

What is Capitalism?



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poor and artificial “Middle-Classes”. They have been reducing real wages (“purchasing power”) for working people since the Viet Nam War. At the same time, government subsidies for the “Consumer Lifestyle”, used to bribe workers into submission since World War II, have been scaled back and replaced with a lot of corporate propaganda to “Buy American”, “Blame Immigrants”, and promote “Family Values”. Government loans, subsidies, and social programs are being done away with and massive amounts are being spent on the military, police, and prisons. The use of tax monies to buy-off workers has been replaced by government coercion and deception organised by career politicians in the pay and service of the Capitalists. At one time, in the 1960s and 1970s there was a brief period of public resistance. Believing the government worked for them, people organised to lobby against corporate power. This was recognised by the Capitalists. After World War II, they used government power and law to attack organised workers. In the 1980s and 1990s they decided to try to control how people think. Trans-national Capitalist conglomerates have purchased all broadcasting and publishing companies, taken over the funding of public television and radio (to influence their program content), bought off universities with corporate grants, and created their own materials for teaching in the public schools, at the same time as government spending for these things was taken away. They have started “think-tanks” which use pseudo-science, Neo-Liberal economics, and “spin-control” to advocate their agenda; phoney “experts” who are merely paid spokes-people and propagandists. Throughout the 1980s and 1990s this influence has been used to change government regulations in favour of Capitalists, lobby politicians to “privatise” government services (i.e., create “Corporate Welfare” Monopolies), and facilitate the trans-national movement of Capitalist wealth to-and-from Nation-States where Capitalists can more-easily exploit working people, steal resources, and manipulate governments - so-called “Free-Trade”. In industrialised Nation-States like the United States, Capitalist corporations have routinely created massive unemployment by closing workplaces; contracted-out unskilled, skilled and professional work - forcing down wages so that even college-educated workers endure long-work-hours, low-pay-and-benefits, and few prospects; and, forced record numbers of workers into “debt-slavery”, poverty and bankruptcy through predatory credit practices (while they lobby the government to abolish bankruptcy for all but The Rich) - using “Good-Credit” as a measure of obedience to the Capitalist System which can permit a Privileged “Middle-Class” Lifestyle, they hope to deny workers the ability to buy and sell without it and use the power to take it away as a means of Social Control.

TO BE CONTINUED . . .

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By Scott Rittenhouse

A lot of people these days talk about “Capitalism” as if it is anyone who earns money. Nothing could be further from the truth. In fact, the person living “free” at home with their parents, taking “free” money from the Welfare State, or begging for “free” money on the street corner probably has more in common with a REAL Capitalist than most “Wage Slaves” in an honest job. The Capitalist is a parasite who takes money from people who earn it honestly. Wealth can only be produced by applying labour to natural resources to produce something that didn’t exist before. The Capitalist is a thief who takes a part of the value of what a worker produces without producing anything themselves. They take it away from the worker who produces it. Do not be deceived when they try to tell you how hard they scheme to manipulate ‘their’ stocks, collect ‘their’ rents, levy ‘their’ taxes, sell ‘their’ loans and insurance, maximise ‘their’ profits, or manipulate the law. A clever thief is just a bigger parasite! To be skilled at hurting others is not a mark of distinction. It is a badge of shame.

I. Surplus Value

The most common way the Capitalist steals is by the employer-employee relationship. 4/5 of the value of a product or service produced by a worker is taken by bosses (managers who hire-and-fire) who tell workers what to do, but produce nothing, and, “stock-holders” (stock = capital, as in capital-ist) who pool their money on an agreement called “incorporation” to form a company that they “profit” from, but don’t work for. The true value of a worker’s labour is the value received from the sale of products or services they produce (revenue) -minus- the expense of creating the products or services and selling them (rents + materials + cost-of-production + transportation + services). Capitalists pay only part of that value to workers as “wages” and keep the rest (- the “surplus value” -) as “profit.” Capitalists limit who they hire to make sure there are always enough unemployed people so they can coerce those who work for them to give up some of what they produce to avoid going hungry. The work-relationship is a COERCIVE relationship!

II. Rent

Some of the money taken from workers is transferred by the company to a landlord. As the name suggests, “land-lords” originated with the Middle Ages when organised gangs divided the World into “king-doms” where they used violence and murder to control all resources and people in ‘their’ territory. The economic system, called “Feudalism”, worked like the “Mafia” (- la Cosa Nostra was originally designed based on Italy in the Middle Ages and the Roman Empire.) where “lords” were gangsters who were given control over territories in exchange for swearing their loyalty to a gang-leader called a king. It functioned much like a McDonald’s Hamburger Franchise where the “land-lord” paid part of the “take” back to the gang-leader for the privilege of exploiting the people they controlled. The agreement was preserved by being inherited by the oldest male child over successive generations (a woman usually only became queen or “land-lady” if there was no male child who could inherit the agreement). The “land-lord” forced people working land in their territory to pay “protection money” (“rent”) to them in resources, products, or “money” (- “money” was originally a standardised weight of precious metal - its value was based on its barter value for resources, products or other standardised weights of precious metal - different types of “money”). They didn’t do any actual “work” themselves. By the Colonial Era this included building and maintaining housing for the tenants who worked on the land the landlord controlled (called “real estate” or “real property”). As business-owners became landlords, this eventually included many kinds of buildings (apartments, stores, warehouses, etc.) which we are now familiar with. The landlord buys a ‘property’ and takes “rent” money from those who use it. The landlord always spends LESS on the ‘property’ up-keep and maintenance than they take from those who use it so they can get money they didn’t work for (“profit”). Some landlords borrow money to buy the property (see “Usury”, below) and pay the lender from the “rent” money they receive, spending even LESS on the property up-keep and maintenance than they would otherwise, to maximise ‘their’ return. SLUMLORDS are landlords who keep ALL the “rent” money they collect, rent to anybody who will pay, and put no money into keeping up the property. “Constitutions” are written to protect the ‘property’ of landowners and slave-owners and the government always protects ‘property’ more than people. SLUMLORDS are rarely prosecuted and never punished. Under most tax laws, landlords can actually get money by leaving ‘their’ property empty and writing-it-off as a “business loss” on their Tax Returns. This contributes to the shortage of affordable housing for the poor. “Tax subsidies” are another way Capitalists steal from working people who have to pay taxes.

III. Usury

Part of the money taken by landlords (as “rent”) from tenants goes to pay back the property loan (the “mortgage”) and the “interest” on that loan. A “mortgage”, like other loans, is an agreement by which a person or company rents money to others who pay for its use. This payment (this “rent”) is called “interest”. Nothing is produced by the lender who rents their money and money can’t “work” because it isn’t

Class now”, both us and our bosses. This is the “Myth of the One Big Middle-Class”). Workers were induced to think they were “Middle-Class” because they lived in a house and could afford to buy some “consumer products” like home appliances. Capitalists got rich promoting a “consumer lifestyle” and soliciting government contracts. Workers were convinced to go into lifelong debt, give up their right to what they produce, and give up their freedom to criticise the system because they were told that these sacrifices made it possible for them to live like ‘Capitalists’! This was obviously a lie since a Capitalist’s goal is to take as much money as they can in their lifetime. They can’t take money from us if they are actually giving us anything. In truth, the so-called “American Dream” is rented to workers by Capitalists who make a fortune off mortgage payments and other debt payments.

X. The Welfare State

In the 1960s and 1970s the Welfare State reached its peak with subsidies extended to lower-income people to mollify increasing unrest as the gap between rich and poor widened. For several hundred years, persons with non-European ancestors had been barred from equal rights by law so their labour could be exploited at a lower price than that paid to workers with European ancestors. Social unrest grew from the 1950s through the 1970s with concentrations in communities who lived with discrimination. The Welfare State allowed the government to monitor and control the poor in exchange for subsidies. The other side of the Welfare State was the expansion of Corporate Welfare from military spending into food subsidies, import tariffs, and international development funding (whose primary purpose was to enable Capitalists to exploit “Third World” [developing world] workers under the disguise of helping the poor abroad - while, in reality, destroying their self-sufficient economies, stealing their land and natural resources, and trying to make their people dependent on Capitalist products). The Capitalists were able to solicit the support of the coercive apparatus of “Third World” police and military forces (to murder anyone who resisted their exploitation) with the U.S. government sending military aid (weapons or money to buy them from U.S.-supported Capitalists), “Foreign Aid” (bribes to leaders and Capitalists in “Third World” Oligarchies), and U.S. troops (if “requested” - or other propaganda excuse for intervention) to protect their enterprises. With sponsorship, the Capitalists began to move Capital to other countries. By the 1970s, they had accumulated enough wealth through trans-national Capitalism to give them the power of Nation-States. They created alliances, took-over competitors, merged-with or purchased other companies, and used their new resources to enable them to lay-off workers where they could convince fewer people to do the same or more work. This cumulated in the 1980s where massive mergers and take-overs accompanied the consolidation of banking into super-corporations. Most Capitalist corporations are now merged into conglomerate super-corporations and allied with “Industry Groups” which have the power to buy and sell government favour and assure government subsidies, favourable regulatory treatment, or military assistance. The Capitalists have initiated the dismantling of the Welfare State to the

them as criminals in order to claim a “legitimate” need to bring the full force of the “police power” of the government down on people who were simply trying to get a living wage, safe working conditions, and an 8-hour work day. The U.S. Army even dropped aerial bombs on striking mine workers in West Virginia (just after World War II). The Capitalists had the government pass laws allowing workers to be put in jail for fighting back against Capitalists (but workers had nothing to lose and continued to fight back). During World War II the war was used as an excuse to force workers to work for nothing and to imprison any who resisted. The law was used to attack any workers who were not compliant or did not belong to ‘unions’ friendly to Capitalists (called “company unions”) or controlled by Capitalist gangsters (organised crime is the closest thing to laissez-faire Capitalism) under people like “Lucky” Luciano who promise to prevent strikes until after the war was over. Workers were told to fight Fascism, but submit to Capitalism. They weren’t told that Capitalists on both sides of the conflict had helped the Nazis and Fascism come to power!

IX. The Consumer Society

After the war, the Capitalists were scared that after all the soldiers came home it would be impossible for them to control the Workers like they did before. In the years before the Depression (1929-39), Capitalists had created consumer industries that had been supported by debt and debt-financed stock trading, these included the construction of the first suburbs and electric railways (streetcars) which enabled the Bourgeoisie to move out of the cities into “exclusive communities” (Rich, Anglo-Saxon, and Protestant - “restrictive covenants” in property “deeds” made it illegal to sell the property to people who weren’t “white” - banks officially discriminated; a practice called “red-lining”). They also included the first automobiles. In the 1920s, automobile corporations lobbied the government heavily for paved roads for their cars. During the Depression, Capitalists began manufacturing the first home appliances, but found few buyers with 1/4 of all workers in the U.S. unemployed. By 1939, these included refrigerators, dishwashers, and television. To promote these products, a “Worlds Fair” was held in Flushing Meadows, New York (on Long Island) with a lot of futuristic names and Art Deco styled buildings, but a lack of attendance led to its closure in two years due to lack of funds to keep it open. During the war, every Capitalist had been heavily subsidised with government armaments contracts. After the war they wanted continued government funding. In order to do this the government began new major Social Control programs. The so-called “Cold War” was primarily begun to give people, still freshly indoctrinated with a wartime mentality from World War II, a new ‘enemy’ to fear in order to justify continued massive military spending by the government (i.e., continued subsidies for military industrial Capitalism). It was also used to label anyone advocating labour organising or opposing Capitalism as a “traitor” to the U.S. government. At the same time, tax revenues were used to curb unrest against The Rich by subsidising a large artificial “Middle-Class” through education loans, home loans, and high-paying defence industry jobs (really, “Lower-Middle-Class” professionals, but we are told that “everyone is Middle-

physical. This rental agreement is usually guaranteed by an agreement to give the ‘property’ to the lender if the money borrowed and rent on that money isn’t paid (the terms of a loan are written in a “contract” - an agreement enforced by the government). So, in reality, the lender is the REAL ‘owner’. Under Capitalism, money can be rented at “interest” rates so high that the borrower will pay interest forever and never be able to pay off the loan. This is especially true of credit cards. At one time, people would sell themselves into slavery by a practice called “indenturement” and would agree to be a “bonded servant” or “slave” for a pre-determined number of years. The “debt slavery” created by credit cards is much like this. There is also a large retail business practice aimed at the poor where cheap poor-quality goods are sold on credit to low-income people who end up paying 3 times the price in “interest” payments. They tell you “rent-to-own”, “low monthly payments”, or “instant credit” which REALLY means, “Be a slave, be a sucker, be a good consumer and buy on impulse rather than using your common sense.”

IV. Insurance

Insurance companies are “capitalistic” by virtue of their being ‘owned’ by individual persons, mutual funds, or corporations who have bought some of their “shares-of-stock” (“capital”) who receive money without doing productive labour. Insurance companies “profit” by promising to ‘protect’ property (pay to fix or replace it) if they are paid money, by collecting more money - greater than they expect-to-pay (- “risk” - the probability of having-to-pay). Insurance is no different than paying “protection-money” to the Mafia except that insurance is coerced by gangsters in police uniforms. “Insurance” is mandated for property purchased by “usury” (- “profit-protection-money” - paid by the borrower). “Insurance” companies use the “protection-money” paid to them to pay politicians to pass mandatory insurance laws. It is common practice for many insurers to cancel insurance agreements the first time a policyholder tries to collect (an “insurance policy” is a kind of “contract”).

V. Pollution

One of the most common ways a Capitalist steals is by forcing some of the cost-of-production on workers, consumers, and community residents against their will. “Pollution” - introducing poisonous chemical, radioactive, or biological waste products and by-products into our air, water, or soil so they hurt our health [i.e., we pay the cost of our sicknesses - instead of Capitalists paying to recycle and clean-up their waste...]; “Unsafe-Working-Conditions” - poisonous fumes, dust, and fibres in the air, faulty equipment and tools, lack of workers’ safety gear, fire or explosive hazards, chemical hazards, bio-hazards, long work hours, dangerous work tasks and other factors which increase the risk of worker on-the-job injuries, long-term job-related illnesses and physical disabilities, and even work fatalities [i.e., we pay the cost of our sicknesses, disabilities, and deaths, as well as losing part or all of the out-of-the-workplace social, economic, and household contributions of workers whose abilities are permanently diminished or lost - instead of Capitalists paying the cost of main-

taining a “safe” workplace, not over-working workers, and including safety precautions in their production processes...]; and “Unsafe-Products” - poor quality products made of inferior or dangerous materials or components, or an unsafe design which could harm people; which malfunction, wear-out prematurely or are “lemons”, which make false or exaggerated claims or are fraudulent; or which are otherwise unreliable; or, product adulteration or contamination [i.e., we pay more than the true-value of these products as well as the cost of any product-related accidents, injuries, or illness; replacement-costs of these products; and the inconvenience - cost of time we waste as a result - instead of Capitalists paying the cost of good quality materials and parts, reliable product designs, and diligent quality-control...].

VI. Inheritance

In the Capitalist system, 5% of the population controls at least 45% of the wealth. The only way for this much wealth to be concentrated in so few hands is if it were stolen over more than one lifetime. This could not be done by one person, but is accomplished when one thief passes their plunder on to their children who continue their parents' capitalistic practices. Through the “right-of-inheritance” (- “inheritance” is enforced by the government through its laws), the control of wealth is concentrated into a small group of families who are the most powerful Capitalists. To protect ‘their’ wealth and power they share a token portion of ‘their’ wealth with smaller Capitalists, which we recognise as bosses, politicians, clergy, landlords, and criminals. The system operates much like Feudalism in the Middle Ages where royals pass on titles and property to their children and franchise power to their vassals who keep them in power by fighting their enemies, enforcing their laws and taxes, and putting down rebellion and dissent. Together, these people are a Ruling-Class that controls the Church, State, and Business from “Wall Street” to the underworld of “Organised Crime”. They co-operate to pass laws to protect ‘their’ wealth and insure that it is passed-on intact to their children. They also co-operate to use the “police-power” (violence) of the State to fight any effort by working people to resist the exploitation by Capitalists. The “Capitalist Class” (the Ruling Class, “big Capitalists”) encourages workers to be fired from their jobs so they can force fewer workers to work more hours for less pay (“work speed-ups” + “pay cuts” = capitalistic “increased productivity”) and pocket a greater surplus from the value of what the workers produce. They use the “taxing-power” of government to take money from those who work and give it to banks, contractors, and manufacturers where most of it is paid to The Rich through the Capitalist system. “Inheritance” continues the Capitalist system by preserving the wealth of the upper classes and by denying access to work to those who do honest work unless they agree to go into debt to the Capitalists for their entire lives. In this way, the products of their labour can be siphoned-off by The Rich until they ‘own’ virtually nothing when they die. Capitalism is diabolically efficient in being able to siphon-off all the earnings of a lifetime of honest work and redistribute them to people who have done NO HONEST WORK to “earn” them. The sinister tragedy is the ability of Capitalists to convince working-people that their lives are

“productive” and “get better” when in reality little is left at the time of their death after their debts are paid.

VII. Taxation

Some “tax money” pays for government-operated services like drinking water, electricity, sewage-treatment, trash-collection, and fire protection. Because these service-providers are “non-profit” (- they don’t pay “surplus value” from their income to an owner who doesn’t “work” for those service-providers -) they are not capitalistic. However, most “tax money” is either some form of “transfer-of-wealth” from workers to Capitalists, or it pays for the Social Control of workers to discourage them from opposing the Capitalist System. Wealth is transferred because people who work for a living pay higher tax rates than people who are paid “rent” for the use of ‘their’ money or property (- income from stocks, property speculation, bond usury, etc., is taxed at a lower rate than “earned” - income from salaries), and most government spending (incl. “tax deductions”) subsidises Capitalist corporations. Money gained from renting money or selling property (incl. “shares-of-stock”) for a higher price than the seller bought it for, is euphemistically called “capital gains” and is taxed at a lower rate than money gained as payment for honest work. Thus, wealth gained by Capitalism is given a privileged status over income derived from honest work.

VIII. Coercion

Social Control spending includes buying police and military force used to COERCE obedience, and social welfare payments to BRIBE people into submission. In a Capitalist country you can only gain wealth beyond your productive ability as a worker through Capitalism (by stealing it!). Therefore, The Rich are Capitalists and those who they employ as bosses who are encouraged to become Capitalists as well. The Rich benefit most from government spending because they have the most money to spend on influencing the behaviour of ‘elected’ government officials, lobbying the government bureaucracy to deregulate or give them government grants, and hiring lawyers to enable them to get around any laws which are passed. Most working people have to spend most of their time and money just trying to survive. The most overt social control spending is through maintenance of a massive State apparatus including spies, police garrisons, prisons, courts, and military apparatus. Capitalists have always maintained private spies (so-called “private detectives”), security personnel, and blacklists to use against working people. They form business councils to co-ordinate their efforts to protect what they have taken from working people. Up until the 1940s, they hired gangsters to beat-up or murder any workers who tried to organise against being exploited. They paid local police officials to shoot down strikers on the picket lines and formed alliances with state politicians to enable them to use National Guard troops (U.S. domestic military force) against workers. They even got troops deployed against workers. Capitalists fabricated criminal charges against organising or striking workers in collusion with local police, politicians, and judges in order to label honest workers as “criminals”. They labelled