

150 Years Young:

# Marx's *Capital*

An invitation to job reps and community activists

from the

Communist Party of Australia (Marxist-Leninist)

to celebrate and use Marx's *Capital*



Prepared by **Humphrey McQueen** with a lot of help from comrades for the CPA  
(M-L)



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## 150 Years Later: Marx's Capital and working class activism

Karl Marx wrote his huge three-volume study *Capital* a century and a half ago. It remains the single most influential study of the economic laws of motion of capital, of how capital is deployed in an endless quest for continued accumulation, and of how the labour power of the working class is exploited to produce surplus value for the profit of the owners of the means of production.

The Communist Party of Australia (Marxist-Leninist) has commissioned this outline of Marx's *Capital* from renowned Australian Marxist historian Humphrey McQueen whose pioneering study *A New Britannia* (Penguin, 1970) opened a new page in approaches to Australian History. McQueen is the author of numerous titles and more recently, has authored two studies on the construction industry: *Framework of Flesh: Builders' Labourers Battle for Health and Safety* (2009) and *We Built This Country: Builders' Labourers and Their Unions* (2011).

There are two common misconceptions about workers and bosses that ultimately confine workers and their defensive organisations, the unions, to capitalism. They serve to limit even the most militant of union activists to “a guerrilla war against the effects of the existing system, instead of simultaneously trying to change it” (Marx, *Wages, Price and Profit*, Peking, 1965 p. 78). They are, firstly, the belief that wages are the worker's share in the commodity he or she has helped to produce using materials and equipment supplied by the boss (see *Wage Labour and Capital*, Peking, 1978 p. 19). From this follows the second belief, namely, that the objective of workers' struggles should be a fair division between the bosses' share of the value of the commodities produced (profit) and the workers' share (wages). This is expressed as the demand for a “fair day's wage for a fair day's work”.

In *Capital* and other works such as the two cited above, Marx utilises a scientific political economy to challenge both these beliefs, liberates the outlook of worker activists from the reformism that finds expression in bourgeois trade unionism, and shows the necessity and inevitability of ending the capitalist era with a revolutionary transition to socialism and then, eventually, to communism.

If activists keep the objective of challenging these two beliefs in mind as they read the document, it will provide a useful context for their reflections.

It is no easy task to reduce three huge volumes of meticulously researched data down to an outline covering a few mere pages.

We are indebted to Humphrey McQueen for making the essential features of *Capital* available in a form that is both a summary and an introduction.

The CPA (M-L) is confident that an Australian working class, armed with an understanding of Marxism, supplemented by the work of later revolutionary leaders such as Lenin and Mao Zedong, will cast reformist illusions aside and unite to win anti-imperialist Australian independence and socialism.

Central Committee

Communist Party of Australia (Marxist-Leninist)

# Marx – our contemporary

... *the educator must be educated.*

Marx, 1845.

Karl Marx spent half of his adult life striving to understand the workings of capitalism. He spent much of the other half battling to replace it with socialism.

To change the world, he learnt why we must learn how to interpret it. To interpret our world, he learnt that we all have a part to play in changing it.

These struggles united the two parts of his public life.

## **Know our enemy**

Every contest between capitalists and wage-slaves is decided by the relative strengths of the opposing classes.

Those strengths combine the political, the cultural, the industrial and the military with the intellectual.

Our class has to be armed to fight on each of those fronts. *Capital* is a short-, medium- and long-range weapon in the class war.



Few of us will have the opportunity to absorb all of Marx's gifts to working people.

None of us can afford to ignore his key insights.

*Capital* explains why capitalists and their agents must behave as they do.

Our exploitation and oppression are not the result of nasty people like Abbott with bad ideas such as neo-liberalism.

Neo-liberalism has been a bad idea for workers but a great idea for most of the boss class. A Turnbull or a Shorten takes over where an Abbott left off.

### **Tactics and strategies**

*Capital* remains the essential starting point for understanding capitalism.

That understanding is vital in our efforts to change the world towards socialism and thence communism.

To help us move there, this pamphlet takes up seven issues around which revolutionaries can build mass movements: the plunder of nature; the expansion of capital; wage-slavery; exploitation; the future of labour-time; ground-rent, and crises.

The way to celebrate the 150th anniversary of Marx's *Capital* in September 2017 is to forge his insights into weapons for our struggles today, and every hour of every day.

# The wealth of nature

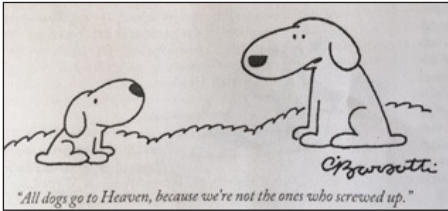
*Capitalist production, therefore, only develops ... by simultaneously undermining the original sources of all wealth – the soil and the worker.*

Marx, *Capital*, I, page 638.

## Other animals

Our species is part of the natural world. We share 98 percent of our genes with the great apes. We are no special creation.

Yet, we are unique. Unlike other animals, we are forever remaking what it means to be human. We created languages, writing and maths.



Human nature is neither eternal nor universal. Hence, capitalism is not in our genes. We alter our relationships with each other. We change our relationships with the rest of nature. And we transform some of nature.

We do all this through our labours. That is why half of this pamphlet explores wage-slavery, labour-time and exploitation.

## Value

Our capacity to work is one outcome

of the physical world. If we don't eat or drink, we can't work. In short, we can't add value to the wealth of nature.

'Value' is an overloaded term. For Marx, value is an economic category. Value is neither a moral judgement nor an aesthetic preference.

Only human labour can add value. Even a primary school textbook should spell out why labour cannot be the sole source of wealth. So said Marx.

For a start, our capacities can never create the raw materials to which we add value.

## Forests

To accept that an old-growth forest has no economic value is to say no more than that no human labour has gone into its existence.

By contrast, a pine plantation has economic value because human labour played a part in its growth. The timber from old-growth forests acquires economic value once it is harvested and dressed.

Marx explains why capitalists are slow to invest in forestry. The production times are too long. They cannot afford to wait

forty or more years to take a profit. Instead, they plunder the wealth of nature in old-growth areas. Or, their state supplies the long-term investment for plantations.

### **Nature's gifts**

Nature presents its treasures to us as free gifts. Sunlight, wind and water arrive without our having to lift a finger.

To benefit from those gifts we must build a sailing boat, and erect a wind or water mill.

Sunlight is a renewable source of energy only after the parts for solar panels are mined, processed and installed.

### **Property wrongs**

How the gifts of nature are distributed depends on property relations.

Who gets what and how much is decided by how society is split between classes. Within classes, wealth is divided along gender lines.

Feudal lords smashed the hand-mills of their serfs to force them to pay to grind their corn at their Masters' watermills.

In *Capital*, Marx mentions a mine-owner in the 1850s who exerted property rights over the shit of his wage-slaves.

Switching to 100 percent renewables will not make access to any resource more equal.

Injustice is built into the expansion of capital. Its relentless growth threatens

barbarism.

Victory for working people in our class struggle is, therefore, the foundation for survival.

### **Fouling our nest**

Capital pollutes the natural world that its agents plunder for raw materials. To ravage our natural environment is to commit chronic suicide.

We live through nature because nature exists inside us. Hence, we must take heed of Engels:

*Let us not, however, flatter ourselves overmuch on account of our human victories over nature. For each such victory, nature takes it revenge on us.*

*Thus at every step we are reminded that we by no means rule over nature like a conqueror over a foreign people ... – but that we, with flesh, blood and brain, belong to nature, and exist in its midst, and that all our mastery of it consists in the fact that we have the advantage over all other creatures of being able to learn its laws and apply them correctly.*

Today we should repeat: 'and apply them correctly', but also add 'before it's too late.'

# The need to expand

*One capitalist always strikes down many others.*  
Marx, *Capital*, I, p. 929.

Even to exist, capitalism must expand. The need that capitalism has to expand marks it off from slavery and serfdom.

Twin forces drive this need:

> Competition forces each firm to lower its production costs to compete on price.

Each business strives to sell more of these cheaper items to get back the same volume of profit.

To grab the biggest share of sales, each firm also produces more than it can sell.

> Firms face pressure from us wage-slaves for a bigger share of the values we supply.

The bosses react by replacing our living labour with machines. They thereby further increase the volume of commodities to be sold to take a profit.

## Mass Marketing

Until those goods are sold, capitalists do not get that profit.

Hence, we are subjected to mass marketing, including consumer credit.

Over-consumption is not the sin of

personal greed. 'Affluenza' results from the needs of capital to expand.

Capital instills demands in us to make us absorb the over-production that is built into its chaotic expansion.

Meanwhile, our class imposes some of our needs on capital as part of our self-emancipation.

Here is another moment in the class struggle over the five pillars of our lives – housing, transport, work, health and education.

## Fossil capitalism

The need that capital has to expand feeds its use of carbons.

Yet, if all energy came from renewables, capital would still have to expand.

It would then over-produce solar panels, wind-turbines and batteries.

Capital would also have to go on plundering every other resource, spewing out wastes other than CO2.

## Big is best

Marx traces the origins of capitalism to three interlocked processes.



- a. the accumulation of money as capital to re-invest;
- b. the concentration of resources (including labour); and,
- c. last but not least, is the centralisation of the ownership and control of property for production.

This trio was a condition for capitalism. Their triumph became one more cancerous growth for its survival.

### **Monopolies – old and new**

Monopolising is an essential part of capital's expansion.

Monopolies existed before capitalism. Their role has been transformed since capitalism gained dominance around 1800.

Monopolies under the First British Empire up to 1783 were nothing like the monopolising capitals since 1890.

### **Intensified competition**

The phrase 'monopoly capital' sounds as if monopolising and capital could reach a final state. Not so.

Monopolising is a process. Rival capitals persist.

Indeed, as the corporates get bigger, they fight each other more fiercely. Think Coke vs Pepsi. Apple vs. Microsoft.

Sometimes, the giants do get together to fix prices.

Those cartels fall apart after a few years. Each firm tries to steal a march on its

rivals.

Anti-trust laws are used to protect one group of capitalists from price gouging by another lot.

That is why QANTAS got fined for rigging commercial freight rates.

### **War**

Wars are the highest form of competition.

They serve three needs in the expansion of capital:

> One is to get resources. Since labour is the prime resource of value, early capitalists traded slaves.

Soil is the other vital need. By conquests, English capitalists grabbed land from which to import cotton and corn.

> Another cause of war is to control the outlets for the produce from land and our labour.

At first, states imposed tariffs to reduce competition from imports. Now, the most powerful states sell more through misnamed 'Free Trade'.

> Sometimes the agents of capital grabbed places to secure trade routes.

For instance, the British sent convicts to Botany Bay to set up a naval refitting station to secure a route to China for tea. Convict labour was, and is, too value-adding to dump.

Thirty years later, Australia became a

sheep walk. Later still, British capitalists turned Australia into a source of grains, meats, minerals - and cannon fodder.

Each path opens onto a quite different one.

### **Imperialism**

Lenin's 'Imperialism' is a late form of centralisation, that is, of monopolising. That era did not get underway until after most of the colonies had been seized.

Most trade and investment still take place inside and between the advanced economies, rather than with the Third World.

The stage of capitalism that Lenin calls 'Imperialism' stepped up the exploitation of workers everywhere - from Australia to Zambia.

# Free-labour is wage-slavery

*.... the development of the productive powers of society ... alone can form the basis for a higher form of society, a society in which the full and free development of every individual forms the ruling principle ...*

Marx, *Capital*, I, p. 739.

Marx calls his masterpiece *Capital*. In it, he gives us the finest analysis of labour ever written.

He reveals that money for investment and production goods (machines) are the accumulation of our past labours.

He shows that capitalists control those means of production because their economic clout is backed by political force.

Capitalists use their control of our past labours to make us sell our living labour to add ever more value to the things we make.

## **Rights at work**

With that sale, our labour is subject to capital on paper.

However, its managers – ‘sergeants’ as Marx labels them – still have to make our labour subject in practice.

Capitalists and their agents in the state must limit ‘free labour’ to their requirements.

We must be disciplined to the demands of expansion during every second of the working period.

Above all, to withdraw our free labour is a crime.

The ruling class can never accept our ‘right’ to strike.

They must always claw back every ‘right’ we win.

Under Gillard’s un-Fair Work Australia, ‘protected action’ protects the bosses from our actions.

## **Free to starve**

Capitalists do not own us in the way that Romans owned their slaves.

Nor do they own us for life as they do machines and raw materials. Nor do they own our children in the way they own the offspring of sheep and cattle. How then are we any kind of slave?

To answer that question we need to spell out what ‘free’ labour means under the rule of capital.

The first aspect is that our forebears were freed of the resources to keep themselves alive.

Once driven off the land, they were free to sell themselves for their dinner - or to

starve, beg or steal.

Our class inherits that free choice.

Secondly, we are free to move about. We are not tied to a patch of soil like serfs.

Instead, we are compelled to follow capital in search of paid work.

Thirdly, our employers 'set us free' when they sack us.

### **Capacities**

Capitalists buy our capacity to add value as they buy coal or cell phones.

Yet there are three differences.

First, they do not buy us outright as with chattel-slaves. Instead, they buy our capacities only for a period of time.

The second difference is that we possess consciousness and a will. Unlike caged chickens, we organise to fight back.

The third difference is that our consciousness is partly why we can add more value than goes into our upkeep.

### **The twofold commodity**

When we grow tomatoes for our own kitchens, they provide us with a use-value. They are not commodities.

However, when we sell our home-grown tomatoes at a farmers' market, they become commodities.

A commodity combines a use-value with an exchange-value.

At the local street market, we are still

selling only the products of our labour. We are not selling our capacity to add value in growing tomatoes.

Once we are forced sell our labour-power to Coles to grow tomatoes, our labour becomes a commodity.

That exchange turns our capacities (labour) into one more commodity (labour-power).

That exchange is the heartless soul of capitalism.

### **Variable capital**

Marx explains how it is that when we sell our labour-power for wages, our capacity to add value becomes a form of capital.

He calls this capital 'variable'. It is 'variable' because it is the only element of production able to supply more value than goes into its production.

That value is surplus to what is necessary for wage-slaves to sustain ourselves.

That extra Marx calls 'surplus-value'.

### **Surplus-Value**

Marx gives the following comparison. A serf works three days for himself on his own field. He works the next three for his lord.

The two parts of the serf's labour are distinct. They are separate both in time and in space.

We wage-slaves are in a similar situation yet with a key difference.

We work in factories or offices for nine or more hours each day.

During some of those hours, we produce values equal to the cost of our labour-power. That cost is met by wages.

During the rest of our working period, we provide values 'surplus' to our needs.

We are never paid for producing that extra.

This exploitation is masked by the money wage that is paid to cover our entire working period.

When our products are sold, the surplus-value is the source of profit. Profits feed expansion, which is the basis for capitalism.

### **Democracy**

Because we are compelled to sell our labour-power in order to exist, we live under a class dictatorship.

Our need to sell our capacities is backed up by the capitalists' monopoly of violence. Force is raised to the status of law and order.

None of us will be free as individuals until we are free as a class.

That goal means making ourselves free from the rule of the capitalist class. We can do that only by smashing its power in the state.

# Exploitation

*To be a productive worker is therefore not a piece of luck, but a misfortune.*  
Marx, *Capital*, I, p. 644.

Capitalists can exploit us without stealing from us. So, we are both exploited and yet not diddled. How is that possible?

The answer is in the genius of capitalism. Exposing how capitalists get away with it is the genius of Marx.

Solving this riddle requires us to grasp what Marx reveals about exploitation under capitalism.

The word 'exploitation' is flung around as abuse.

We need the scientific treatment that Marx provides to see why exploitation is never exceptional.

Only then can we grasp why there can never be 'a fair day's pay'.

## Equal exchanges

Like all scientists, Marx begins from a simplified model.

He assumes that capitalists pay us in full for all the costs we meet in reproducing the only commodity that our class has left to sell to them.

That commodity is our capacity to add value.

If capitalists do pay in full for that labour-power, there is an equal exchange. If not, and only then, there is also a swindle.

Exploitation happens whether or not our wages cover all the costs of reproducing our labour-power.

## Same difference

For Marx, exploitation is the surplus-value that capitalists must take.

If capital does not get something for nothing, it can never expand.

That 'something' for free is the value we add over and above how much it costs us to reproduce our labour-power.

That rule applies in every corner of the world. What differs are the socially necessary costs of reproducing our capacities to add value.

The answer to our puzzle is clearer when we apply Marx's insight to real life.

To do so, we'll compare a garment worker in the third-world with a cleaner on penalty rates in Perth.

## **The third world**

A worker in Bangladesh is paid \$2 per day. You'd say that she's getting a raw deal.

Yet, if \$2.00 covers what she pays for all her needs, then she is not being swindled.

Her labour-power costs \$2.00 a day to reproduce. Her boss pays her \$2.00. An equal exchange has taken place.

And so has her exploitation.

She is not exploited because she gets a mere \$2 a day.

She is being exploited because her boss takes all the value that she adds over and above the value she supplies after meeting her \$2 wage.

Whether she is being exploited in the sense of being swindled depends on how much her labour-power costs her.

Its cost is for her food and housing, her training and transport.

Those costs are necessary if she is to offer her labour on a job market.

If her capacity to work costs 10 cents more than \$2, she is being swindled – as well as always being exploited.

## **Penalty rates**

The same rules apply to a Perth cleaner on \$180 a day who gets penalty rates.

The cost of reproducing the labour-power that she sells on a Sunday is no

more than that it costs her on weekdays. Nor does she add more value on a Sunday than on a Tuesday.

How has she got a higher price for her labour-power at some times than at others?

## **Life-cycles**

The explanation calls for us to dig deeper into the cost of reproducing our labour-power.

That sum is not decided on a daily basis. Our costs have to be met throughout our working lives.

Higher rates on weekends are one way of our getting enough money to reproduce our labour-power across generations.

As ever, another part of the answer is in the relative strengths of the contending classes.

Unions, sporting bodies and churches won the battle for us to be compensated for disruptions to family life and social activities.

## **No exceptions**

With or without penalty rates, we wage-slaves are always being exploited.

Anyone getting time-and-a-half for Sunday is being exploited. Should we have our penalty rates cut, we will be exploited at a higher rate.

That is what happened to the Seven-Eleven staff. Even after they got all their back pay, they still had not got the full

value for the product of their labour-power.

### **Solidarity**

To recognise that exploitation is universal is the basis for workers of the world to unite.

Outrage at the cheating of Seven-Eleven workers risks leaving the rest of us feeling that we are not being exploited.

The same danger arises from not seeing beneath the surface of low wages in the Third World.

Mass campaigning against so-called modern slavery can limit some swindles. It will never end the exploitation of wage-slavery.

If Andrew Forrest could not subject Pilbara mine-workers to that kind of modern slavery, he wouldn't be have the profits to big-note himself as an anti-slavery advocate.

No wage-slave can ever be paid for the full value that we add to the accumulation of our past labours in machines and raw materials.

If we were paid in full, capitalism could not exist.

Recognising the universal fact of exploitation is key to our overthrowing the rule of capital.



## The future of labour-time

*The mechanical appliances consist of a stop-watch and a motion picture camera. This invention is the most powerful tool ever for the measurement of efficiency, suggesting the whip of taskmasters and owners in earlier times.*

Editorial, *Australasian Engineering and Machinery*, 1913.

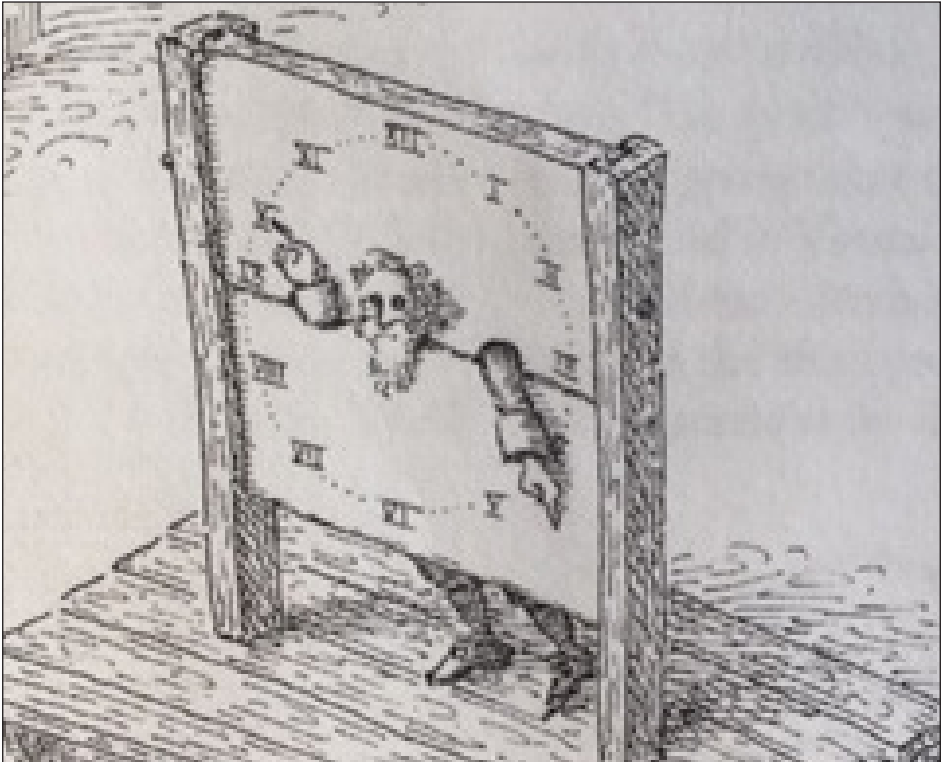
Bosses don't pay us for the pleasure of our company.

What they do pay for can be read in the window of a sandwich shop: 'Staff wanted - 10.30 to 2.00'.

Those hours are when the most food and drink has to be prepared. That's when our labour-power adds the most value.

Some outlets will also need extra hands to dish up breakfasts between 6 and 9 am. Those wage-slaves are set free between 9 am and 10.30.

The same rules apply to labour-time in the hospitals and construction sites where the hungry and thirsty customers work.



## **Always just-in-time**

Indeed, what is true at the sandwich bar, now extends into every workplace, from child care to universities.

Competition makes it harder for firms to afford full-time permanent employees.

Corporates must forever seek new ways to reduce their costs of producing each unit.

Thus, labour-power is brought in just when it is needed to add most value.

The new job market is run by labour-hire firms, sham sub-contracting and cash-in-hand.

Those swindles add up to no superannuation, no sick pay, no paid annual leave.

## **Off the clock**

Capital enforces a two-sided strategy to get more unpaid labour-time and thus more surplus-value.

One approach is to employ us in broken shifts only for the minutes when they can get the most surplus-value out of us.

Capital also extends work off-the clock for no pay at all. Those hours deliver 100 percent surplus-value.

That swindle is on top of normal exploitation from an equal exchange of labour-power for wages.

## **No pay? No way!**

Each corporation would prefer never to

pay us anything. They do that now with the fraud of 'internships'.

The capitalist class as a whole cannot afford to pay our class nothing.

Its survival depends on our buying most of what we produce.

Forced to choose between cutting our wages and driving up unpaid labour-times, the agents of capital go for the latter.

## **Reserve Army**

Marx explains how this two-fisted assault operates.

He calls the employed the 'active labour army'. Yet all employees are also sections of a 'reserve army of labour'.

That merging of the active army with the reserve army is possible because the workers with jobs usually can be made to work longer and harder.

The future threatens more of the worst. The entire active labour army will be pushed towards being casual, part-time temps.

## **Penalty rates**

Sometimes we get penalty rates for longer hours.

But we never get penalty rates when we are being driven to add more value in total.

At those times, we pay the penalty in stress and exhaustion.

The less satisfaction we get from our work, the tighter the discipline has to be at the point of its application.

Marx's choice of 'army' spotlights the compulsion behind 'free labour'.

Bullying is part of this time discipline, not a personality defect among managers.

### **Everyday crises**

Daily life proves to be a chain of crises. We wake up sleep-deprived; scramble to get out the door and the kids to school; find standing room on a train or get stuck on expressways.

One reaction is to grab fast food with long-term ill-effects on our health. Hence, we suffer the pandemics of obesity and of children with ADHD.

### **Robots**

Who is on first-name terms with a Robot? Who isn't time poor?

These questions spotlight the prospects for our lives under the rule of capital.

Fear of losing out to a machine is spreading. At the same time, we are subjected to longer, more intense, yet broken working periods.

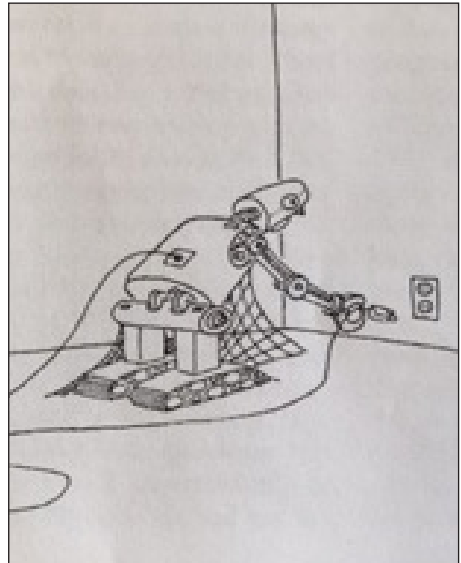
Marx explains why the two go together.

Automation can deliver more widgets. Only longer hours and stricter discipline will extract more unpaid labour (surplus-value).

The chase never slackens. The capture

of more surplus-value is crucial for the expansion of capital.

Profits are an outward sign that surplus-value is being extracted from us.



### **How much longer?**

To prosper, capital needs to degrade us.

Even if we have a 'permanent' full-time job under an Award, we are being 'wired' to work 24/7.

Socialism is the allocation of our abilities in accord with the fullest development of all our capacities.

Under-employment of our talents is inevitable under capitalism.

There need never be any shortage of activities in which we can share social goods and our social worth in a true common-wealth.

# Ground-rent

'Rent' is the word we use to pay for a roof over our heads.

'Rent' has other meanings. For economists, 'rent-takers' extract unearned incomes.

## Parasites all

Marx shows that the rents that derive from the control of land are not unique.

No capitalist 'earns' her or his income. All profits flow from our unpaid labours.

All bosses are parasites on our capacities.

The profits of Toyota like those of Gina Rinehart come from unearned income. The difference is in the pathways by which each got hold of their money.

The car-maker takes its profit directly out of the surplus-value it extracts from exploiting its wage-slaves.

Rinehart's billions arrive indirectly.

Rio Tinto pays her for the 'right' to mine ore-bodies which her father claimed from prospecting.

The money Rio pays her comes from three points of exploitation: the labour of its workforce; the direct makers of its machines; and out of the wage-slaves of their customers, the Chinese steel-makers.

## Windfalls

All land offers an unearned income – rent - to whoever controls it.

The mining giants take their normal profits out of the surplus-value produced by their workforces.

The rising returns from the late 1990s had nothing to do with the quality of the ore bodies.

The windfalls to Rio and to Rinehart came from Chinese demands. Wage-slaves for the mining corporations added no more than they had earlier.

The above-average rents flowed out of the surplus-value added by Chinese wage-slaves.

Exploitation is international. So will be its total overthrow.

That final victory will follow zigs and zags.

The working people who win through first will reach out to comrades still battling their capitalist states.

## Resource Rent Tax

Who else took any of these larger rents?

The Coalition used bigger tax revenues to buy its re-election in 2001 and 2004. The better-off got even more tax and Super concessions.

In 2010, the ALP tried to collect a slice of the windfall.

The labour lieutenants of capital, led by Gillard and Shorten, sold out the Resources Rent Tax to the corporates.

That defeat highlights that ground-rents pivot on property rights secured by political power.

### **Invasion**

Before the invasion of Australia, none of this could apply.

Aboriginal and Torres Strait Island communities had no classes and hence no state machinery to enforce the exploitation of 'free' labour.

The state is pivotal in the allocation of unearned incomes.

Along with the invasion, the Crown claimed all the land. Colonial governors made freehold grants or issued pastoral licences. Squatters then stole that land from the Crown, and then some.

From 1820, London made vast grants of land to English companies which still operate.

At Eureka, the rebels demanded the break-up of the big estates. They had some success with Free Selection Acts and later through land taxes.

### **Plunder**

Agricultural land can be replenished. Indeed, its rental price can increase with the amount of labour put into its improvement.

By contrast, minerals are a once-only resource. After they are taken, the land loses its rentable value as a mine. And it will be useless for farms.

### **Crown land**

Under Australian law, all the wealth beneath the surface belongs to the Crown. Corporations pay royalties to governments in return for the right to extract minerals.

In locking the gate against frackers, we must not give up the principle of common ownership of what is under the soil.

Treaties with our first peoples can strengthen those collective controls.

### **Whose land is this land?**

In any society divided by classes, says Marx, workers have no country.

For as long as the boss class controls the state, we are like aliens in our own land.

However, we know that we do have a country because our labours keep on re-making Australia.

Our self-worth as individuals and as a class flows out of our shared labours at work; around households, and from volunteering.

A socialist revolution will unite the fruits of those activities with political control by our class.

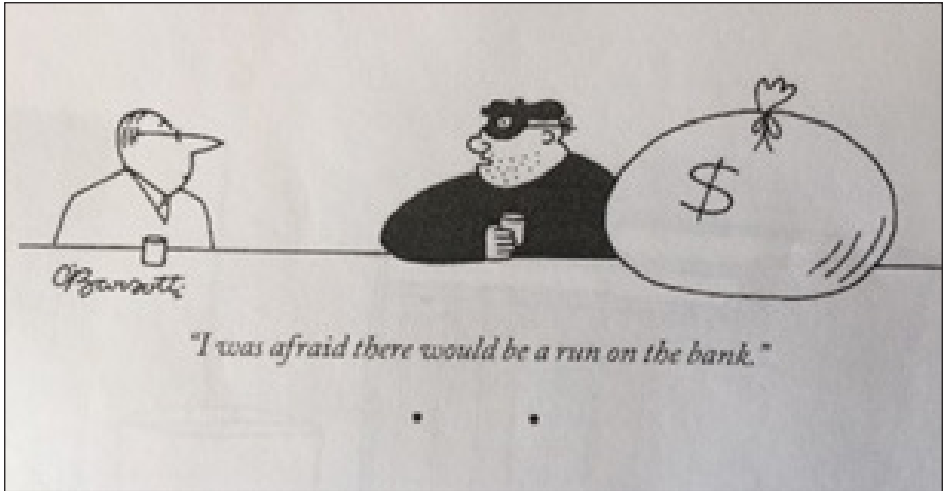
The sense of ownership that derives from our co-operative labours has to be secured by our collective ownership of resources.

Working people can then control our lives from the ground up.

## Of what use are crises?

*Crises are never more than momentary, violent solutions for the existing contradictions. These violent eruptions re-establish the disturbed balance for the time being.*

Marx, *Capital*, III, p. 357.



Capitalism is unstable. That is one source of its weakness but also of its strengths. Each crisis offers a chance for its renewal.

Marx explains how these opposed forces reproduce each other.

### **Over-production**

Capitalism is unique in the kind of crises it generates.

In the past, crises came from famine, war or plague. Such disasters, of course, continue.

Crises of capitalism, however, erupt from its need to expand. That need results in

over-production from excess capacity.

That is what went wrong in the run-up to the crisis of September 2008.

For several years, the car-making capacity around the world was a third greater than demand.

Marx rejects any notion of just one source for every crisis. Exactly how each one erupts, he insists, is a question of time and place.

### **Time-lags**

At the core of the capitalist mode of production is the dominance of

exchange-value over use-values.

Marx builds his analysis of capitalism up from the single commodity.

He goes on to show why the commodity gives birth to crises.

He offers the example of money used to buy a commodity, say, a bible. Its seller thereby comes into cash. He can abstain until Saturday night before spending it on brandy.

Or, he can save it until his house rent is due at the end of the month.

In either case, there's a delay between buying and selling.

If those pauses are big enough, the system of exchanging money for goods and of goods for money will seize up.

### **Time payments**

Yet, the capitalist system thrives on delayed payments.

If Toyota had to pay Nippon Steel on the same day as its steel is delivered, the pace of expansion in both businesses would slow down.

Instead, the car-maker gets thirty or ninety days credit.

While that delay is good for Toyota, it is a burden on Nippon Steel.

An alternative is for a broker to buy the steel and pay Nippon Steel within thirty days.

Meanwhile, the broker will have sold the steel to Toyota on 90-days credit. Funds to cover the sixty-day gap come from the Macquarie Bank.

The turnover times of both commodities and of money are speeded up. Their acceleration spurs on the pace of accumulation.

So far, so good for capital.

### **Reserve funds**

The other lag in turnover-times comes from the driving force of capitalism itself – its need to expand. To do so, firms have to set aside some of their profits.

Part of that reserve will go on new machinery. Most will be saved to pay for the raw materials and labour-power for next week, and next month. Few corporations can hoard all the funds they need just from exploiting their own workers.

A regime of credit is essential. This support system brings with it new risks.

Access to loans will dry up as soon as banks suspect that other banks might not be able to repay them.

Each bank also fears that non-bank borrowers won't be able to pay back their debts.

That panic was spreading before September 2008.

Governments stepped in to bail out their system.





### **Clearance sales**

Central Banks steadied the ship by printing cash as ballast.

But the owners had to play their part by throwing lots of the crew and cargo overboard.

In short, they had to get rid of the excess capacity in autos, steel and apartments.

In most countries, they have done little more than trim the load.

The ruling circles are not game to jettison all the wage-slaves they need to dump for the engines to go full throttle again.

The refusal of voters to stay within the safe channels has the bosses spooked – for the moment.

### **State power**

Lenin spelt out a key fact about crises. Capitalism will survive them all – so long as it can make the rest of us carry the can.

Our job is to stop that.

The keener our understanding of the sources of crises, the better chance we have of tipping the system over.

The cycles of accumulation will seize up from time to time. Yet, capitalism will never collapse of its own discord.

Once capitalism is off balance, we have more chance of busting its monopoly of violence.

In bourgeois democracies like Australia, the ruling circles are tightening the screws.

Resorting to an open dictatorship, however, is not in their best interest here.

Nonetheless, they will never give up the power they need to live off our labour.

To hold on to that privilege, their record proves that they will go to any extreme of barbarism.



*"Privatizing the President could be a good thing or a bad thing, depending on who owned him."*

# How to approach Capital

*... everything depends on the first step.*

Marx, *Capital*, I, p. 224.

On opening *Capital*, do not start with chapter one.

Marx advised a friend to begin from chapter 10 on 'The Working Day'. That's a good entry point. Its ideas and evidence connect with the experiences of every wage-slave.

Or you might start at the last chapter. It deals with colonisation on the Swan River in 1829, and at Adelaide from 1836.

Above all, that chapter spotlights what the whole book reveals about exploitation. It is also short and delivers several belly laughs.

## A leg up

The best preparation for the assault on the Everest that's *Capital* is to work out on the short training manuals provided by Marx, Engels and Lenin: Karl Marx, *Value, price and profit* and *Wage-labour and capital*; Frederick Engels, *Socialism – Utopian and Scientific* and *The Housing Question*; V.I. Lenin, *The State*.

Maurice Dobb gives a brief overview in *Marx as Economist*.

*Capital* and the above materials are

available for free from several websites including [www.surplusvalue.org.au](http://www.surplusvalue.org.au)

## Reading is political

Since study is a political activity, it is best done as a collective effort.

One way is to organise a reading group of at least three, but no more than five or six. Meet once a week for no more than two hours.

Go around the group with each person taking turns to comment on each paragraph, or section of one. Allow time for the others to discuss. Only then, move on.

Work through the pages slowly. At times, consider only a sentence, not a whole paragraph. It is more valuable to absorb key concepts than to skate across the surface.

The workings of capitalism cannot be reduced to slogans.

The test is whether we can explain what we have read to someone who hasn't.

# KNOW OUR ENEMY - CAPITALISM

The '1 percent' are getting much more than they used to get relative to the '99 percent'.  
Are they now getting 'too much'?

Yes, they are.

But that's not the worst of it.

That they get even a single cent is too much.

Every cent the capitalists take comes from their exploiting us as wage-slaves.

They deserve nothing – not even Rinehart's \$2.00 a day.

That is as true in 2017 as it was 150 years ago when Marx published *Capital*.

To help working people put Marx's insights into practice, this pamphlet spotlights seven issues:

why capital must plunder nature;

why capital must expand to exist;

why free labour is wage-slavery;

the future of labour-time;

why exploitation is no exception;

who pays the ground-rent;

how crises benefit capital.

Marx's insights on these questions provide the grounds for a fighting platform around the five pillars of everyday life for working people everywhere: housing, transport, work, health and education.

*The emancipation of the working classes must be conquered by the working classes themselves.*

Marx and Engels, 1879.



**\$2 per copy**

5 for \$5

10 to 20 copies for \$10