

## ***Das Kapital* and crisis theory**

3CR Solidarity Breakfast 1 October 2016

One hundred and forty-nine years and twelve days ago, a Hamburg publisher delivered 1,000 copies of *Das Kapital* by a certain Dr Karl Marx. Why mention this odd anniversary? First, to get ready for the 150<sup>th</sup> anniversary in 2017 when there'll be lots of debate in both the admass media and the anti-social media. One side will allege that all of Marx's predictions were wrong and the other will claim that he alone allows us to explain the on-going implosion in capital. More importantly, comrades should always be reading and re-reading *Capital* for what it can help us to understand about the here and the now.

### **Where to begin reading?**

The one point on which almost everyone agrees is that you shouldn't start with chapter one. That's what I did fifty-five years ago. The opening pages are quite straightforward. The danger is that they are deceptively so. I thought I had understood what I'd read. I hadn't.

Each time I work through the opening 100 pages of Part I on 'Commodities and Money', I realise how much I missed, and not just the first time. Each reading reveals more layers to penetrate. First, let me suggest to any comrade who's thinking, 'I've already read *Capital*.' My experience across fifty-five years, is that to have read volume one yet through is no more than a good start.

If you are a complete novice it's probably not a good idea to begin with *Capital* at all. Instead, it's better to start by reading four pamphlets: Marx's *Wage-labour and Capital*, his *Value, price and profit* and his *Critique of the Gotha Programme*. The fourth pamphlet is Engels *On the Housing Question*.

However, when we do turn to volume one, starting with chapter four is the second worst recommendation. Chapter ten on 'The Working Day' has more champions because Marx details a central experience for us all; how long – hours and years - do we have to work to pay our bills? Today, we speak of a time famine'. One barrier is that all the examples in this 75-page chapter are 150 years old. So, I've made a guide to the seventeen pages that deal with the main themes. It's at the end of these notes posted on the 3CR site.

My suggestion is to do the exact opposite of what the King tells Alice: 'Start at the beginning and go through to then and then stop.' Rather, start with the final chapter, chapter 33, headed 'The Modern Theory of Colonisation'. The reasons are:

1. It is only twelve pages so we get the reward of achievement which encourages we to press on;
2. it is very funny – with several laugh-out-loud bits;
3. it talks about Australia, which surprises most people;
4. above all, it uses a failed attempt at colonisation on the Swan River in 1829 to highlight the actualities of the capitalist mode of production everywhere.

Chapter 33 offers the key to understanding both that system and Marx's critique of it. So, after re-reading chapter 33, perhaps next read the seventeen pages spotlighted from chapter 10. Then read the Prefaces etc that Marx and Engels wrote for the four German editions, and to the French and English editions.

We can't run away from chapters one to three forever. We can't afford to dread what Marx calls 'the fatiguing climb of its steep paths have a chance of gaining is luminous summits.' But we don't have to begin by scaling the north face.

### **Which translation?**

Engels supervised the first English translation, which went on sale early in 1887. This version became the basis for the Soviet edition of 1958, reproduced by International Publishers in New York and in London by Lawrence & Wishart.

Many people have one of these, and a lot of the published discussion give its page numbers. A lively translation appeared in 1930 from the Everyman Library. This is the edition I'd pick for an audio book. Penguin published an entirely new translation forty years ago. The Penguin is very good at identifying people and events which Marx drops in. But there are a few slips. For instance, it gives 'swindle' instead of 'making disappear'.

Each version has its appeal and its weak spots. No one can translate 900 pages of anything without choosing turns-of-phrase which other people will think of as unfortunate, or just plain wrong. Not even highly educated native speakers of German will agree about the best way to convey Marx's intention.

Few of us will ever be sufficiently fluent in German to read the original. Yet we can't ignore the problem. Hence, we should never build an interpretation upon a word or phrase without cross-checking against the German.

The Moscow translation and the Penguin one are on-line. You can find them on [www.surplusvalue.org.au](http://www.surplusvalue.org.au) But we need to print out the pages we studying each week. Because we need to read with a pen in our hand. Sometimes it helps to transcribe a sentence or two. At other times, it's necessary to re-do the arithmetic to get on top of the calculations.

### Reading groups

Having even one person to talk it over with is better than doing it by ourselves.

A group of no more six seems to work best. Go around the table with each person commenting on a paragraph. Think of meeting once a week for no more than two hours to work through ten or twelve pages. We can't go slowly enough. Sometimes, it is essential to proceed line by line.

It helps if one in the group has put in the hard yards before to indicate how the chapters fit into the total critique. The last thing we need is some know-all guru who lays down the law about what we're reading. The task is to get closer to what Marx says – not to hear some bully declare 'I say Marx says.' I'm usually the most experienced reader of Marx in our groups. And I recognise how much help I can be to the others by pointing towards where Marx is taking us. For example, he doesn't get to modern capitalism for nearly 200 pages. But I reckon I learn more from trying to answer questions from first-time readers than they take away from me.

Some people try to make sense of Marx's concepts by relating them to the struggles they're engaged in that week. *Capital* is not a widgee board to tell us how to negotiate this or that clause of an EBA. *Capital* provides a strategic understanding. Involvement in the daily struggles brings the danger of equating the behaviour of a particular boss with the needs of the entire capitalist system. Tactics get in the way of strategy.

Here is a list with some of those strategic issues.

- > Why there can be no such thing as a fair day's pay?
- > What is the difference between surplus-value and profit?
- > How can an Australian on \$125,000 a year still be exploited?
- > What is the difference between a financial panic and a crisis from excess capacity?
- > Why must capital keep on expanding?
- > And why is capital subject to periodic disruptions from over-production?

Only if we develop the fullest understanding of how to answer such questions will we be armed with the analytical weapons essential to challenge the rule of capital, strategically and tactically.

Again I can draw on my experience from grappling with the current implosion in capital. Instead of chasing after news items to illustrate what Marx wrote 150 years back. His pages help us to make sense of the current dynamics. He provides a way of thinking - not a hand-me-down formula.

### **Why read *Capital* at all?**

One reason is to understand the on-going implosion in the expansion of capital. Marx tells us about how capitalism works during its best of times as well as in its worst. The implosion is one of the two strategic issues to concern to socialists. We need to be more precise about how the financial system fits into this moment in the era of monopolising capitals. Yes, a Global Financial Crisis did erupt in 2008. And there have been more localised ones ever since. But they are effects from the inability of the productive system to grow. All around the world, the central bankers are admitting defeat. Nothing they can do has kick-started the real economy.

Indeed, in June, the Bank for International Settlements warned that policies which were supposed to stimulate growth have made the coming crash worse. As important as it is to grasp this big picture, we also need to track how the problems apply in each nation-market-state and for each financial institution.

### **China**

This week the BIS quarterly report warned that China's debt of GDP gap is three times over the danger threshold. At this rate, China is on target to spark a global smash like that of 2008. True. But there is a little problem. Were Beijing to enforce limits on loans, its economy would stall and that would spark the smash.

### **Japan**

The governor of the Bank of Japan has just abandoned his three-year spending spree on government bonds, real estate and share to get the population spending. Instead of reaching his inflation target of 2 percent, it is stuck at minus 0.5 percent. By way of explanation he quotes Peter Pan about no longer being able to fly.

### **Deutsche Bank**

Meanwhile, one of the world's largest banks in 2008 – Deutsche Bank – is sliding down the plughole. Indeed, one insider claims that it was bankrupt in 2010. Its cover-ups and other illegal behaviour have just brought fines in the USA of fourteen billion on top of the nine billion dollars in the European Union.<sup>1</sup> The game is up. For the last two years, Deutsche Bank has failed the stress test run by the US Federal Reserve. That means that it would not be able to meet its pay its bills. No surprise then that during this year, it has lost half its market valuation. On paper, it's now worth less than many an IT start-up. The only people putting their money on the future of Deutsche Bank are crooks like George Soros. That mobster just took away a cool 100 million by betting that its share price would go down.

The IMF rang the alarm a few weeks back by calling Deutsche Bank 'one of the most important net contributors to systemic risks in the global banking system.'

That disaster scenario is because Deutsche Bank is, according to the IMF, a

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<sup>1</sup> Join the dots: Deutsche Bank launders billions each year for Russian oligarchs. When asked about his credentials on Wall Street, Donald Trump named Deutsche Bank's New York private wealth manager, Rosemary Vrablic. *New Yorker*, 2016.

‘source of contagion to other lenders and to their insurers.’

That sounds like September 2008 and Lehman Brothers.

*Capital* can help us to make sense of how it is possible for one bank to threaten the world financial regime and thereby send every aspect of the economy into a tailspin. But explanations are not ready-made. We won't find them by looking up the index. We need to put in a lot of conceptual effort and fact-grubbing. They are collective efforts.

### **The future of paid work**

The second issue to alarm socialists is the future of paid work. Is there one? On the one hand, we're told that robots and automation will do away with most of the jobs that now exist. At the same time, we know from our working lives that we're being made to work longer, faster and harder. We all know that there's a time famine. How will the long-term expansion of capital be affected and effected by these opposing tendencies?

Marx deals with a comparable situation from some two hundred years ago. Large-scale machino-facture intensified work schedules but allowed the bosses to work people for longer hours. The wage-slaves could work for longer because they were no longer using part of their energy to power the machines.

We can't plonk that explanation down on what is now underway. But we can see how it is possible to integrate seemingly opposed drives. The way to do so is by recognising the centrality of Marx's concept of 'socially necessary labour-times' for the exploitation of labour-power. But again we are only at the starter's gate.

Once we have worked our way slowly through the 900 pages of volume one we have reached base camp for the ascent to the luminous summits of science. Three more volumes and several related books by Marx and Engels await us. Like our struggle against capitalism, the effort to absorb the science of *Capital* is not a long haul – it's an endless haul.

Let's wind up with a point that we can't remind ourselves often enough. Capitalism will never collapse. The economy can implode as it has been doing for ten years. But for as long as our enemy retains state power their system will survive. They use the violent power of the state to force the costs of the implosion onto working people. Capitalism will not collapse. It has to be overthrown.

Humphrey McQueen 1900 hours Tuesday 27 September

### **Chapter ten**

Suggested pages from chapter 10 'The Working Day' in the Penguin edition

The 17 pages have been selected for their direct links to the conceptual elements. These are the pages from which readers will benefit most by discussing in a group. The other 59 pages deserve to be read but are self-explanatory:

340-46 down to In the Danubian Principalities ...

352 stop after top two lines on 353

367 to top of 368

380 to top of 383

389 short para above section 6.

411-12 as far as *Second*.

425 from 'It must be acknowledged ...' to the end.