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## Understanding the Cancer Stage of Capitalism

By Giorgio Baruchello

9/13/2013

*While US President Barack Obama bangs loud drums of war, the Pope (the first of the Catholic Church to choose the name of Francis) accuses “the great ones of the earth [to] want to solve” the world’s crises “with a war... Because, for them, money is more important than people! And war is just that: it is an act of faith in money, in idols” (“Pope Francis: War is the suicide of humanity”, Vatican Radio, 2 June 2013).*

*The Church of Rome itself rejects “the magic of the market” and it sees that the “invisible hand” has got fingers that pull triggers.*

But what has exactly gone so wrong in the economic system, which had the world believing after the fall of the Berlin Wall that a new era of peace with vast dividends for public wealth was now upon us, and that the panacea of a “global free market” would solve all problems by “ever more prosperity” and “the end of the nation state”?

Long before the Pope’s historic recognition, John McMurtry’s prophetic 1999 book, *The Cancer Stage of Capitalism (CSC)* spelled out the answer to this question. But the much expanded second edition (London: Pluto Press, 2013) goes into systematic detail to account for what has explosively transpired since its 1999 diagnosis of a cancerous world disorder—9-11 and 2008 to begin, as well as the rise of Latin America and the fall of the European Union now treated to same formula of bank-debt bleeding to death and the abolition of society’s very life

support bases. All alike has a common cause: to enrich “transnational money sequences multiplying through the bodies of societies and ecosystems across the world”.

The problems of the world, CSC argues, always go back to a “life-blind thought system” (pp. 87-110). At the genetic core of the world capitalist system, mainstream economics focusses ab initio upon money-value and artificial wants, not life-value and life-capacity needs so that “economic thought is in principle incapable of recognizing what has gone wrong”(6). It is guided by a brain to which the distinction between good and bad in human life is invisible and only money loss or gain for private “investors” registers as ultimate value. Armaments, the biggest item of manufacture in “global market free trade” and here deconstructed as “death commodities”, lead the vaunted “goods” traded legally across the globe—and so do cigarettes, junk food, carcinogenic chemicals, greenhouse gases and much else that is life-destructive. The goods of the market are neither always nor necessarily the good of humankind. Yet they keep being called “goods”, for they allow entrepreneurs and shareholders to make money. This is not value neutrality. As the Pope himself now says, it is choosing the value of money over the value of people.

The first edition of this book needed no amendment, but the second edition massively updates and advances its explanation—or better, as we will see, its diagnosis. The great global turns of 9-11, the 2008 Wall Street crash, Latin America’s socialism for the 21<sup>st</sup> century, and the ongoing fall of social-democratic Europe are all here analysed in depth. The new anchor concept of “life capital—life wealth that produces more life wealth without loss” (12) – spells out the actual economic ground so long missing from received economic theory. The book’s Preface (“What is Capital?”) and long opening chapter (“Decoding the Cancer System and its Resolution”) are completely new, whilst the new subtitle “Cure” is spelled out in light of the last 12 years of corporate assault on such a “life-ground” and the rising global resistance to it.

This is not a neo-Marxian work. The Marxian assumptions of David Harvey (not to mention Marx himself) and the Critical Theory analysis of Jürgen Habermas are exposed to devastating re-grounding analyses. On the Right, the “life-blind” (11) categories of Neo-Classical Theory and neo-liberalism are exploded, whilst F.A. Hayek and Milton Friedman are surgically demolished. Even Naomi Klein’s work, which followed the first edition of McMurtry’s book, is found to miss the underlying carcinogenic normality of “disaster capitalism”. Critique is not the final goal of the book, however. It is finding a life-coherent way out of the greatest collapse of biosphere and civilisation the world has ever known.

McMurtry decodes “the Great Sickness” as driven by private “transnational money sequences” (51) multiplying in ever new and bizarre types through life hosts at every level. For him, the system disorder emerged back in 1973 with the U.S. loss of the Vietnam War, the related abandonment of the gold standard and the Chilean experiment, which launched the absolutist rule of free-market dogma that Italy’s long-time conservative MP and Finance Minister Giulio Tremonti has recently dubbed nothing but “fascism” (226). Then, its development from the Reagan-Thatcher years to 21<sup>st</sup>-century world rule is unpacked step by step. Against its expansion, which has already claimed countless lives and ecosystems, McMurtry poses the universal and interrelated “human and natural life-requirements” (4) whose necessities to reproduce are cumulatively deprived and despoiled. This conflict is the ultimate theme of the study. In brief

summary, the “cancer system” diagnosed in the new opening chapter is the de-regulated and exponentially growing global money sequences to limitlessly more. Re-grounding in “life sequences of value” and the “civil commons” is the inner logic of recovery (237-42).

McMurtry’s “Diagnostic Summary of the Degenerate Trends” (163-75) spells out in detail all the elements of the “causal mechanism” at work behind the sickness. Yet one paragraph of this study suffices to summarise the all-fronts corporate money-system attack on biosphere and civilisation:

The air, soil and water cumulatively degrade; the climates and oceans destabilize; species become extinct at a spasm rate across continents; pollution cycles and volumes increase to endanger life-systems at all levels in cascade effects; a rising half of the world is destitute as inequality multiplies; the global food system produces more and more disabling and contaminated junk food without nutritional value; non-contagious diseases multiply to the world’s biggest killer with only symptom cures; the vocational future of the next generation collapses across the world while their bank debts rise; the global financial system has ceased to function for productive investment in life-goods; collective-interest agencies of governments and unions are stripped while for-profit state subsidies multiply; police state laws and methods advance while belligerent wars for corporate resources increase; the media are corporate ad vehicles and the academy is increasingly reduced to corporate functions; public sectors and services are non-stop defunded and privatized as tax evasion and transnational corporate funding and service by governments rise at the same time at every level.(144-46)

This diagnosis may seem hyperbolic. But a search for even one exception to these trends reveals how exact and precise they are. Overall, one basic lesson emerges. The “common interest” of nations and “competitive economic growth” are not one and the same as regularly assumed (256-57). On the contrary, they are in an increasing full-scale war of corporate money-sequence occupation with no bound against life and life-value resistance at all levels.

Against the avoidant ideologies of relativism and subjectivism, McMurtry identifies a universal and objective ground of value. From it he “recovers step by step the missing life-ground of values and the ultimate meaning of how we are to live.” (338 n115) As defined in McMurtry’s glossary for the philosophy theme of UNESCO’s monumental Encyclopedia of Life Support Systems (Paris & Oxford: Eolss, 2009-10), the life-ground is an easy concept to grasp: “concretely, all that is required to take the next breath; axiologically, all the life support systems required for human life to reproduce or develop.” Without enough bread, clean water, breathable air, open spaces in which to move and have regular sleep, progressive learning and meaningful socialisation, no value whatsoever that we cherish will ever be expressed in reality. All values, whether ethical, political, legal, economic, epistemic, spiritual or aesthetic, rely upon this vital platform. Even those who deny such a value ground presuppose it.

The ultimate problem is stated in one technical sentence: “Money-sequence growth throughputs that produce no life-necessity and run down non-renewable resources multiply waste and incapacitate life and life-support systems.”(42) The disorder has many pathways of attack and despoliation: ever more wasteful production and consumption in lead consumer societies; growing non-contagious pathologies from intentionally marketed, life-damaging addictive commodities; and decline in environmental and social standards across the planet. The diagnosis

investigates many sites of the carcinogenic system at work, such as Chile, China, Iraq, Canada, Japan, New Zealand, the former Yugoslavia, sub-Saharan Africa, Rwanda, Libya, Guatemala, Mexico, Peru, and – most systematically – the once prosperous U.S. and the European Union. A comprehensive index provides concepts, definitions, trends and examples.

Throughout, McMurtry distinguishes between good and bad government in principle. Legitimacy of government depends on its fulfilling constitutionally mandated “preventative” and “enabling” life-functions (“the social state”), while bad or illegitimate government fails in or strips these life-serving functions to grow the private money sequences of the rich (“the corporate state”; 255-56). But what serves life and what does not? The reader asks. Failure to answer this question has long allowed elites and governments to ignore people’s life needs. McMurtry’s criterion of need meets this conundrum head on. A need is, and only is, “that without which life-capacities are always reduced” or destroyed (19). Armed with this understanding, he shows that globalising capitalism since at least 1980 has become blind to any life needs in both theory and practice. As a result, the most severe ecological and social problems follow from it – from water aquifers and rivers lost to industrial pollution and agribusiness’ overexploitation, to corporate market rights poisoning foods and making life-saving medications and knowledge unaffordable to those who need them, to more and more weapon commodities intentionally constructed and sold to maim and kill life. Such malignant growths show that the widespread faith in the “happy coincidence” between profit-making and the common interest by the providential “invisible hand” is at best pseudo-science (202-203).

But why should all this count as a cancerous system? The first, crucial step in McMurtry’s diagnosis is the defining goal of the world’s ruling economic agents. Whether cast as “value added”, “profits”, “return on equity”, “quarterly earning reports”, or “shareholder value”, the sole “ruling value code” (9) is in fact “to maximize by any vehicle, method, or channel open to its entry the ratio of its owners’ money-demand increases to money-demand inputs.” (179) In the words expressing this underlying value principle, Chicago economist Milton Friedman is direct and absolute: “The one and only responsibility of business is to make as much money for stockholders as possible.” (115) As McMurtry deconstructs the problem: “Grounded in an engineering model of perfectly divisible inputs and outputs, life itself is [therefore] in principle ruled out... What money wants is all that exists.” (99) Specifically, thousands of corporate-treaty rules override all else, often backed by U.S.-controlled armed forces to debt collect, threaten, embargo and invade societies that refuse corporate money-sequence multiplication through them. With no life function performed but only destroyed, the cancerous system predictably develops.

The second main step of diagnosis lies in recognising that any exponentially multiplying and uncontrolled demand serving no life-function is cancerous by definition. This is why private transnational money sequences with no committed life-function invading more and more domains of nature, society and the human organism are equivalent to a cancer. In the clinical terms of this study: “The atmosphere, freshwaters and oceans, top soils, trees, animal habitats and species and mineral resources degenerate in life-carrying capacities and biodiversity”, and “the rising majority becomes ever more insecure, stressed, dispossessed and malnourished beneath GDP and market measures.” (169)

The third main step of diagnosis observes that in all cancerous pathologies the immune defences of a living organism fail to recognise the invasive growth. Instead they increasingly yield all their resources to the out-of-control self-replication of the parasitic demand. Thus societies' long-established life-protective institutions are defunded, redirected and unresponsive to the cumulative assault upon life hosts and support systems. They mutate instead into servants of private money-sequence growth without limit. Governments, the media, universities and UN agencies do not recognise the system disorder, but pro-actively collaborate with it. This is why, McMurtry argues, we have seen a long succession of disastrous policies bleeding societies into depression since the Reagan-Thatcher turn:

Ruin of government programmes, workers' jobs and small business with the cranking up of interest rates to over 20 per cent prime in the 1980s... repeal of Depression-installed regulations like Glass-Steagall... the race to the bottom of wages, benefits and social legislation by global competition with no life-standards... cannibalist interest rates and debt charges... 'market reforms', trade-treaty edicts prohibiting legislation reducing 'profit opportunities', wars on resource rich regions with social control... supranational treaties in vast all-or-nothing tranches of 'investor' rights... according all rights only to transnational corporations... [and] binding regulations... [overriding] all human and natural life-requirements through generational time... private bank displacement of sovereign control over currency and credit.(3-4 & 14)

How then can societies recover ? The answer is by life-capital re-grounding at every level. The money-greed pathology is as old as civilisation, but has never run free as sovereign over nations, the cancer stage. In this sense, it is new. It attacks all historic working-class rights, government regulation, progressive taxation, public welfare investment, and biosphere requirements together. McMurtry re-grounds in what he calls the evolution of "civil commons" which, he contends, defines civilisation itself, i.e. all the real gains of the human species across generational time (147-49).

This is a major argument of the book and it goes all the way back to the nature of language itself. A vast array of what we take for granted is shown to express an underlying "civil commons principle": they are "all social constructs which enable universal access to life goods" (237-42). It is not a bygone or utopian idea, but includes *inter alia* the clean air we still breathe, life-protective laws, universal health plans, the world wide web, common sewers, sidewalks and forest paths, games and fields of play, the open science movement, public streetscapes, effective pollution controls, city squares and sidewalks, old-age pensions and respect, universal education, universal hygiene practices, fair elections, unemployment insurance, maximum work hours and minimum wages, public parks, clean water, community fish-habitats, and public broadcasting. Far from being merely an ideal, McMurtry demonstrates that "civil commons formation in provision of life-goods" has already proved superior to "any for-profit system" (242) including 'corporate partnerships', which are laid bare as public-wealth looting schemes.

Behind the global corporate occupation, however, lies a set of profound fallacies, which are largely unrecognised even at the highest level of intellectual inquiry. Primary is the absurd assumption that "private money" alone counts as "demand" in "the Economy", thus discarding "all needs and demands of organic, social and life-systems themselves" (6). This connects to the ludicrous conclusion that all corporate commodities are "goods" however damaging to people's



health and the environment they may be. Perhaps most controversial is McMurtry's identification of a superficial confusion between the "over-demand" of the global corporate market and the "over-population" of the Earth (10). That argument alone may be worth the book. What is addressed most centrally, though, are the ruling assumptions that the "global market" is in fact "a free market" and for the "common good" (16 & 118-24) – ultimate value premises he demonstrates as systematically false. Moreover, he further explains that what counts as "productivity" and "greater efficiency" in this system increasingly runs down life capital at every level (42). Here the second edition's primary new concept leads to a "Copernican revolution of Economics" that is spelled out both in principle and in policy terms: "The three R's of true economy" – Reduce, Re-Use and Re-Cycle – are... explained as the inner logic of preserving and advancing life capital in natural, social and technological terms (313ff).

What of China now apparently winning the global economic competition? Is it not the prime of example of how successful globalisation has been, especially in Asia? According to McMurtry, this is only a very partial picture. For in fact it leads:

[E]ver more industrially devastated environments and peoples whose large-scale ruin – produces mass cheap commodities serving no life-need. Ever more monumentally life-blind cycles have dwarfed Western industrialization and inequality in scale. The Three Gorges defining China's wondrous natural beauty have been destroyed, its largest freshwater lake turned into mud and dust, Tibet is looted and overrun, one can hardly breathe or see through the megopolis air, corruption is far more rampant, and hundreds of millions of poor are more life-means deprived than before the U-turn. (296)

The life and life capital costs are factored out in fatal large scale. The great moral derangement of the era now rules the Chinese Communist Party too, i.e. that transnational market money-demand is the ultimate value and ever more commodities cheaper is the supreme goal of human society.

But what is the point of devastating critique? It seems a lost cause. Where anywhere do humanity's life-capital advances come before private transnational money-capital growth? McMurtry identifies underlying civil commons and life-capital trends expressed in four pivotal changes of policy that have long worked and do so again when implemented: (1) "higher taxes for the corporate rich" to pay for the social and environmental life support systems and vast public wealth subsidizing their products at every level (262-65); (2) "aggressive national recovery of control over public owned resources" (268-72); (3) "public banking and investment" (286-94); and (4) "policy-led elimination of structural depredation of the poor and the environment" (295-99). Lucid criteria inform the definitions of "human", "natural", "knowledge" and "social" capital underpinning these policies (20), whilst "life capital" and its "universal parameters of diagnosis" specify "determinants of social health and disease" to guide action (162-63). "Recovery from the Great Sickness" is therefore possible, though by no means easy, McMurtry concludes (288). After all, a response is called for by the rising pain caused by the cancer system, which is felt by many communities worldwide, as indicated by massive uprisings in as diverse countries as Spain, Egypt, France and the US.

All effective policy shifts nurture life-capital, not state power. But who or what else can lead recovery if not state power? Who or what if not combined state power can make Ray Anderson's celebrated case of 100% sustainable industrial production the norm for all businesses on Earth? (320-21) According to McMurtry, public authorities' life-enabling intervention in the economy is the only real option. The policies required are not utopian, but have been tested across nations and continents. Shift in taxation for public spending on common life bases has been proven to work by Scandinavian countries over many decades, and public reclamation of public resources has worked wonders in Norway and Ecuador. More broadly, the "public option" serves "the known needs of... people and their life-conditions" (30) in most of Latin America in many ways that this account reports in synoptically connected pattern.

As far as the third policy shift is concerned, McMurtry insists on the crucial role that credit plays in modern economies and the urgency of restoring public control of it after the disastrous effects of deregulated banking and borderless non-productive trade. He compares the long string of post-Bretton-Woods meltdowns with the time when "nations loaned to themselves and spent themselves productively into prosperity across the world during and after the 1939-45 war" (28). Also, he highlights the positive experiences of "Abraham Lincoln's" greenbacks, "German Landesbanks" and North Dakota's "public-banking and debt system", the "1935 Bank of Canada Act... [providing for] the central bank lending to government as its sole shareholder", as well as all lead economies using "variations of public investment" sustained by public credit (28 & 219-20).

The ultimate policy shift is "the progressive elimination of structural depredation of the poor and the environment" which is enabled by the other three policy shifts (295). Here the post-1945 reconstruction of Europe by public investment in human capital as well as Latin America since 1999 show the way in overcoming absolute poverty while recovering the real economy simultaneously. Lest the environment seems beyond recovery, the analysis points to the "no-pollution schedule of the Ozone Protocol" (15) and the long-neglected "binding [I]nternational Covenant on Economic, Social and Cultural Rights" (107) as proven steps in life capital protection and advance by binding inter-state policy and laws. Only international norms as conditions of trade have and can enforce what is already known to be necessary.

The money economy must work for living humankind, not humankind for lifeless money. McMurtry (229-30) discusses how, back in 2010, conservative politician and former French President Nicolas Sarkozy acknowledged this issue openly at the most unlikely venue, the World Economic Forum in Davos, calling for a thorough reform of the international economic system. Sarkozy's challenge to the world's top bankers and chief executives failed and eventually sealed his political fate. Yet, ignoring this fundamental issue any longer can seal too the fate of humankind in many more and worse ways than just the political one. War, as profitable as it can be, is just one highly revealing token of how an implicit axiology grounded in money cannot but uproot life.