# Upstream Podcast

# (Chinese) Socialism vs (US) Capitalism; Reading of Indi.ca blog

## Published 4th February 2025

## Transcribed by Flourish Economics

### **Speaker 1 -** 00:02

Hey. Everyone! Robbie here with another episode in our Patreon reading series. And I just upfront. Want to acknowledge I know my voice sounds like s\*\*\*. I'm like. Dealing with some kind of weird throat. Laryngitis. Thing. I think I'm not really feeling sick, but my throat.

### **Speaker 1 -** 00:20

Has just been like in a lot of discomfort and I haven't really been able to speak very well for the last. Like over a week now. But that's not going to stop me from coming on here. And talking to you guys. A whole bunch. So today's episode is going to be a reading on something that's been in the news a little bit more recently, which is sort of the rise of China.

### **Speaker 1 -** 00:49

Especially in terms of the rise of China as a competing entity to the United States. We all know about the TikTok ban and of course, it was reversed, and we all know about at this point, I'm assuming deep seek and China's forays into the AI world, which are putting the United States.

### **Speaker 1 -** 01:10

I world into shame. And yeah, so I figured I would talk a little bit about that before we have some actual experts come onto the show. I never like to promise anything with interviews because sometimes things fall apart or just don't end up working.

### **Speaker 1 -** 01:29

But I am talking to Jason Hickel right now about potentially coming on to the show to just talk China, and he has a research paper that recently came out, but also just more broadly to Jason actually has quite a bit of knowledge when it comes to Chinese political economy.

### **Speaker 1 -** 01:48

And so I think he would be a great guest to just sort of pick his brain about some of the recent developments and also ask him some bigger questions, like, is China capitalist? Is China imperialist? That kind of thing. And then I'm also waiting for publisher of the books to send me the media copies.

### **Speaker 1 -** 02:07

But Kenneth Hammond. Is going to hopefully be on the show as well to talk about a couple of his books on China. He's really great. And if you haven't already, I would check out gorilla. Histories. I think it's like a 4 or 5 part series on China featuring him.

### **Speaker 1 -** 02:23

He's incredible. So we're really looking forward to that. So yeah, we're making, you know, this year is going to be featuring a lot of episodes looking at China. So I'm very excited about that. And I'm also looking forward to reading this piece, which shout out to Luke on Blue Sky.

### **Speaker 1 -** 02:41

Who actually recommended this to me. And I skimmed it. I haven't read the whole thing. Yet. I like to do readings cold here sometimes. I think it adds more to it, but yeah, we're going to be reading a piece that is titled How Communism is Outcompeting Capitalism.

### **Speaker 1 -** 02:59

And I'm probably going to take a few breaks just to give my voice a rest as we go through this. But this is by a blogger. I believe, named Indrajit Samarajiva, and he's a writer. Known, I guess, as Indrajit or indie or Jeet or sometimes even indica.

### **Speaker 1 -** 03:18

According to his website. And so that's that's where this comes from. The website is indica. Indica. So check out his work from this piece, which is the only writing of his that I've even looked at yet.

### **Speaker 1 -** 03:35

He looks like he's got some good analysis, so let's jump right into it. How communism is outcompeting capitalism. Isn't it ironic? Don't you think? Immediately, the Alanis Morissette reference there.

### **Speaker 1 -** 03:52

Um, do with that. What you will a hundred ev companies have bloomed under communism while capitalism subsidises one blowhard making for vehicles and one paperweight. A Start-Up has trained an AI for $5.5 million under communism, while capitalist.

### **Speaker 1 -** 04:13

I requires 500 billion in government support. Every thing capitalists told you about capitalism was just some b\*\*\*\*\*\*\* to sell you more capitalism. Communism is far more innovative than capitalism.

### **Speaker 1 -** 04:29

They do more with less. And for better purpose. And just write off the bat. That's a great opening paragraph. I couldn't agree more with this analysis. Already, and I'm looking forward to seeing what else I'm going to call him. Indica.

### **Speaker 1 -** 04:44

Because he has many names. What else? Indica. Would like to say about communism and capitalism in China. So this subsection is titled Long, possibly unnecessary. Historical digression. The great technical power of communism was actually known from the jump.

### **Speaker 1 -** 05:04

Russia and China industrialised within one generation. No nations ever developed faster or more, an economic miracle. Pointedly ignored by most Western economists because communism bad shut the f\*\*\* up.

### **Speaker 1 -** 05:21

Uh, that's an italics, uh, communism bad, Stfu. The productive capacity of communism was discredited because the whole thing seemed to fall with the end of the Soviet Union, but that wasn't all as G.

### **Speaker 1 -** 05:37

Jinping said in 2018. Quote, historical development is never straight. But full of twists and turns in the late 1980s and early 1990s, the collapse of the Soviet Union, the fall of the Communist Party of the Soviet Union, and the dramatic changes in Eastern Europe not only led to the disappearance of the first socialist countries and the socialist countries in Eastern Europe, but also brought a serious impact on the vast number of developing countries that aspire to socialism and many of them were forced to take the path of copying the Western system.

### **Speaker 1 -** 06:17

Socialism in the world has suffered a serious setback as the saying goes. Quote, all flowers are scarce for a while. I have talked about the journey of socialism from empty thinking to science, from theory to practice, from one country to many countries.

### **Speaker 1 -** 06:35

It is worth studying in depth. History always evolves according to its own logic. The great success of socialism with Chinese characteristics in China. Shows that socialism has not perished.

### **Speaker 1 -** 06:50

Nor will it perish, and that it is flourishing with vitality and vigour. The success of scientific socialism in China is of great significance to Marxism and scientific socialism, and to socialism in the world.

### **Speaker 1 -** 07:06

It is conceivable that if socialism had not achieved the success in China today, if the leadership of the Chinese Communist Party and our socialist system had also collapsed in the domino change of the collapse of the Soviet Union, the fall of the Soviet Communist Party and the dramatic changes in eastern Europe.

### **Speaker 1 -** 07:25

Or had failed for any other reasons than the practice of socialism might again have to wander in the darkness for a long time and again, as a ghost. As Mark said, wandering in the world. And that's the end of the quote by Zhi and that's a really beautiful quote.

### **Speaker 1 -** 07:45

I have to admit, I haven't read any of XI Jinping's writings, and he can write, and I definitely agree. And it's a very interesting take, because we talk a lot about the collapse of the Soviet Union. Is this great tragedy, right? Because the Soviet Union, among so many other things that it brought, it was a really important counterbalance to the capitalist world and to the West.

### **Speaker 1 -** 08:08

And we saw with the collapse of the Soviet Union in the 90s. Just it ushered in this era that we're still in the era of neoliberalism, the era of hyper imperialism, as the tricontinental Institute for Social Research has called it. And this sort of unabashed and unabated violent aggression by the West as it spread its tentacles all over the world.

### **Speaker 1 -** 08:32

But China. China is a light in that, right. It's an island, and it's an ever growing island connected to other islands. And with the rise of BRICs and the rise of the sort of re-imagining of the alignments in the world. We're seeing the beginning of states standing up to Western imperialism and Western hegemony in a way that we would not have seen if China wasn't around.

### **Speaker 1 -** 08:55

Right. And so say whatever you will about whether or not Chinese socialism. Is imperialist, it's not. Or whether its capitalist, it's not. But you can't deny that if it wasn't for China, the counterbalance that is put on Western imperialism, even if it's still not as strong as we would like it to be, that counterbalance would not exist and God only f\*\*\*\*\*\* knows how much worse the global situation would be.

### **Speaker 1 -** 09:23

Okay, so that's the end of the XI Jinping quote. Within this piece. Coming back to the piece now. Luckily for the world, China was decoupling its model from the Soviet model before the Soviets fell.

### **Speaker 1 -** 09:39

And evolved something quite different. And more robust as Xu Muqiao said at a world Bank conference in 1982 and in parentheses. All of this is via how China escaped shock therapy by Isabella m Weber.

### **Speaker 1 -** 09:55

Read it. It's excellent. And the parentheses and into the quote that is being presented, she closed his speech by reminding the audience that China had learned a painful lesson when it copied the Soviet model. This mistake could not be repeated.

### **Speaker 1 -** 10:12

No change in abstract principles was needed. According to Xu, for the key question was how to reform in practice. China would not pursue indiscriminate or wholesale copying, but it would take the best from each country and find its own way.

### **Speaker 1 -** 10:29

Arthur, the chief Chinese insight was that the problem required Chinese insight. Chinese communism was branded socialism with Chinese characteristics. And with this highly experimental and adaptive economic system, Deng Xiaoping took China to market without selling off the whole hog.

### **Speaker 1 -** 10:51

So just jumping in real quick here. So if you're not familiar, Deng was the leader of the PRC from 1978 to 1989, and he is very well known for this reformist period of like, opening China up to a market economy.

### **Speaker 1 -** 11:10

Some on the left hate him because they think that he betrayed communism and quote, turned China capitalist. Others on the left, such as myself, understand that Deng and his reforms and opening up China was a lesson learned from the decline of the Soviet Union and that in order for China to exist within the capitalist world, they had to play the capitalist game.

### **Speaker 1 -** 11:38

They had to make sure that they weren't going up against the incredibly powerful United States one on one, like the Soviet Union did. And then ultimately to get crushed by the United States. And so the Dengist reforms, they it understood the global situation and the concrete conditions under which Chinese socialism had to survive.

### **Speaker 1 -** 12:00

And it had a a long term view of building up the productive forces in China to a point where eventually they would outcompete the United States and eventually they could stand up, face to face against the United States, which it's working.

### **Speaker 1 -** 12:17

We're seeing that now. We're seeing the the I don't know if you could call it the endgame, but part of this process, play out. Very, very much in real time. You know, as we see China's economy continue to grow and by some estimates, it's already a third larger than the US's economy.

### **Speaker 1 -** 12:38

And China continues to gain more and more trading partners as the US falls more and more into this, like insecure form of protectionism. And we're already seeing all of these shifts, all of these different states begin to align with China.

### **Speaker 1 -** 12:53

The BRICs countries and they're talking about. De-dollarization and all sorts of other really interesting global implications to this long strategy of Deng and like I said, it's playing out now. And so that's just kind of my take on it.

### **Speaker 1 -** 13:10

I'm going to get much more into this stuff with experts. This year. So we can look forward to that. But for now, that's my take on it. And so let's get back to the piece here. Uncle Deng predicted the trajectory quite presciently in 1987.

### **Speaker 1 -** 13:28

In People's Daily Poverty is not socialism. We must support socialism, but we must move ahead in building a socialism, which is truly superior to capitalism. We must rid ourselves of the socialism of poverty.

### **Speaker 1 -** 13:45

Although everyone now says we are creating socialism, it is only in the middle of the next century when we have reached the level of the moderately developed countries that we will be able to say with assurance that socialism is really superior to capitalism, and that we are really building socialism.

### **Speaker 1 -** 14:03

End quote. If anything. Uncle Deng was being conservative where only a quarter through the New century and China. Already has higher life expectancy and living standards than capitalist America. The only thing that America leads on is GDP, which measures its corruption debt.

### **Speaker 1 -** 14:24

Health fraud and constant self-stimulation as positives, which they are not in real economic terms like PGP and just a quick aside here. PGP stands for purchasing Power parity and it's essentially just an analysis metric that compares economic productivity and standards of living between countries.

### **Speaker 1 -** 14:47

So in real terms like PGP. Which is a superior metric than GDP, because GDP just measures growth and the growth that it measures can actually be directly antagonistic to well-being of the population.

### **Speaker 1 -** 15:03

In real economic terms like PGP. China. Already tops America and doesnt prioritise such blunt measures itself, preferring to look for high quality growth than just making abstract numbers go up as you can see, Chinese socialism is pragmatic more than programmatic, as Deng said in a 1962.

### **Speaker 1 -** 15:26

Speech, which p\*\*\*\*\* Mao off. When talking about fighting battles, Comrade Liu Bocheng often quotes a Sichuan proverb. Quote it does not matter if it is a. Yellow cat or a black cat, as long as it catches mice.

### **Speaker 1 -** 15:42

End quote. The reason we defeated Shanghai shek and just a quick aside here. If you don't know who Chiang Kai shek. Is, he was the leader of the sort of the counter-revolutionaries or the other side of the Chinese Civil War.

### **Speaker 1 -** 15:57

And they were beaten by the Chinese Communist Party in 1949, which led to the People's Republic of China. Emerging out of that battle. And him and his followers and that side of things, the counter-revolutionaries.

### **Speaker 1 -** 16:13

Fled to Taiwan and he was actually considered the legitimate head of China by the United Nations until 1971. So the reason we defeated Chiang Kai shek is that we did not always fight in the conventional way.

### **Speaker 1 -** 16:29

Our sole aim is to win by taking advantage of, given conditions. If we want to restore agricultural production, we must also take advantage of actual conditions. That is to say, we should not stick to a fixed mode of relations of production, but adopt whatever mode can help mobilise the masses.

### **Speaker 1 -** 16:49

Initiative. At present, it looks as though neither industry nor agriculture can advance without first taking one step back And so that's actually a really, really interesting quote. And I can't help but think of another passage that I just came across again.

### **Speaker 1 -** 17:10

And I know I referenced this book all the time. I'm still reading it. It's an incredible book. Talks. Lawson. You guys know I did the intro as a reading, and then we also had him on to talk about historical materialism. He's going to be back on again at some point to discuss this book as I slowly make my way through it, I'm reading it along with a whole other bunch of books.

### **Speaker 1 -** 17:31

So this is kind of what I'm I get to read a few pages here, and there, but I came across this passage and it's from an article by Lenin. That he wrote called on Ascending a High Mountain. The Harm of Despondency. The Utility of Trade, attitude towards the Mensheviks, etc..

### **Speaker 1 -** 17:50

Published in 1922. And this was during the period where the New Economic Policy was being introduced into the Soviet Union. Very early on in the Soviet Union's history, pretty much, you know, just five years or so after the Bolshevik Revolution is when this was written and when the Bolshevik Party decided that it was crucial to introduce market elements into the Soviet economy because the economy had just been shattered by civil war, by counter-revolution, and by the Great War or World War One, and so they decided as a party, that they needed to introduce capitalism.

### **Speaker 1 -** 18:32

Back into the Soviet Union as a way to bring the country out of poverty. And they did this in a way that, you know, it wasn't like there were reintroducing capitalism into the entire economy. They just reintroduced certain elements of capitalism, just to jump start the economy.

### **Speaker 1 -** 18:50

And this. This passage in this peace by Lenin reminds me a lot of what we just read by Deng. So it's a little bit of a longer quote, but I think you'll get a lot out of it. It's really interesting. So on ascending a high mountain and this passage goes, let us picture to ourselves a man ascending a very high, steep and hitherto unexplored mountain.

### **Speaker 1 -** 19:13

Let us assume that he has overcome unprecedented difficulties and dangers, and has succeeded in reaching a much higher point than any of his predecessors. But still has not reached the summit. He finds himself in a position where it is not only difficult and dangerous to proceed in the direction and along the path, he is chosen, but positively impossible.

### **Speaker 1 -** 19:37

He is forced to turn back, descend, seek another path longer, perhaps, but one that will enable him to reach the summit. The descent from the height that no one before him had reached proves perhaps to be more dangerous and difficult for our imaginary traveller than the ascent.

### **Speaker 1 -** 19:56

It is easier to slip it is not so easy to choose a foothold. There is not that exhilaration that one feels in going upwards straight to the goal, etc.. Russia's proletariat rose to a gigantic height in its revolution, but not only when it is compared with 1789 and 1793, but also when it is compared with 1871.

### **Speaker 1 -** 20:21

We accomplished the task of getting out of the most reactionary imperialist war in a revolutionary way. We have created a Soviet type of state, and by that we have. Ushered in a new era in world history. The era of the political rule of the proletariat, which is too, supersede the era of bourgeois rule.

### **Speaker 1 -** 20:40

Nobody can deprive us of this either. Although the Soviet type of state will have the finishing. Touches put to it only with the aid of the practical experience of the working class of several countries. But we have not finished building even the foundation of socialist economy and the hostile powers of moribund capitalism can still deprive us of that.

### **Speaker 1 -** 21:02

We must clearly appreciate this and frankly admit it, for there is nothing more dangerous than illusions and vertigo, particularly at high altitudes. And there is absolutely nothing terrible, nothing that should give. Legitimate grounds for the slightest despondency in admitting this bitter truth.

### **Speaker 1 -** 21:20

For we have always urged and reiterated the elementary truth of Marxism, that the joint efforts of the workers of several advanced countries are needed for the victory of socialism. We are alone in a backward country, a country that was ruined.

### **Speaker 1 -** 21:36

More than others. But we have accomplished a great deal more than that. We have preserved intact the army of the revolutionary proletarian forces. We have preserved its manoeuvring ability. We have kept clear heads and can soberly calculate where, when, and how far to retreat in order to leap further forward.

### **Speaker 1 -** 21:57

Where, when, and how to set to work, to alter what has remained unfinished. Those communists are doomed. Who imagine that it is possible to finish such an epic making undertaking as completing the foundation of socialist economy, particularly in a small peasant country, without making mistakes, without retreats, without numerous alterations to what is unfinished or wrongly done.

### **Speaker 1 -** 22:23

Communists who have no illusions, who do not give way to despondency, and who preserve their strength and flexibility to begin the beginning over and over again in approaching an extremely difficult task, are not. Doomed. And in all probability will not perish.

### **Speaker 1 -** 22:41

Aethes. And so this was Lenin talking to other communists and socialists about why they decided to reintroduce capitalist elements into Soviet society as a defence of that. And he's basically saying in order to move forward.

### **Speaker 1 -** 22:58

Sometimes you have to take steps back, especially if you make mistakes or especially if you are in a situation that is like the situation that the Soviet Union and China. Exist in, which is a world dominated by Western capital, which is willing to do whatever the f\*\*\* it takes to crush you.

### **Speaker 1 -** 23:15

Right? And so I thought that passage was very related and very interesting and let us now get back to this essay. And I'm picking up after the quote by Deng ends China, of course, had to lay a Maoist foundation to industrialise in the first place.

### **Speaker 1 -** 23:36

But what to do with that industrial base was the problem in the 1990s? Many post-communist countries through themselves on the tender mercies of capitalism, feeding socialism to the market and saw the steepest declines in quality of life outside of wartime China had a different idea, which was markets within socialism.

### **Speaker 1 -** 23:58

Why not? As Uncle Deng said in 1984? Quote, it is wrong. To maintain that a market economy exists only in capitalist society, and that there is only a quote, capitalist market economy. Why can't we develop a market economy under socialism?

### **Speaker 1 -** 24:16

Developing a market economy does not mean practising capitalism while maintaining a planned economy. As the mainstay of our economic system. We are also introducing a market economy, but it is a socialist market economy and quote.

### **Speaker 1 -** 24:33

And here I just really think it's important to bring up the formula in capital, volume one that Marx sets out to sort of define capitalism. So a regular market transaction is you start with a commodity, you trade it for money, and then you end with another commodity.

### **Speaker 1 -** 24:51

So that is like a market transaction. I start with ten yards of linen. I trade that for ten bucks. And then I spend that ten bucks on wheat. So that I can eat something like that. Right. Capitalism flips that in a capitalist economy the way that transactions are done.

### **Speaker 1 -** 25:10

The way the value is created, all of it is flipped. You start with m, you start with money. Not with a commodity. Not with C. So instead of commodity, M, commodity, it goes money, commodity money m you start with money.

### **Speaker 1 -** 25:29

You use that money to purchase a commodity and then through extracting surplus value from labour, you create surplus value through that process. And then you end up with M. Prime, which is an increase in money. So it goes m-c-m and so a lot of the times when people talk about capitalism being markets, that's incorrect.

### **Speaker 1 -** 25:52

Capitalism does not equal markets. Markets are a component within capitalism. But markets have existed far before capitalism. And they always worked as CMC commodities traded for money, which are then traded for other commodities.

### **Speaker 1 -** 26:08

The great invention of capitalism was to go from that form to money being traded for commodities and then you leave the marketplace with M Prime, which is an increase in your money, which is how capital is generated. So just a quick, uh, just a quick 101 from capital volume one.

### **Speaker 1 -** 26:28

And we're actually going to have an entire episode on political economy on Marxist political economy, and on how capitalism works with David Smith, who wrote the excellent book Marx's Capital, illustrated.

### **Speaker 1 -** 26:46

So we're going to do like a 101 on capital Volume one. A very accessible way of presenting a very crucial text. And so that's coming up soon. But yeah, that MCM versus CMC very important thing to make note of when we talk about market economies, when we talk about markets and socialism, markets and capitalism, etc..

### **Speaker 1 -** 27:07

All right. Let's get back to it. Indeed, people have had markets under every type of economic system. The market TM is not something unique to capitalism. That's just marketing. As Zhang Zemin described socialism with Chinese characteristics in 1992.

### **Speaker 1 -** 27:25

Quote, whether the emphasis was on planning or on market regulation was not the essential distinction between socialism and capitalism, this brilliant thesis has helped free us from the restrictive notion that the planned economy and the market economy belong to basically different social systems, thus bringing about a great breakthrough in our understanding of the relation between planning and market regulation.

### **Speaker 1 -** 27:51

End quote. This is all historical background that leads to the situation we see now where. Chinese socialism clearly outcompetes Western capitalism as Uncle Deng foresaw So we're at a point where the modern general secretary can take a look back and take a bit of a victory lap.

### **Speaker 1 -** 28:10

China's success proves that socialism is not dead. It is thriving. Just look. And here we come to the subsection EVs. Electric vehicles. Take cars for example. The most obvious vehicle for conveying national power, the Tesla, was an innovation when it started, but now they're just releasing for models and some toy trucks that brick, if you wash them, it's honestly dystopian.

### **Speaker 1 -** 28:39

If you want to buy a pure EV from a pure EV company in America. You can just buy an S, X, or Y, or barely usable Cybertruck. Meanwhile, in China. BYD alone sells. Over 40 models, and there are hundreds of what they call Nev companies engaged in ruthless competition China.

### **Speaker 1 -** 29:01

The Communist country preserves the rational spirit of capitalism, while America. The capitalist country, subsidises one clown car. What the f\*\*\* is going on? It's almost as if the propaganda were b\*\*\*\*\*\*\* and communism actually works.

### **Speaker 1 -** 29:16

Now, just as a quick aside, here, I do want to point out that moving completely to EVs is not a sustainable way to avoid what we are trying to avoid by moving away from combustion engines. Right. And again, even in that front, China beats the s\*\*\* out of the United States in development of its infrastructure.

### **Speaker 1 -** 29:38

And like all of the trains, the high speed trains and the public transportation that exists in China is incredible. And it puts us to shame. And so if you were thinking, which I was, that like. EVs are not the way to mitigate or avoid climate catastrophe and that all the minerals that go through, like if we were to try to completely electrify our entire fleet of vehicles in the United States, like there's not enough precious metal in the world to be able to do that.

### **Speaker 1 -** 30:10

So I think that's very important thing to keep in mind when we talk about EVs and yet even when we do bring up that critique of EVs. We have China building out a superior public transportation infrastructure, which is almost like impossible to even imagine having in the United States.

### **Speaker 1 -** 30:29

Okay, let's get back to it. The core difference between communism and capitalism is not what they're are. Markets under communism and state intervention under capitalism. But for whom cui bono? The names communism and capitalism.

### **Speaker 1 -** 30:46

Tell you all. You need to know under communism, the community is most important. Where under capitalism it's capital. The difference between communism and capitalism is not that hard to understand. Etymology is enough democracy.

### **Speaker 1 -** 31:02

TM and human rights. Copyright are just marketing taglines. Capitalism. Uses to obscure the obvious that it's rule by capital above all, the problem is that capital is not actually very good at allocating capital as biggie said, one should never get high on one's own supply, which American capitalism has been doing since the massive deregulation of the 1980s, which is now uniparty policy.

### **Speaker 1 -** 31:30

Congress is just an insider trading club now. Stock buybacks b\*\*\*\*\*\*\*. Valuations, pump and dumps. So big the government bails you out. The core question as always, is for whom? Communism allocates resources for some common purpose.

### **Speaker 1 -** 31:48

Socialism for social purpose. Or Islam for God, who is surely the best planner. That was very random. Uh, many economic systems are possible. Depending on for whom capitalism is marketed as.

### **Speaker 1 -** 32:06

Some all purpose. Solution for general good, but it's not. It's just for increasing capital as it says on the tin Capitalism is not a system for governance. So much as a system for dismantling governance for its own metabolic needs.

### **Speaker 1 -** 32:23

In short, a cancer, communism or any ism that isn't centred around money is capable of allocating capital for a different purpose beyond just reproducing capital like reproducing humans and theoretically reproducing nature and not killing us all.

### **Speaker 1 -** 32:43

There are many different directions possible if you direct your economy towards something rather than just growing your economy. That is circular logic that divides by zero. At some point you cannot have infinite growth on a finite planet.

### **Speaker 1 -** 32:59

Communist industrialisation, of course, leads to the heat death of life on Earth as much as capitalist industrialisation. But there is at least the concept of a shared community, which might include all living things rather than share capital. Above all, things, I'm using purely theoretically here.

### **Speaker 1 -** 33:17

If Communist liberation movements there has never been a capitalist liberation front. Had not been brutally suppressed across the world last century, we might have had a fighting chance to stop climate collapse and resource exhaustion by the 1970s, when it was possible.

### **Speaker 1 -** 33:34

There is at least the theoretical concept of a break within communism. Whereas under capitalism it's all accelerator. And just a quick aside to sort of build off of that point that he was talking about in terms of, you know, if we had not brutally suppressed revolutionary movements throughout the last century.

### **Speaker 1 -** 33:57

Having a fighting chance at stopping climate collapse. There was this period in the 1970s where we were about to actually make climate change seriously. And then they refer it to it as this, like lost Decade, when, um, there was a counterattack by capital and they transformed climate change into what we know now At first, you know, into denying it into suppressing it and to calling it a hoax.

### **Speaker 1 -** 34:20

And all of the above. And we lost a really crucial period of time where we could have made a huge impact and potentially have avoided hitting the 1.5 degree Celcius. Average warming, which it looks like we might have already hit 2024, was above 1.5.

### **Speaker 1 -** 34:41

Now, that's not an average, but that is the start of what could be an average, which is terrifying. And just to go back, I mean, the more you read about it, the more in f\*\*\*\*\*\* insane it becomes. How clear it is, how much the United States and the Imperial bloc that it leads destroyed revolutionary movements, revolutionary countries around the globe, which as indica here is mentioning, would have presented a chance.

### **Speaker 1 -** 35:11

A fighting chance. If the decisions were made communally, people would not be deciding to destroy the world, destroy where they live. People would not be deciding to do that. Collectively. If these revolutionary communist movements and states had been allowed to survive and thrive.

### **Speaker 1 -** 35:29

God knows where we would be now. But there is no equivalence when it comes to climactic and planetary impacts between capitalism and communism. As we see China is already outpacing the United States in terms of green technology and in terms of building out things like I'd mentioned, like public transportation infrastructure, etc..

### **Speaker 1 -** 35:55

The United States, which is the leader of global capitalism, is backsliding. Even though the global forces are pushing the world more and more just in a practical sense towards the development of renewable technology, the United States, because of the capitalist relations that we are so stuck under here, is fighting against the development of those forces of production, and that is why it is destined to fail.

### **Speaker 1 -** 36:21

The question is, is it going to take the whole world down with it, the whole planet before it is stopped and before there is a revolution which overthrows the capitalist relations of production and replaces them with something better. That is the defining question of the rest of this century.

### **Speaker 1 -** 36:40

All right, let's get back to it. This is the core reason communism makes better cars and artificial incarnations today. China produces cheap, functional EVs and not luxury virtue signalling devices and just as a quick aside, it is nothing but horrifically funny that Tesla is now symbolise Nazism.

### **Speaker 1 -** 37:04

You know, it's very funny that a lot of these cars are driven by liberals at least where I used to sort of live, you know, in the Bay area Teslas were absolutely 1,000% of virtue signalling device for liberals.

### **Speaker 1 -** 37:20

And now they're stuck with these horrible cars that only symbolise white supremacy and Nazism. Very f\*\*\*\*\*\* ironic. All right. Back to it. China produces cheap, efficient. I and not luxury investment vehicles.

### **Speaker 1 -** 37:36

Communism has a reason behind production. While capitalism is just irrational. Growth for growth's sake. I.e. cancer. None of this will save the world. It's too late. But we can at least say I knew it to machines that don't care why we're tooling along the highway to hell.

### **Speaker 1 -** 37:55

Subsection I. Now take. I another vehicle for conveying national power, which also destroys the natural world. Conversational AI was the last place where Western capitalism could be said to work I was like the quarterback of the tech industry, the last place a white man could lead.

### **Speaker 1 -** 38:18

But now that. Lead has been obliterated by deep seek at the same time, the US government was announcing a 500 billion oligarchy investment in open and so just to really quick and fun aside here so OpenAI that's Sam Altman's company.

### **Speaker 1 -** 38:38

Sam Altman is the CEO of OpenAI and he donated OpenAI donated $1 million to Trump's inauguration and then the Trump administration just turned around and announced its going to invest $500 billion into this dumb.

### **Speaker 1 -** 38:57

Private joint venture called Stargate, which is backed by you guessed it. Sam Altman's OpenAI and a few other companies. So that's a really just a really beautiful it's just funny, right? Because these same people will call out Chinese corruption or like corruption and communism or whatever.

### **Speaker 1 -** 39:17

And it's like, give me a f\*\*\*\*\*\* break. Like, this is the most quid pro quo. Handing f\*\*\*\*\*\* bags of with dollar signs back and forth between politicians and CEOs kind of s\*\*\*. You could think of. But anyways, let's get back to it. At the same time, the US government was announcing a $500 billion oligarchy investment in OpenAI deep seek released a comparable model that had been trained on $5.5 million under communism, a private entrepreneur came up with deep seek out of pocket while under capitalism, the president had to stand.

### **Speaker 1 -** 39:53

Next to Sam Altman, holding his hand. What's going on here? The problem again is that capital is not very good at allocating capital. It will just give the money to itself. This is another digression, but at a very high level, Jamie Merchant describes how, quote, traditionally some form of planned economy is taken to be the alternative to market institutions.

### **Speaker 1 -** 40:17

But there is not much planning happening here. Rather, this is something new. The abolition of the market without planning what merchant means by the quote, abolition of the market is important. Amerika. Effectively arrived on central planning without planning a cartel of banks.

### **Speaker 1 -** 40:36

Just moves interest rates around and the government gives them free money to do it. It's all centrally controlled, but without a brainwave among them. As merchant continues as the premier. Capitalist country, the US essentially takes on the mounting costs of reproducing the deteriorating conditions for global capitalist production, which show up as an exploding fed balance sheet on national debt at the same time, the expansion of governance into private finance and finance into government erodes the basis for the markets competitive function.

### **Speaker 1 -** 41:13

The further this dynamic progresses, the more the scope for the market shrinks. The more the market shrinks, the less profitable private production, becomes relative to the revenues to be collected through finance. The less profitable private production. Becomes, the more the accumulation of capital is exhausted, requiring ever more drastic state intervention.

### **Speaker 1 -** 41:35

Just to keep its heart. Going, which further erodes the basis for the market. Traditionally, some form of planned economy is taken to be the alternative to market institutions, but there is not much planning happening here. Rather, this is something new.

### **Speaker 1 -** 41:51

The abolition of the market without planning what merchant is describing is the fact that America, in 2008 bailed out the big banks without making equity stakes, i.e nationalising them. It did the same thing.

### **Speaker 1 -** 42:07

To the big car companies. The market said these companies were dead, but the US government just said no and kept them going. The creative destruction of the market was abolished i.e. the market was abolished without planning the US government was just reacting to crises.

### **Speaker 1 -** 42:23

But ended up creating a conundrum that they can't get out of their hole. Economy is a giant Ponzi scheme and there is no reverse Ponzi in this oligarchic system. The only purpose is make line go up to keep the high going as long as possible.

### **Speaker 1 -** 42:40

In that sense, having a product that works well and cheaply is a terrible comedown. It lowers profits, which are increasingly irrelevant and worst of all, lower spending. As merchant continues the asset management firms Blackrock, Vanguard and State Street Advisors are the largest single shareholders in nine out of ten companies on the S&P 500, an average owning more than 20% of the shares of every company on the index.

### **Speaker 1 -** 43:11

So it is naturally in their interest to discourage any competition that could lower profits in this capitalist context. What is the purpose of a $5.5 million? I system? What is its value for those for whom the opening bell tolls?

### **Speaker 1 -** 43:29

Why would any capitalist want such a thing? When we've got this $500 billion hustle? Going on, offering cheaper, more efficient anything to bankers is like offering them a hand towel in the nightclub. Bathroom that's not what they're in there for.

### **Speaker 1 -** 43:45

At work or play. They're. Trying to make that line go up as fast and furiously as possible. As Matthew McConaughey says in Wolf of Wall Street, quote

### **Speaker 2 -** 43:57

If you gave me Fugazi. It's a a woozy. It's a fairy

### **Speaker 3 -** 44:01

Dust. It doesn't exist. It's never landed. It is. No matter. It's not on the elemental chart. It's not f\*\*\*\*\*\* real. Right? All right. Right. Stay with me. We don't create s\*\*\*. We don't build anything. No. So if you got a client who bought stock at eight and it now sits at 16 and he's all f\*\*\*\*\*\* happy, he wants to cash in, liquidate, take his f\*\*\*\*\*\* money and run home.

### **Speaker 3 -** 44:24

You don't let him do that. Okay? Because that would make it real. Right? No. What do you do? You get another brilliant idea. A special idea, another situation, another stock to reinvest his earnings. And then some. And he will. Every single time.

### **Speaker 3 -** 44:40

Because they're f\*\*\*\*\*\* addicted. And then you just keep doing this again. And again and again. Meanwhile, he thinks he's getting s\*\*\* rich, which he is on paper. But you and me, the brokers. We're taking home cold, hard cash. Via commission, m\*\*\*\*\*\*\*\*\*\*\*.

### **Speaker 4 -** 44:57

Right? That's incredible. Sir, I'm. I can't tell you how excited I am. You should be

### **Speaker 1 -** 45:04

End quote. I was the golden goose that VR was supposed to be. And it made Nvidia's line go up. Nvidia is the chip manufacturing company. Nvidia's line go up and the quote magnificent seven crowded into the bathroom stall to get high as f\*\*\*.

### **Speaker 1 -** 45:21

The more GPUs and energy and water these products consumed, the better. I was a magical product with, frankly, mythical benefits that had people lining up to throw money at it. This was the value of I in the capitalist system, not.

### **Speaker 1 -** 45:37

AI. Itself. Again, remember that capitalism perceives no human need, but greed. It doesn't care what the product does. How much energy and water it burns as long as it makes line go up, be it in the nose or news and so just a quick aside here, I'm seeing why, um, Luke on on blue sky recommended this piece to me because he said it reminds him of a tweet or I guess a blue sky tweet or whatever.

### **Speaker 1 -** 46:08

We're calling them that I wrote, which is, quote, our ruling class is livid at China for exposing their entire system of, quote, free enterprise as a rotting pyramid scheme run by coked up psychopaths who are estranged from their children. There are a lot of parallels there from the pyramid scheme to the Coke.

### **Speaker 1 -** 46:28

Okay, back to the piece. But now with China, they're facing a quote, competitor and in parentheses he writes everyone besides America is happy to work together and parentheses. A competitor that upends their main hustle with a side project.

### **Speaker 1 -** 46:47

Deep seek was a side project of some financial quants algorithmic traders with a dream of some spare GPU capacity, conversational AI is a side project in China which has a real economy building real things, and where I is primarily used for boring business cases, not idle chatting and so deep seek is released.

### **Speaker 1 -** 47:11

Open wait effectively open source because they don't give a s\*\*\* as deep Seek CEO said in the face of disruptive technology. A closed sourced moat is temporary. Even OpenAI's closed source approach hasn't stopped others from catching up.

### **Speaker 1 -** 47:29

Our value lies in our team, which grows and accumulates no how through this process, building an organisation and culture that can consistently innovate is our real moat open sourcing and publishing papers don't mean we lose anything for technologists being followed is an achievement.

### **Speaker 1 -** 47:48

Open sourcing is more of a cultural act than a commercial one. Giving is a form of honour and it attracts talent by fostering a unique culture. End quote. Can you f\*\*\*\*\*\* imagine a US CEO ever saying anything like that?

### **Speaker 1 -** 48:04

I sure as hell can't. OpenAI is just a branding term, but deep seek is actually doing it Nobody's trying or able to become some rentier oligarch in China. They already collectively own the means of production through the communist Party.

### **Speaker 1 -** 48:21

People can certainly get rich, but China's target is, quote, moderate prosperity and, quote, high. Quality growth. Not f\*\*\* off. Money and growth at all costs. This leads to very different products. It's actually a completely different culture.

### **Speaker 1 -** 48:37

And the final subsection here is titled isn't it ironic as Alanis Morissette said, isn't it ironic, don't you think Capitalism was supposed to be this great engine of ingenuity, but it's congealed into monopolisation corruption, massive waste and pump and dumps communism was tarred as the death of individual initiative.

### **Speaker 1 -** 49:01

But they've got hedge fund guys doing game changing. I a side projects. Note that I don't mean conversational AI. Itself is game changing. I mean that deep seek exposes the shell game. American. AI companies and chip makers were playing.

### **Speaker 1 -** 49:18

I haven't even gotten into how China outcompeted America on social media and basically every domain they care about. And the domains they don't care about, like health, housing, education and actual human needs. If you read even thinly into the history of these economic systems, it's not that hard to explain.

### **Speaker 1 -** 49:38

Communism has a purpose beyond profit. And the economy can be directed for some human or ideally natural purposes. Capitalism has no purpose beyond profit, and just degenerates into fraud. These systems are not the same.

### **Speaker 1 -** 49:55

Capitalism is worse All right. And so that's the piece. Great piece. How communism is outcompeting capitalism at Indy Indica. And that is Indrajit Samarajiva's blog.

### **Speaker 1 -** 50:12

And yeah, I really like this essay. I would definitely check out more of his pieces and I'm going to leave it there for today because I don't have much more to add. And stay tuned for a lot more on China. Maybe as soon as next month we might have Jason Hickel on, and then again, Kenneth Hammond, who will walk us through a lot more of the history of China and the Chinese Communist revolution, etc..

### **Speaker 1 -** 50:37

So yeah, hope you enjoyed the essay. Hope you enjoyed the reading of it. And I will be back in two weeks. And I'll see you then. Bye