

Notes on CAPITAL

Chapter 33 'The Modern Theory of Colonisation'

Penguin, pp. 931-40; Everyman, pp. 848-58; Moscow, pp. 765-74; Dietz, pp. 792-802.

The guts of the chapter is how workers must be stripped of the resources to sustain ourselves. Only then are we set free to sell those capacities to the controllers of productive property. Only then can capital expand. That is chapter 33 in a nutshell. That is Volume One in a nutshell.

Let us begin by unpicking the three terms in the chapter's title:

> 'Modern' refers to ideas which had been promoted some forty years earlier, in the 1830s, by E.G. Wakefield (1796-1862) (see the entry in the *Australian Dictionary of Biography*, ON LINE.) Marx's low opinion of Wakefield is clear from how little notice he gets in the *Theories of Surplus-Value*.

> 'Theory' emphasises how Marx wove a critique of 'the science of Political Economy' into his account of the capitalist mode of production (CMP). His comments on the 'practice' of 'modern colonisation' are subordinate to his concern with its 'theory', as he lays out in the concluding paragraph: 'However, we are not concerned here with the condition of the colonies.' Rather, he uses details about them to expose how sycophantic and deceitful are modern theories of all aspects of capitalism.

> 'Colonisation' is not colonialism and still less is it Bukharin's or Lenin's Imperialism, i.e. monopolising capitals, which had barely got underway when Marx published in 1867. He takes the invasions of the Americas and Australasia as given. The closest he comes to such prior colonising is in the last complete sentence on page 931 and in the quotation from Hippolyte Colins in footnote 20 on page 938, both of which - at a stretch - could include the fate of indigenous peoples.

Most of Marx's comments on colonialism appeared in the articles he contributed to the *New York Herald Tribune*, and most of those deal with Ireland, India or China. They were brought together in a volume from the Foreign Languages Publishing House, Moscow.

Marx's recognition that political independence did not spell an end to colonialism is spelt out in footnote 1: 'The United States, economically speaking, is still a colony of Europe.' Engels in the 1890 edition noted that U.S. capital had gained its economic independence, p. 580, n. 56. This imbalance of constitutional and economic independence regained significance during the 1950s when Nasser and Sukarno developed their attacks on Neo-Colonialism. The distinctions between formal and actual independence continue to bedevil every aspect of life in Australia, as in most other countries.

Before starting to read, two pieces of advice should help.

The first is that Marx's prose is ironic, terse and idiomatic.

The second is that 'private property', 'abstinence', 'exploitation' and 'free labour' have peculiar meanings which are explicated immediately below and a greater length where they appear in the text.

PRIVATE PROPERTY

To make Marx's intentions clearer, it helps to rename the two kinds of 'private property' as

'personal possessions' for the kind that results from the labour of its producers; and the other as 'productive property', which results from the exploitation of others and which can be used to intensify that exploitation.

We socialists are accused of wanting to nationalise toothbrushes (personal possessions). What we have to do is to take over the corporations that make and market them (productive property).

A similar bit of propaganda accuses workers who own our own homes of being 'little capitalists'. A dwelling paid for out of wages is one outcome of the class struggle to limit exploitation. The structure itself cannot be used to exploit the labour of others for as long as it shelters only its owners. The matter is somewhat different with rental properties underwritten by negative gearing where the rent is taken out of the wages that the tenants secured by selling their labour-power to an owner of productive property. Tenants can not produce surplus value by occupying the property of their landlords. See Engels, *The Housing Question* (1887).

A third allegation is that socialists plan to 'introduce community of women'. As Marx and Engels point out in the *Communist Manifesto*: 'The bourgeois sees in his wife a mere instrument of production. He hears that the instruments of production are to be exploited in common, and, naturally can come to no other conclusion than that the lot of being common to all will likewise fall to the women.' Bourgeois sexual relations, they conclude, are already 'prostitution both public and private.' *Marx-Engels Collected Works (M-ECW)*, Lawrence & Wishart, London, 1976, volume 6, p. 502.)

EXPLOITATION

When Marx writes of 'exploitation', he is not referring to bosses who cheat their employees out of wages, conditions, entitlements, etc. Swindling and moral condemnation do not decide his scientific analysis of the social relationship that is capital. He is drawing on his concept of 'surplus value', which acknowledges that there is an equal exchange – on average – between capital and labour. Wages are – on average – equal to the socially necessary costs of reproducing the only commodity - labour power - which the worker has to sell. 'Exploitation' nonetheless occurs because, in addition to producing the values 'necessary' to match the cost of their labour-power, wage-slaves add more value – 'surplus-value' - which capital then expropriates. Here is the secret of 'exploitation' within the CMP.

ABSTINENCE

Marx's uses of 'abstinence' relate to Nassau Senior's 1825 defence of profit-taking as a reward for the capitalists' abstaining from wine, women and song.

FREE LABOUR

How can 'free will' and compulsion be reconciled in the one human action? How can a 'free' labourer be a wage-slave? Much more is involved here than word-play, and much more than a difference between appearance and reality since the free will and the compulsion are equally real. The workers in capitalism have been freed from the burden of owning the means to reproduce their sustenance. We, therefore, are compelled to sell their capacities to add value to those who now have control over the instruments of production, and who have the backing of the state. We are hence free to

submit or to starve. This choice is not open to the chattel slave or to the serf, or to any other form of bonded labourer. In a sense remote from that of the Existentialists, the wage-slave is compelled to be free and free – available - to be compelled.

I have keyed in all of Marx's text, breaking it up almost clause by clause to encourage a slow read. I suggest reading the chapter through first, next work through this annotated presentation, before returning to the chapter. My comments are in square brackets [] and in a different typeface.

Time to make a start.

p. 931

Political economy confuses, on principle,

[Marx's critique of 'the science of Political Economy' is the theme of the chapter as it is the sub-title of *Capital*. Here though, his target is not the 'science' of Smith and Ricardo, but the 'vulgar economists', those who set out to 'confuse'. Hence, Marx's 'forgets' seems too mild for what he knows to be an 'on principle' suppression of the truth.]

two different kinds of private property,
one of which rests on the labour of the producer himself,
and the other on the exploitation of the labour of others.

[We have already commented on the two kinds of private property and heir connection to exploitation.]

... the latter is not only the direct antithesis of the former,
but grows on the former's tomb and nowhere else.

[On pages 933-4, Marx expands on the lies spread about the origins of the split.]

In Western Europe, the homeland of political economy,
the process of primitive accumulation has more or less been accomplished.

['primitive' is a mistranslation of *ursprunglichen*; 'original' is more exact, as Paul Sweezy pointed out in 1950. The translator admits this in a footnote on page 714 but sticks with the error, claiming that the phrase had become idiomatic among Anglophone Marxists. The Everyman 1930 edition uses 'primary'.

One more reason for preferring 'original' or 'primary' is that 'primitive' resonates with the vocabulary used against the victims of colonialism and thereby distracts us from the chapter's focus on 'colonisation'.¹]

¹ The literature on Marx and Engels on 'primitive' societies grows out of the latter's *Origins of the Family, Private Property and the State* (1884); see also Marvin Harris, *The Rise of Anthropological Theory*, Thomas Y. Crowell, New York, 1968, chapter 8; Emmanuel Terray, *Marxism and 'Primitive Societies'*, Monthly Review Press, New York, 1972; and Frederick G.G. Rose, *The Traditional Mode of Production of Australian Aborigines*, Angus & Robertson, Sydney, 1987.

Here the capitalist regime has either directly sub-ordinated to itself the whole of the nation's production,
 or, where economic relations are less developed,
 it has at least indirect control of those social layers which,
 although they belong to the antiquated mode of production,
 still continue to exist side by side with it in a state of decay.

[This sentence adds nothing to our understanding of the different kinds of property but is worth noting for Marx's recognition of the complexity of social relations. He rejects the reductionist notion that the triumph of the CMP can ever proceed along a single straight line. A materialist dialectician insists on zigs and zags. Without space for combined and uneven developments, productive property relations in the white settlement colonies would not have differed from those in Europe, in which case, Marx would have had nothing to write about in this chapter.]

To this ready-made world of capital,
 the political economist applies the notions of law and of property inherited from a pre-capitalist world,
 with all the more anxious zeal and all the greaterunction,
 the more loudly the facts cry out in the face of his ideology.

[Marx extends the principle of temporal disjuncture from the actual social relations of production to how they are mis-represented in thought. On the one hand, he pictures the vulgar economists as knowing liars, a crude if accurate explication of how their minds work. At the same time, he introduces a subtle element by showing that these hacks do not lean on contemporary ideas to dress up their falsehoods but reach back into feudal times. Even as his critique veers towards reductionism he swerves away by taking a Medieval back track. He expands on this atavism in the middle of page 933.]

It is otherwise in the colonies.

There the capitalist regime constantly comes up against the obstacle presented by the producer,
 who, as owner of his own conditions of labour,
 employs that labour to enrich himself instead of the capitalist.
 The contradiction between the two diametrically opposed economic systems has its practical manifestation here in the struggle between them.
 Where the capitalist has behind him the power of the mother country,
 he tries to use force to clear out of the way the modes of production and appropriation that rest on the personal labour of the independent producer.

[One could stretch this point to cover the dispossession of the indigenous. But what is common to Western Europe and its settlement colonies, whether for their original possessors or the farmers who take up their lands, is the violence of the state – 'force'. Marx spends several chapters documenting how violence dispossessed the self-sustaining petty-proprietors of Western Europe to make way for capitalist relations of production, see chapters 26 to 32; their thrust is summed up in the title for chapter 28: 'Bloody Legislation against the Expropriated since the End of the Fifteenth Century'.]

The same interest which, in (p. 932) the mother country,
 compels the sycophant of capital, the political economist,
 to declare that the capitalist mode of production is theoretically its own opposite,

this same interest in the colonies,
 drives him 'to make a clean breast of it',
 and to proclaim aloud the antagonism between the two modes of production.
 To this end, he demonstrates that the development of the social productivity of labour,
 co-operation, division of labour, application of machinery on a large-scale, and so on,

[These necessities for capital-within-capitalism are the subjects of chapters 13 to 15]

are impossible without the expropriation of the workers
 and the corresponding transformation of their means of production into capital.

[The implication is that capital is a human creation which had arrived quite recently. This notion of a revolution-inside-capital recurs throughout the chapter. For the moment, it is enough to underline that the transformations in the means of production which would not become known as 'the industrial revolution' until the 1880s, had been made possible only because of this revolution inside capital. In brief, technology is secondary to social relations.]

In the interest of the so-called wealth of the nation,

[A sideswipe at the third-rate acolytes of Adam Smith.]

he seeks for artificial means to ensure the poverty of the people.

['Artificial' foreshadows the 'Modern Theory of Colonisation' as an alternative to 'force' against fellow Britishers overseas.]

Here his apologetic armour crumbles off, piece by piece, like rotten touchwood.

It is the great merit of E.G. Wakefield to have discovered,
 not something new *about* the colonies,
 but, *in* the colonies, the truth about capitalist relations in the mother country.
 Just as the system of protection originally had the objective of manufacturing capitalists
 artificially in the mother country,

[It is high time to pause to acknowledge Marx's wit, examples of which we have already enjoyed with a few belly laughs to come. Irony is his weapon of choice, honed on that of his friend Heinrich Heine (1797-1856). For more on the politics of Marx's prose style, see my 'The "Unreadable" Marx', www.surplusvalue.org.au]

so Wakefield's theory of colonisation,
 which England tried for a time to enforce by Act of Parliament,
 aims at manufacturing wage-labourers in the colonies.
 This is what he calls 'systematic colonisation'.

First of all, Wakefield discovered that, in the colonies,
 property in money, means of subsistence, machines and another means of production
 does not as yet stamp a man as a capitalist

[Over and again, Marx defines a capitalist as the personification of capital, since as a category, 'capital' can do nothing. Allied to the personifications are their agents – managers,

priests, politicians, professors, etc. etc. – who ensure that wage-slaves carry out the work that allows capital to expand.]

if the essential complement to these things is missing:
the wage-labourer, the other man,
who is compelled to sell himself of his own free will.

[We have considered how 'free will' and compulsion can be reconciled, how a 'free' labourer be a wage-slave?]

[Checkpoint Karlie

We now arrive at a crucial concept in Marx but one where, perhaps not surprisingly, the three translators diverge. I shall give the Penguin, followed by the German interleaved with a literal translation word by word, and then the other two published versions. After those six will come the grounds for undertaking so intensive a reading. For the moment, let's just assert that more is at stake than there was in choosing between 'primitive', 'original' or 'primary'. First, the Penguin offering:

He (Wakefield) discovered that capital is not a thing,
but a social relation between persons
which is mediated between things.

Here is the German with a word-by-word rendition:

Er entdeckte, dass das Kapital nicht eine Sache ist,
He discovered, that the capital not a thing is,
sondern ein durch Sachen vermitteltes gesellschaftliches Verhältnis
but one through things arranged social relation
zwischen Personen. (p. 793)
between persons.

Everyman gives this variant:

He discovered that capital is not a thing,
but a social relation between persons,
and a relation determined by things. (p. 849)

For once, the Moscow translation puts it best:

He discovered that capital is not a thing,
but a social relation between persons,
established by the instrumentality of things. (p. 766)

All the translators agree that 'capital is not a thing, but a social relation between persons'. A considerable difference separates 'mediated between' from 'determined by' and an even greater distance from 'established by the instrumentality of'. None gives '*durch*' as 'through' although there is some trace in 'mediated'; '*durch*' can also mean 'by means of'.

Everyman's use of 'determined' confronts us with the controversies about the nature of causation from the 'Preface' to *A Contribution to the Critique and Political Economy* (CCPE) (1859). There, the German *bestimmten* can also convey 'conditioned', which appears once in the 1970 Moscow translation of the CCPE (pp. 20-21). The German for determined/conditioned does not appear in the sentence we are considering, instead we have '*vermitteltes*', translated as the less restrictive 'mediated by' or 'established by' and the less than appealing 'determined by'.

Louis Althusser, drawing on Freud, offered a way out from under the unilinear, single-factor causation associated with 'determined' by relying on 'over-determined' for a field of forces where, for any one of them to take effect, the others must also be operating along with their effects. (*Reading Capital*, New Left Books, London, 1970.)

On the other hand, 'mediated' was a buzz-word in the 1970s as a way of avoiding – evading? - determinist accounts.

Why should the translation of these seven words matter?

First, and easiest to explain, is to combat the bourgeois ideology about capital as a dead thing, whether a pile of money, plant and equipment, or commodities. Those things are either engaged in the expansion of capital - that is, alive - or they are no more than potential capital.

Secondly, as touched on above, the substantive question of the relationship of classes directs our attention to materialist dialectics where our choice of terms will shape and express how we understand both the actualities of that struggle and our method for analysing it. Is it possible for capital to be a thing, a process and a social relation at one and the same time? Or do they form a unity by moving through a trio of manifestations peculiar to capital-within-capitalism? (For further ruminations, see my 'The "Massiness" of Capital', *Journal of Australian Political Economy*, 70, Summer 2012/13, pp. 25-46.)

Marx offers some guidance in footnote 3 by quoting from an earlier piece of his writing:

'A negro is a negro. In certain circumstances he becomes a slave.

A mule is a machine for spinning cotton. Only under certain circumstances does it become capital.

Outside those circumstances, it is no more capital than gold is intrinsically money, or sugar is the price of sugar

Capital is a social relation of production.

It is a historical relation of production.'

(Karl Marx, 'Lohnarbeit und Kapital', *Neue Rheinische Zeitung*, 7 April 1849)

[This social definition of a slave derives from Hegel who points out that a slave cannot be a slave without a master, cf. p. 149, n. 22.

The term 'historical' does not mean 'out of the past' – still less 'confined to it' - but 'transitory', in other words, class relations are not eternal or natural, but are always being remade by and through social reproduction, cf. p. 283.]

A Mr Peel, he (Wakefield) complains, took with him from England to the Swan River district of Western Australia

means of subsistence and of production to (p. 933) the amount of £50,000.

This Mr Peel even had the foresight to bring besides,

3,000 persons of the working class, men, women and children.

[These numbers are wrong. Marx lifted them in from Wakefield.

How did Peel get his hands on £50,000 worth of production commodities? He didn't. He got £20,000 in backing from his silent partner Solomon Levey (1794-1833), an ex-convict who had become the leading businessman in New South Wales. See *ADB* entry On-Line.

Had Peel set up as a merchant on the Swan he might have turned a profit from selling the goods, but then he could not have used them to aid the extraction of surplus-value.]

Once he arrived at his destination, 'Mr Peel was left without a servant to make his bed or fetch him water from the river.' [Marx is quoting Wakefield.]

Unhappy Mr Peel,

who provided for everything except

the export of English relations of production to Swan River!

[By 'English' Marx intends 'capitalist'.

But 'relations of production': what are they? Marx is clear that they are not the same as the means/instruments of production which include a workforce to use the tools, to herd

the beasts, to construct shelters, to plant the seed and to harvest the crops. So, 'relations' are not those 'things'.

Wage-labour, however, is a special kind of 'thing' because, in selling our capacities to add value, we turn those capacities into a commodity. This sale-purchase of labour-power is the fount of alienation/estrangement and, thus of the fetishism of commodities, see pp. 163-77.]

For the understanding of the following discoveries of Wakefield, let us make two preliminary remarks:

We know that the means of production and subsistence, while they remain the property of the immediate producer, are not capital.

[Again, capital is not just a collection of things. A more accurate formulation is that 'capital' is not *only*, or not *primarily* a collection of things.]

They become capital, only under circumstances in which they serve at the same time as means of exploitation of, and domination over, the worker.

[How are exploitation and domination connected in practice? What is the role of the state in all its guises – administrative, ideological, juridical and repressive – in providing the domination that ensures exploitation? Marx elsewhere distinguishes the CMP from chattel slavery and serfdom by saying that the later pair depends on extra-economic compulsions for the extraction of surplus produce. As discussed above, we free labourers – wage-slaves – are compelled to sell our labour-power. That difference does not erase the oppressive power of the state as an instrument of class rule under the CMP.]

But this, their capitalist soul, is so intimately wedded, in the mind of the political economist, to their material substance, that he christens them capital under all circumstances, even when they are its exact opposite.

Thus it is with Wakefield.

Further: he describes the splitting up of the means of production into the individual property of many mutually independent and self-employed workers, working on their own account, as equal division of capital.

The political economist is like the feudal jurist, who used to attach the labels supplied by feudal law even to relationships which were purely monetary.

[See 'pre-capitalist', p. 931, discussed above.]

'If,' says Wakefield, 'all the members of the society are supposed to possess equal portions of capital ...

no man would have a motive for accumulating more capital than he could use with his own hands.

This is to some extent the case in new American settlements, where a passion for owning land prevents the existence of a class of labourers for hire.' So long, therefore, as the worker can accumulate for himself –

and this he can do so long as he remains in possession of his means of production – capitalist accumulation and the capitalist mode of production are impossible.

[This sentence is a negative clue to how the revolution-in-capital came about. Once we accept that accumulation and the CMP form a unity, yet are not one and the same, we have still to explore how exactly they are connected? Are those links more than temporal and/or spatial overlaps? Once the CMP is up and running, do the differences increase? Do new ones arise?]

The class of wage-labourers essential to these is lacking.

How then, in old Europe, was the expropriation of the worker from his conditions of labour brought about?

In other words, how did capital and labour come into existence?

By a social contract of quite an original kind.

['social contract' is a swipe not only at Rousseau but at the gaggle of philosophers and economists obliged to invent 'Once upon a time ...' fables for how society just happens to be divided into classes. Another of Marx's favourite targets is the 'Robinsonades' who extrapolate from Crusoe alone on his island to the CMP. (cf. p. 265).

It has to be said that if Wakefield's version is at the extreme end of the ludicrous that is of the height of the obstacles to the rule of capital in the settlement colonies, and not a want of intellect on his part.]

'Mankind have adopted a ... simple contrivance for promoting the accumulation of capital,'

which, of course, had dangled in front of them since the time of Adam as the ultimate and only goal of their existence,

[Theologians contend that the purpose of human life is to be reunited with Our Creator: '... our heart is restless, until it rests in you,' wrote Augustine of Hippo. The significance of 'alienation' shifted from one's being apart from god to Feuerbach's demonstration that a belief in him, her or it is to be estranged from one's human potential; for a Christian perspective see Patrick Masterson, *Atheism and Alienation*, Penguin, 1973.]

'they have divided (p. 934) themselves into the owners of capital and the owners of labour ...'

[God condemned Adam and his descendants to 'eat bread in the sweat of thy face' (Genesis, 3:19) – but did not divide us between the sheep and the goats. That punishment is a human creation.]

'This division was the result of concert and combination.'

In short: the mass of mankind expropriated itself in honour of the 'accumulation of capital.'

Now one would think that this instinct of self-denying fanaticism would especially run riot in the colonies,

the only places where the men and the conditions exist to turn a social contract from a dream into a reality.

So why should 'systematic colonisation' be called in to replace its opposite, spontaneously and unregulated colonisation?

Here is one reason:

'In the Northern States of the American Union', (more Wakefield)

it may be doubted whether so many as a tenth of the people would fall under the description of hired labourers ...

[Wakefield is reporting on the 1830s. Moreover, slaves could not 'hire' themselves out.]

In England the laboring class compose the bulk of the people.'
 Indeed, the drive to self-expropriation for the glory of capital exists so little in the case of working humanity,
 that slavery, according to Wakefield himself,
 is the sole natural basis of colonial wealth.
 His systematic colonisation is a mere makeshift,
 resulting from the fact that he has free men, not slaves, to deal with.
 'The first Spanish settlers in Saint Domingo did not obtain labourers from Spain.
 but, without labourers, (i.e. without slavery)
 'their capital must have perished, or, at least, must soon have been diminished to that small amount
 which each individual could employ with his own hands.
 This has actually occurred in the last colony founded by Englishmen –

[He is writing before the invasion of South Australia in 1836.]

the Swan River Settlement – where a great mass of capital,
 of seeds, implements, and cattle, has perished for want of labourers to use it,
 and where no settler has preserved much more capital than he can employ with his own hands.'

We have seen that the expropriation of the mass of the people from the soil forms the basis of the capitalist mode of production.

[Is this expropriation a sufficient explanation for a CMP?]

The essence of a free colony, on the contrary, consists in this,
 that the bulk of the soil is still public property,
 and every settler on it can therefore turn part of it into his private property
 and his individual means of production,
 without preventing later settlers from performing the same operation.
 This is the secret both of the prosperity of the colonies
 and of their cancerous affliction –
 their resistance to the establishment of capital.

'Where land is (p. 935) very cheap and all men are free,
 where every one who so pleases can easily obtain a piece of land for himself,
 not only is labour very dear,
 as respects the labourer's share of the produce,
 but the difficulty is to obtain combined labour at any price.'

[Marx demonstrates why the combination of labourers is necessary for the expansion of capital in chapter 13, 'Co-operation'.]

In the colonies the separation of the worker from the conditions of labour

and from the soil,
in which they are rooted,
does not yet exist,
or only sporadically,
or on too limited a scale.

Hence the separation of agriculture from industry does not exist either,
nor have any of the domestic industries of the countryside been destroyed.
Whence then is to come the home market for capital?

[Because academic lickspittles rabbit on about 'the market' as the ruler of the universe, it is doubly important to be clear about Marx's intentions. To realise a profit out of the surplus-value extracted from wage-slaves, capital must market – sell - the commodities they produce; 'home' means within a nation-market-state, not a household.]

'No part of the population of America is exclusively agricultural,
excepting slaves and their employers who cultivate the soil,
who combine capital and labour in particular works.
Free Americans,

[Here, 'free' is the opposite of being 'free labourers' who are compelled to sell their labour-power in order to exist.]

who cultivate the soil,
follow many other occupations.
Some portion of the furniture and tools which they use is commonly made by
themselves.
They frequently build their own houses,
and carry to market, at whatever distance,
the produce of their own industry.

[Here, Marx is thinking of a market-place in a nearby village or township – not the 'market' as nation-market-state just discussed, or 'the market' as the invisible hand which perfects the CMP.]

They are spinners and weavers, they make soap and candles,
as well as, in many cases, shoes and clothes for their own use.
In America the cultivation of land is often the secondary pursuit of a blacksmith, a miller
or a shopkeeper.'
Where among such curious characters,
is the 'field of abstinence' for the capitalists?

[Marx's uses of 'abstinence' refer to Nassau Senior's 1825 defence of profit-taking as a reward for capitalists' abstaining from wine, women and song, see pp. 298-9 and 744-6; and Maurice Dobb, *Political Economy and Capitalism*, Routledge & Kegan Paul, 1940 ed., pp. 140ff.]

The great beauty of capitalist production consists in this,
that it not only constantly reproduces the wage-labourer as wage-labourer,

[Marx writes of 'wage-labourer' not 'wage-slave'.]

but also always produces a relative surplus population of wage-labourers in proportion to the accumulation of capital.

[In the circuits of expanded reproduction, the agents of capital must not only enlarge their outlays of money-capital on instruments of production, raw materials, ancillaries and labour-power, and must do so proportionately. However, these ratios are not fixed. Indeed, the system depends on increasing the machines (fixed capital) at the expense of labour-power (variable capital). Hence, the size of the 'surplus population of wage-labourers' is indeed 'relative' to both the degree of mechanisation and the magnitude of production.

In opposing all improvements in the lot of the poor, the plagiarising parson Malthus, at first made great play of what he falsely claimed was a disproportion between the arithmetical increase in agricultural production against a geometric increase in paupers. Twenty years later, however, he advocated an increase in what Marx called 'gluttonous drones' to consume the over-production that the CMP was doomed to suffer in 'general gluts'. See Ronald L. Meek, 'Malthus – Yesterday and Today', *Science & Society*, 18 (1) (Winter 1954), pp. 21-51; K. Marx, *Theories of Surplus-Value*, Part III, Progress Publishes, Moscow, 1971, pp. 13-68.]

Thus the law of supply and demand as applied to labour is kept on the right lines. The oscillation of wages is confined within limits satisfactory of capitalist exploitation, and lastly, the social dependence of the worker on the capitalist, which is indispensable, is secured.

At home, in the mother country, the smug deceitfulness of the political economist can turn this relation of absolute dependence into a free contract between buyer and seller,

[This 'turn' is confined to the realm of propaganda.]

between equally independent owners of commodities, the owner of the commodity capital on one side, the owner of the commodity labour on the other.

But in the colonies this beautiful illusion is torn aside.

There, the absolute number of the population increase much more quickly than in the mother country,

because many workers enter the colonial world as ready-made adults,

(p. 936)

and still the labour-market is always understocked.

The law of the supply and demand of labour collapses completely.

On the one hand, the old world constantly throws in capital, thirsting after exploitation and 'abstinence';

[The metaphor of 'thirsting' is less anthropomorphic than is Marx's reference to the 'greed of capital. Its personifications and agents can be greedy, but never categories, since, as Marx says of 'History', they can do nothing.

The re-appearance of 'abstinence' alerts us to the welter of ironies to come – 'most mischievous', 'not into the workhouse', 'adversely', 'indecently', 'so honestly, so eloquently and so movingly'.]

on the other, the regular reproduction of the wage-labourer as wage-labourer comes up against the most mischievous obstacles,

which are in part insuperable.

And what becomes of the production of redundant wage-labourers, redundant, that is, in proportion to the accumulation of capital?

Today's wage-labourer is tomorrow's independent peasant or artisan, working for himself.

He vanishes from the labour-market – but not into the workhouse.

This constant transformation of wage-labourers into independent producers, who work for themselves instead of for capital,

and enrich themselves instead of the capitalist gentlemen,

reacts in its turn very adversely on the conditions of the labour-market.

Not only does the degree of exploitation of the wage-labourer remain indecently low.

The wage-labourer also loses,

along with the relation of dependence,

the feeling of dependence on the abstemious capitalist.

Hence all the inconveniences depicted so honestly, so eloquently and so movingly by our friend E.G. Wakefield.

The supply of wage-labour, he complains, is neither constant, nor regular, nor sufficient.

'The supply of labour is always, not only small, but uncertain.'

Though the produce divided between the capitalist and the labourer be large,

the labourer takes so great a share that he soon becomes a capitalist ...

[No, Mr Wakefield, he does not. He becomes a self-sustaining petty-producer, that obstacle to a CMP.]

Few, even of those whose lives are unusually long, can accumulate great masses of wealth.'

The workers most emphatically refuse to let the capitalist abstain from paying for the greater part of their labour.

[Again Marx rings the changes on 'abstain'.]

It is of no assistance to him if he cunningly imports his own wage-labourers from Europe, with his own capital.

['cunningly' is more of what Marx refers to as his coquetting with Hegel's 'mode of expression' (p. 103), this time with 'the cunning of reason, cf. p. 285, n. 2.]

They soon 'cease ... to be labourers for hire;

They ... become independent landowners, if not competitors with their former masters in the labour-market.'

Horror of horrors!

The excellent capitalist has imported bodily from Europe, with his own good money, his own competitors!

The end of the world has come!

No wonder Wakefield laments the absence both of relations of dependence and feelings of dependence on the part of the wage-labourers in the colonies.

On account of the high wages,

says his disciple Merivale,

there is in the colonies an urgent desire for cheaper and more sub- (p. 937) servient workers,

For a class of people to whom the capitalist may dictate his terms, instead of having his terms dictated by them ...

In the old civilised countries the worker, although free,

is by a law of nature dependent on the capitalist;

in colonies this dependence must be created by artificial means.'

[How strange a natural law it is which has one law for the old world and a different one for the new, both at the same time.]

[Footnote 16 on page 937 adds nothing new to Marx's position though it adds to the merriment of our class to read of workers' 'exploiting' their betters.

There is an echo of 'Accumulate, accumulate! That is Moses and the prophets!', p. 742.]

'itch to use police methods to set on the right road that law of supply and demand which works automatically everywhere else.'

[Once more we encounter the role of the state at securing the conditions under which 'free labourers' are compelled to sell our labour-power.]

What now is the consequence of this regrettable state of affairs in the colonies, according to Wakefield?

A 'barbarising tendency of dispersion' of producers and of the wealth of the nation.

The fragmentation of the means of production among innumerable owners, working on their own account,

annihilates, along with the centralisation of capital, all the foundations of combined labour.

[The CMP requires the centralisation of productive resources, the concentration of money-capital and the conglomeration of labour – a tripartite integration which, for Marx, constitutes 'industrialisation'. For the processes commonly known as 'industrialisation', he coined machino-facture, out of the switch from the petty-production of cottage-based handi-craft and manu-facture. For Marx, agriculture was every bit as much an industry (p. 914, n.1.) as processing, construction, or transport since they all yielded surplus-value.]

Every lengthy undertaking, extending over several years and demanding the outlay of fixed capital, is prevented from being carried out.

[Remember, Wakefield is reporting on the 1830s, not the late 1860s.]

In Europe, capital does not hesitate for a moment, for the working class forms its living appendage, always present in excess, always at its disposal.

[Marx develops the need for 'a reserve army of labour,' p. 784.]

But not in the colonies!

Wakefield recounts the following exceedingly painful anecdote.

He was talking with some capitalists of Canada and the State of New York, where moreover the wave of immigration often sticks,

(p. 938)

depositing a sediment of 'redundant' workers.

'Our capital', says one of the characters in the melodrama,

[By dramatising its personifications and agents, e.g., pp. 249 and 441, n. 2., Marx reminds us that capital is capital only when it is alive in the business of expanding.]

'was ready for many operations which require a considerable period of time for their completion;

[Marx develops the import of turnover times in volume two.]

but we could not begin such operations with labour which, we knew, would soon leave us.

If we had been sure of retaining the labour of such emigrants, we should have been glad to have engaged it at once, and for a high price;

[Here we see an instance of labour hoarding so that capitalists will be ready to move as soon as effective demand occurs. For comparable reasons, capitalists also need a reserve of money-capital (v. 2, pp. 162-6) – which is the opposite of the miser's hoard (p. 254) - but backed by a regime of credit (pp. 777-80; v. 2, pp. 418-24).]

and we should have engaged it, even though we had been sure it would leave us, provided we had been sure of a fresh supply whenever we might need it.'

After Wakefield has contrasted English capitalist agriculture and its 'combined' labour with the scattered cultivation of American peasants, he unwittingly shows us the obverse of the medal. He depicts the mass of the American people as well-to-do, independent, enterprising and comparatively cultured, whereas 'the English agricultural labourer is a miserable wretch, a pauper ...

In what country, except North America and some new colonies, do the wages of free labour employed in agriculture, much exceed a bare subsistence for the labourer?

... Undoubtedly, farm-horses in England, being a valuable property, are better fed than English peasants.'

[Slave-owners prosecuted this case against factory-owning Abolitionists, see Eugene Genovese, *The World the Slaveholders Made*. From the 1790s, British workers had pointed out the hypocrisy of their Quaker Masters in opposing the slave trade abroad but not wage-slavery at home.]

But never mind,

the wealth of the nation is once again,
by its very nature,

[Again, references to Adam Smith, and to the propaganda of pretending that social relations derive from 'nature', for instance, his 'propensity to truck', *Wealth of Nations (WN)*, Penguin, Harmondsworth, 1970, pp. 119-21.]

identical with the misery of the people.

[Smith accepted that the wealth of nations is built on the enforced unequal distribution of its produce, *Lectures on Jurisprudence*, Oxford at the Clarendon Press, 1978, p. 208.

Marx's uses 'misery' (*elend*), not poverty, to highlight that expropriation and exploitation blight every aspect of human existence, cf. *M-ECW*, v. 4, 1975, pp. 36-7.]

How then can the anti-capitalist cancer of the colonies be healed?
If men were willing to turn the whole of the land from public into private property at one blow,
this would certainly destroy the root of the evil,
but it would also destroy – the colony.
The trick is to kill two birds with one stone.

[An instance of Marx's terse prose style; the German says 'The art is', not 'The trick is'.]

Let the government set an artificial price on the virgin soil,
a price independent of the law of supply and demand,
a price which compels the immigrant to work a long time for wages
before he can earn enough money to buy land
and turn himself into an independent farmer.
The (p. 939) fund resulting from the sale of land at a price relatively prohibitory for the wage-labourers,
this fund of money extorted from the wages of labour
by a violation of the sacred law of supply and demand,
is to be applied by the government,
in proportion to its growth,

[Again 'proportion' as noted above.]

so as to keep the wage-labour market full for the capitalists.
Under these circumstances,
'everything will be for the best in the best of all possible worlds.'

[Marx is quoting Voltaire's *Candide* (1759) with its lopsided characterisation of Leibnitz as Dr Pangloss; cf. 'pre-established harmony of things', p. 280, and p. 302 for 'everything is for the best' again; see my 'Circling Leibnitz', on www.surplusvalue.org.au]

This is the great secret of 'systematic colonisation'.
Under this plan, Wakefield exclaims triumphantly,
'the supply of labour must be constant and regular,
because, first, as no labourer would be able to procure land until he had worked for money,
all immigrant labourers, working for a time for wages and in combination,

would produce capital for the employment of more labourers;

[Following from the ratio of the forms of capital needed for the expanded reproduction of capital, Marx elsewhere shows why its accumulation need not always generate more jobs since competition forces firms to replace labour with machines, thereby shifting the organic and technical compositions of capital, see p.762; and volume three for the resultant rises in productivity, albeit opening the path to a tendential fall in the rate of profit. Vol III.]

Secondly, because every labourer who left off working for wages and became a landowner, would,
by purchasing land,
provide a fund for bringing fresh labour to the colony.'
The land-price laid down by the state must of course be 'sufficient',
i.e. it must be high enough
'to prevent the labourers from becoming independent landowners until others had followed to take their place.'
This 'sufficient price for the land'
is nothing but a euphemistic circumlocution for the ransom
which the worker must pay to the capitalist in return for permission to retire from the wage-labour market to the land.
First, he must create for the capitalist
the 'capital' which enables him to exploit more workers;

[See just above for how that outcome is affected by the changes to the organic and technical compositions of capital.)

then, at his own expense,
he must put a 'substitute' in the labour-market'

[The notion of 'substitute' comes from military service where the better-off paid poor man to take their places in a conscript army. Marx deploys the language of the military ranks for the disciplining of factory hands, see pp. 439-50 *passim*; 'As privates of the industrial army they are placed under the command of a perfect hierarchy of officers and sergeants.' *M-ECW*, v. 6, pp. 491.]

who is dispatched across the sea by the government,
again at the worker's expense,
for his old master, the capitalist.

It is extremely characteristic that the English government for years practised this method of 'original accumulation' prescribed by Mr Wakefield expressly for use in the colonies.

The resulting fiasco was of course as ignominious as the fate of Peel's Bank Act.

[Thomas Peel was the cousin of prime minister Robert Peel whose 1844 Bank Act Marx lambasted, see *M-ECW*, Progress Publishers, Moscow, volume 15, pp. 379-84, and volume 16, pp. 3-7, and *Capital*, v. III, chapter 34.]

The stream of emigration was simply diverted from the English colonies to the United States.

Meanwhile, the advance of capitalist (p. 940) production in Europe,

accompanied by increasing government pressure,
has rendered Wakefield's recipe superfluous.
On the one hand, the enormous and continuous flood of humanity,
driven year in, year out, onto the shores of America,
leaves behind a stationary sediment in the East of the United States,
since the wave of immigration from Europe
throws men onto the labour-market there more rapidly
than the wave of immigration to the West can wash them away.

[Completion of a transcontinental railroad by 1867 improved the dispersal.]

On the other hand,
the American Civil War has brought in its train a colossal national debt and,
with it, a very heavy tax burden,

[Despite destruction during wars, they need not impede the accumulation of capital. The revolution-in-capital gained more than it lost by England's being at war more often than not between 1690 and 1815. Britain's capitalists sustained dominance of global trade through a fiscal-naval state funded by regressive taxes servicing a national debt managed by the Bank of England.]

the creation of a finance aristocracy of the vilest type,

[Marx explains why bankers and credit are essential to the expansion of capital once money-lending capital has been transformed by becoming part of the CMP, see pp. 266-7 and *Capital*, v. III, Parts Four and Five.

Speculators can concentrate money-capital by fleecing mum-and-pop investors.

Different again is 'finance capital' in this era of monopolising capitals, see Rudolf Hilferding, *Finance Capital*, Routledge, London, 1981; N. Bukharin, *Imperialism*, Merlin Press, London, 1972; V.I. Lenin, *Imperialism*, Foreign Languages Press, Beijing, 1965; V.I. Lenin, *Collected Works*, volume 39, Progress Publishers, Moscow, 1968.

Although money-capital, finance capital and fictitious capital intersect, they are far from being one and the same, see my 'Fictitious Capital', www.surplusvalue.org.au]

and the granting of immense tracts of public land
to speculative companies for the exploitation of railways, mines, etc.
In short, it has brought a very rapid centralisation of capital.

[No matter how vile the 'finance aristocracy' might have been, its needs spurred on the triumph of the CMP in the U.S. of A, which the Marxist accounting professor, Rob A. Bryer, puts between 1900 and 1920 because of its self-sufficient farmers, see his 'Was America Born Capitalist?', *Critical Perspectives on Accounting*, 23, 2012, and my introduction to Bryer, 'Accounting for Capital', www.surplusvalue.org.au]

The great republic has ceased to be the promised land for emigrating workers.
Capitalist production advances there with gigantic strides,
Even though the lowering of wages and dependence on the wage-labourer has by no means yet proceeded
so far as to reach the normal European level.

The shameless squandering of uncultivated colonial land

on aristocrats and capitalists by the English government,
so loudly denounced even by Wakefield,
has, especially in Australia,

[FN. 23 The attempt to 'unlock the land' by expropriating the squatters resumed in 1860 with Free Selection Acts. D.W.A. Baker interprets what might seem to be the paradox of a government breaking up the vast estates in terms of conflicts between factions within the colonial bourgeoisie, between those who had had to pay good money for their holdings, and those who were squatting on them for a peppercorn rent. 'The Origins of Robertson's Land Acts', *Historical Studies of Australia and New Zealand*, 8 (30), May 1958, pp. 166-82, On-line. For the place of labour and land in the European occupation of Australia, see the Appendix.]

in conjunction with the stream of men attracted by the gold-diggings,
and the competition from imported English commodities
which affects everyone down to the smallest artisan,
produced an ample 'relative surplus population of workers',
so that almost every mail-boat brings ill tidings of a 'glut' of the Australian labour-
market,
and prostitution flourishes there in some places as exuberantly as in the Haymarket in
London.

[See Henry Mayer (ed.) *Marx, Engels and Australia*, F.W. Cheshire, Melbourne, 1964.]]

However, we are not concerned here with the condition of the colonies.
The only thing that interests us is the secret discovered in the New World
by the political economy of the Old World,
and loudly proclaimed by it:
that the capitalist mode of production and accumulation,

[Again ponder: are they one and the same? That is, does the need for continuous expansion distinguish the CMP from all others, and, if so, how exactly does it do so? And how exactly did that change – the revolution-in-capital – come about?]

and therefore capitalist private property as well,
have for their fundamental condition
the annihilation of that private property
which rests on the labour of the individual himself;
in other words, the expropriation of the worker.

Post Script

Concentration of capitals already formed, destruction of their individual independence,
expropriation of capitalist by capitalist, transformation of many small into a few large
capitals. *Capital*, I, p. 777.

[This dynamic in the expansion of capital from out of the eighteenth century lays a
foundation for the era of monopolising capitals (Bukharin's and Lenin's imperialism) from late
in the nineteenth century.]

Proletarian revolution expropriates the expropriators.