imagine the friendships and their enthusiasm. And all that needs to happen is to get rid of the 2 to 3 million capitalist individuals and families who monopolise this planet and are destroying it.

Instead the US is intent on waging war on China. This weekend the US weather center issued excessive heat warnings for both the East and West coast of the USA covering 57 million people with temperatures spiking up to 15 degrees F above normal. This follows the heat dome which scorched the Northwest a few weeks ago. The surface temperature of the Gulf of Mexico is 3 degrees F warmer than usual, and it is this heat which drives hurricanes turning them into monsters. It also announced that July was the hottest month on record, nearly 1 degree C above the 20<sup>th</sup> Century average. How many warnings does a sane person need? And yet despite all of this, and with an infrastructure unable to cope, the US intensifies its economic conflict with China rather than cooperating with it to save the planet. It shows that falling profitability is more important to capitalism than rising temperatures. It shows that capitalism has become a rabid system, a dangerous and unpredictable system.

Or take the \$7 trillion wasted by the US on its self-inflicted “War on Terror” since 2001. That is more than enough to have converted its entire energy utility industry from black to green with hundreds of billions left over. And without a doubt, the workers in these industries can be won over by offering them comparable jobs but with much more useful outcomes.

And this is only the tip of the iceberg so to speak. These are the most egregious examples of waste. It does not take into account all the yachts, the private jets, the mansions, the army of personal servants, the duplications in production, the inefficiencies, all adding up to trillions more dollars. Put to good use, they could reduce carbon dioxide in the atmosphere dramatically over two decades even while raising the standards of living of all who require this to be done. We shall look more closely at this below.

We do not need 4 planets to provide every human with a decent standard of living, we just need one planet freed from capitalist private property.

### **What can be achieved under capitalism?**

Bonapartist regimes cannot be ruled out, that is capitalist states rising above classes seeking to save the capitalists from themselves with one hand while suppressing the working class with the other. We had an inkling of this with the pandemic especially in China where production was closed down with enormous loss of profit while society was put under house arrest to break the chain of transmission.

At the very least such a state would have to install a tax regime that re-engineered the lifestyles of the rich by introducing a punitive consumption tax to curb their carbon footprint, and one which taxed polluting industries out of existence while subsidizing their replacements. So far no government has come even close to doing so. Total carbon taxes currently pay for only 28 days' worth of pollution by the more polluting industries so they would have to be increased 13-fold to make a dent on emissions.

The top 1% of society produce 100 times the carbon footprint of the poorest half of society according to Oxfam. They are the frequent flyers, the ones with the biggest cars and homes, who purchase more. Any consumption tax needs to target them. These taxes must not target the bottom 50% of society who are already struggling to make ends meet, to feed themselves and to warm or cool themselves. Instead the focus should be on the top 10% of income earners. In the G7 countries they consume 40% of total income, while the G7 countries themselves also consume 40% of global income. This yields a total income stream of \$30 trillion annually and were an average 20% consumption tax to be levied on this income, it would yield a tax take amounting to \$6 trillion globally. And that is before their corporations are taxed properly as well, and arms spending eliminated.

This is a planet changing number, but it will not happen. Already we have seen the convulsions around the negotiations to implement a global minimum corporate tax finally watered down to 15%. How, no sooner had the ink dried or it had been lodged in the Cloud, then finance ministers were scurrying around to exempt their chosen industries from this tax. And as for the lawyers turned linguists, the very nature of profit was being reinterpreted. We only have to look at the cleavage in the UK Tory Party over tax rises, or the disarray in the ranks of the Democratic Party, or the ideological assault by the Press Barons on tax rises, the very Press Barons who denied global warming in the first place, to realize the obstacles before any fundamental change to taxes.

This society is organised to provide the capitalist class and their retinue with wealth not to deprive them of it. This class is comprised of takers not givers. Such an exploiting class is not open to self-sacrifice, instead they insist on sacrificing workers on the altar of necessity. Look what happened after 2008. And this was before a pandemic which is likely to cost \$25 trillion in support funds and loss of income. <https://www.weforum.org/agenda/2020/10/economic-cost-covid-global-preparedness-monitoring-board/>

#### **Nation states are based on capitalist private property.**

The pandemic and the vaccination response showed how problematic national responses to an international event are. The richer countries monopolised and hoarded the first vaccines. Governments in which Big Pharma were based enforced patents and Intellectual Property rights preventing widespread production and replication of production throughout the world. Richer countries failed to provide poorer countries with sufficient funds to procure jabs and they ignored the advice of their scientists that allowing the pandemic to rage around the world meant that variants could arise which could by-pass vaccinated immunity. This nationalism has in turn put the world at risk and extended the longevity and lethality of the virus.

The pandemic response is a bad portent when it comes to the required international response to global warming. The \$6 trillion a year in consumption taxes within the G7 countries could provide sufficient funds to assist poorer countries, not only to be more resilient, but to provide investment for economic progress on a green basis. The higher estimates for reversing Global Warming by banks such as Morgan Stanley calls for \$50 trillion by 2050 to sequester 53.5 billion tons of CO<sup>2</sup> annually. Well \$6 trillion a year will do that by the end of this decade. <https://www.forbes.com/sites/sergeiklebnikov/2019/10/24/stopping-global-warming-will-cost-50-trillion-morgan-stanley-report/?sh=63eddbb151e2>

Pre-supposing capitalism still exists, by 2050 the world will have seen the greatest human mass migration in 70,000 years as humanity relocates itself in areas away from the equator and closer to the poles. This will not only be migration between countries but within countries themselves. Much of the world's

population live on the vulnerable coast lines of continents threatened by global warming and rising sea levels. Nowhere more so than the Gulf Coast. It will only take 10 category 5 hurricanes or worse to make these areas uninhabitable. Or cyclones in the Pacific. Will Canadians resent refugees from Mexico and the Southern States flooding across its borders? Will Russians resent Chinese and Indian migrants flooding into Siberia?

Such migrations will cause indescribable political turbulence should the competition which capitalist private property engenders continue to dominate consciousness. However, when the class which disempowers workers and turns them against each other is dispatched, such migrations will become manageable if and when needed. Internationalism is not an option but a necessity to deal with global warming.

Humanity needs to stop tripping over national borders and boundaries. Different skin colours do not protect against +45 C temperatures and +55% humidity. Neither does language and customs. We have one home, and it is called earth, and the workers of the world need to escape from being locked in separate rooms by their bosses if the whole house is to be saved.

#### **Paid costs, actual costs and remedial costs.**

The capitalists only recognise the paid costs of production not the actual costs of production. This is the reason the worker costs the capitalist less than what the capitalists cost the worker. To the capitalist the selling price is formed by the addition of the profit margin to cost price. They never question how or why this profit margin has come into existence. Why should they, it is the source of their wealth and social power and so they accept it as natural, and worse, eternal.

Workers need to question it. The profit margin only exists because workers are underpaid for their labour. The margin expresses that part of their labour which goes unpaid and which the employer pockets. Thus whereas the actual cost of production is the entire labour expended, the paid cost of production covers only the part which workers are paid for. If workers were paid for all their labour, then indeed, the paid costs of production would equal the actual costs of production, but then the capitalists would not make any profit and their mode of production would wither and die.

Similarly, with environmental costs. The direct cost to the environment from a production process, when it goes unpaid, does not enter into the cost price. For example, if a law was passed forcing all production processes to be carbon neutral, meaning the cost of sequestering the carbon output emanating from that process would have to be paid for, then cost prices would soar and profit margins would plunge. The difference in cost price would be greatest in the most polluting industries and lowest in the least energy intensive industries. In other words a mode of production based on profit could not cope with these differential costs.

But there is also a cost to the environment from consuming a product. Take a car. The car industry could be forced to pay for the environmental costs of producing that car. But what of the environmental impact of driving that car until it is scrap and then having to recycle it. Who pays for this? The user of course. We may call this the "remedial costs of consumption". Thus the use of the car itself is rendered carbon neutral.

Capitalism cannot break out of the prison of paid costs of production, nor can it address the prison yard where remedial costs are found. Only a communist society can. In such a society paid costs no longer exist. Workers are fully rewarded for their labour before voluntary deductions, and a rational system is prepared

to neutralize the environmental costs of consumption. For example, when workers swap discharged batteries for charged batteries to power their cars, the cost which is deducted from their labour account will include not only the cost of electricity but its environmental recovery as well, and not only the depreciation of the battery but also for its eventual recycling.

The difference between paid and actual costs is not simply an accounting convention. It changes the consciousness of the producer. In a communist society based on empowered and freely associating producers no longer exploited and alienated, a broad, deep, and comprehensive consciousness will emerge. The world will be seen as it is, no longer refracted by profit nor fractured by competition. What was not recognised will now be recognised and what was not acted on before will be now be acted on. Workers who expend their labour are best placed to know how to apply it and where it needs to be applied. They are bound to be generous with their contributions to the social fund knowing that it will provide the resources needed to collectively restore the planet and undo the ravages of society's first industrial mode of production, capitalism.

### **Conclusion.**

The purpose of this article was to show that the resources to reverse global warming are to hand, provided we can wrest them out of the clasp of the capitalist class. As the weather becomes more extreme so politics will boil over. Here we have a capitalist class grappling with repeated and escalating crises which quite frankly is above its extravagant pay grade. The capitalist class will be tested and exposed as worse than useless. There is no vaccine to treat global warming, especially now that the sun's solar output is increasing after 22 years of dormancy.

The international working class needs to act, and it needs to act now. COP26 is likely to be a copout. It will provide buckets of water not a hose pipe to douse the flames. In the UK at the very least there should be a generalized school strike around COP26 because current students will be the generation at the heart of global warming. Such a strike would indicate to the assembled political puppets and their manipulative masters that inaction will be interpreted as an act of war against them. In this they need to be supported by all workers many of whom are their parents.

Brian Green, 14<sup>th</sup> August 2021.