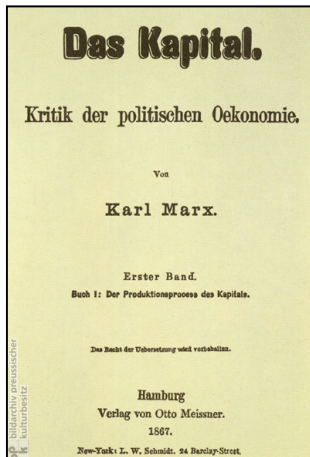


Commentary

Karl Marx's *Capital* revisited

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Rereading Chapter 26 (*The so called original accumulation*) in section VII (*The accumulation process of the capital*) from Karl Marx's *Capital* it became clear to me that his analysis of the historic and economic events that led to the separation between the disposal over the means of production and the disposal over the labour power was characterized by metaphoric notions and rather vague language altogether. It also became clear to me that these pages nevertheless contain a deep insight in the structure of the capitalist system and a kind of basic common sense position. This position is hidden in his analysis from the “child period” of manufacturing industry on to the year 1867, the year in which he finalizes the *Capital*. This position can be seen as a premonition and a foresight of the financial situation of our days and it also opens an insight into the structure of contemporary capitalism.

Marx derives his argument in his analysis first from book II of Adam Smith's *An Inquiry into the nature and causes of the wealth of Nations* where the liberal theoretician treats the “previous accumulation”. But there is only an unclear allusion to Smith's theorem of the nature, accumulation and employment of stock. Marx, all *homo symbolicus*, is overcome subsequently by an economic-theological comparison. This comparison shows not only that Marx puts his “political economy” within the great flow of the tradition of historical ideas; it may also suggest a radical departure from this tradition. Yet the metaphors remain ambiguous. Notionally Marx introduces a term by which he points out the meaning of the separation between means of production and labour that has theological connotations.

This primitive accumulation plays in Political Economy about the same part as the original sin in theology. Adam bit the apple, and thereupon sin fell on the human race. Its origin is supposed to be explained when it is told as an anecdote of the past. In times long gone-by there were two sorts of people; one, the diligent, intelligent, and, above all, frugal elite; the other, lazy rascals, spending their substance, and more, in riotous living. The legend of theological original sin tells us certainly how man came to be condemned to eat his bread in the sweat of his brow; but the history of economic original sin reveals to us that there are people to whom this is by no means essential. (Beginning of Chapter 26)

The separation that creates capital out of money, he continues, must proceed in the following way:

On the one hand (*there are, M.S.*), the owners of money, means of production, means of subsistence, who are eager to increase the sum of values they possess, by buying other people's labour-power; on the other hand, free labourers, the sellers of their own labour-power, and therefore the sellers of labour. (next page)

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Marx continues and he states the systematic change towards the capitalist system in a somewhat dogmatic way:

The capitalist system pre-supposes the complete separation of the labourers from all property in the means by which they can realize their labour. As soon as capitalist production is once on its own legs, it not only maintains this separation, but reproduces it on a continually extending scale. (same page)

Continually extending is the scale in which the capitalist production progresses. There are no setbacks and there is no rupture in the scale of the development of capitalist production.

So far the exposition of Marx. There exist of course craftsmen today who own their means of production. In his book “The Craftsman” Richard Sennett, 2008, deals with this phenomenon and shows clearly that the separation between means of production and labour power is not at all radically realized in our days. Maybe we shall look upon the free-lance home computer labourer as working in the “child period” with his own disposal over means of production and the disposal over his own labour power, working late at night or whenever he pleases to do so. The “extending scale” toward the capitalist system is illustrated by Marx very opulently in the subsequent sections of Chapter 26: The colonial system and state debts, the repressive load of taxes and the commercial wars characterize the rise of the capitalist system from “child period” to “large industry”. He states this development in 1867. Since then the colonial exploitation (through the World Bank), the state debts in their volume, the tax load have all risen “from the sprout of the manufacturing period” or even from 1867 to our late capitalism of today in a gigantic unforeseen measure.

Later on Marx as a prophetic author touches casually the core of the capitalist accumulation process as it emerges in the original accumulation (*ursprüngliche Akkumulation*):

It (*the colonial system, M.S.*) was «the strange God» who perched himself on the altar cheek by jowl with the old Gods of Europe, and one fine day with a shove and a kick overthrew them all. It proclaimed surplus-value making as the sole end and aim of humanity. (page 782)

The finality of all human life was, according to Marx, reduced to surplus-value making, and no other cultural activity was henceforth pursued in the capitalist system. This historical breach was seen by Marx in the most radical way and, of course, this observation is not coherent with the facts of life of the society, not at the time of the division between means of production and labour power, not at the time in which the *Capital* was written (1867), nor in the time thereafter. We know many non-surplus oriented activities in our culture: the arts, the crafts, education, etc.

If this is an exaggeration, there is still another observation of primordial character added to the surplus-value orientation. Our author analysing the “primitive accumulation” has another argument at hand to explain the history of economic politics.

The system of public credit, i.e. of national debts, whose origin we discover in Genoa and Venice as early as the Middle Ages, took possession of Europe generally during the manufacturing period. The colonial system with its maritime trade and commercial wars served as a forcing-house for it. Thus it took root in Holland. National debts, i.e., the alienation of the State – whether despotic, constitutional or republican – marked with its stamp the capitalist era. The only part of the so-called national wealth that actually enters into the collective



possessions of modern peoples is their national debt. Public debts become the Creed of the capital. And the emerging debts of the state stands for the «sin against the Holy Spirit», which cannot be pardoned [...]. (page 783)

A notion with theological implications is used by Marx to illustrate the irrefutability of the obligation to pay back a debt. Yet the metaphor is somewhat problematic. The sin “against the Holy Spirit” is mentioned here. The biblical context of this notion is interesting. The Pharisees accuse Jesus that he wants to exorcize sin by using Belzebub, the super devil. Jesus answers, that he represents the truth and the Holy Spirit and those who oppose the Holy Spirit cannot be pardoned. It is a kind of an oath or curse that is uttered by Jesus against the doubting Pharisees (Mathew 12, 31-32). What does this notion mean when used for characterizing the state debts? First of all the implication of so strong a biblical notion means that Marx wants to state that he is absolutely sure in raising the argument of the state debts and the irrefutability of the obligation to pay them back. Yet since the middle ages the creditors believed that one could consolidate state debts by state credits, by lending out money from the treasury of the state as a stop-gap loan. For Marx that is a breach of the basic principle of logic which is underlined by his recourse to the metaphor of the “sin against the Holy Spirit”. In his argument state debts form only a structural element in the primitive accumulation and not any more in the capitalist system. What he could foresee is that they do play a major role also today in our fully grown industrial societies.

The public debt becomes one of the powerful levers of primitive accumulation. Colonial system, public debts, heavy taxes, protection, commercial wars etc., these children of the true manufacturing period increase gigantically during the infancy of modern industry. (page 783)

Not only do they increase gigantically during the infancy of modern industry as seen in the year 1867, but the “infancy” of the capitalist system lasted until our days and the elements Marx saw in the “child period” are still with us and they are growing into a super-gigantic scale in our days. The basis of the colonial system are for Marx the credit given by the state to the colonial companies, the debt-making by the state in order to provide this credit, the surety warrant or the “bail-out”, as the state debt is euphemistically called today.

The structure of the economic development knows many forms that Marx would put in his systematic approach to history into the “child period”, in the manufacturing phase or into the original primitive accumulation phase. The core of his “political economy” is revealed by this argument, namely that one cannot spend, what hasn't been earned beforehand. If there is a breach against this rule the “scale” of the “capitalist system” emerges “continually”, thereby producing “alienation” which is the “*fall of Man*” or the “*fall of Adam*”.

There are of course many breaches of the obligation to pay back state debts. There is inflation and there are “financial reforms” with the issue of a new currency that make state debts shrink and they have been adopted ever so often in economic history since 1867.

Marx appears in his analysis of the “child period of capitalism” as a surprisingly conservative economic thinker, who holds fast to the principle that one cannot spend, what one hasn't earned beforehand. “*The fall of man*” in times of “*primitive accumulation*” and ever since is a persisting drama which takes place in the breach of this obligation.

