

# KARL MARX

invites job reps and  
community activists  
to share insights from

*Capital*

into

**HOW WE ARE EXPLOITED,  
HOW NATURE IS PLUNDERED**

and

**HOW TO PUT AN END TO BOTH**

KARK MARX *CAPITAL*

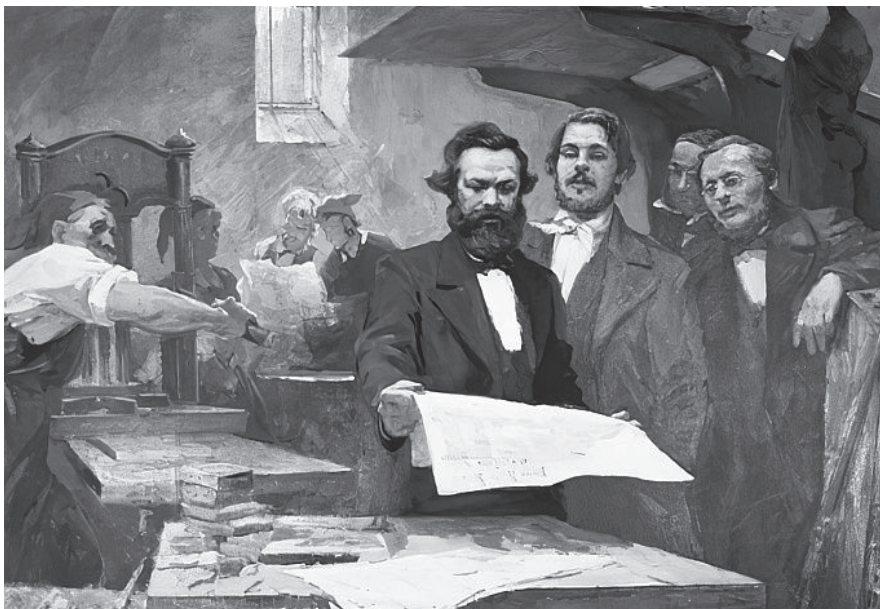
# KARL MARX

**invites job reps and  
community activists  
to share insights from**

***Capital***

*Labour is not the source of all wealth. Nature is just as much the source of use values ... as labour, which itself is only the manifestation of a force of nature, human labour-power.*

Marx, 1875.



*Marx and Engels at the printers.*

ISBN 978-0-6481690-1-7

Never Say Die Collective Publications

Available to all to reproduce – except Mass Murdoch.

Email - [Improvising12@protonmail.com](mailto:Improvising12@protonmail.com)

Free to homeless and those on Jobseeker

\$5 each or three for \$10 – postage included

Receipts to go to printing more copies.

# Introduction

*... theory becomes a material force once it has gripped the masses*

Marx, 1843.

After hearing my weekly 3CR commentaries in the lead-up to the 150th anniversary of the first edition of *Capital* in 2017, the Communist Party of Australia (Marxist-Leninist) asked me to provide a brief introduction.

I suggested a pamphlet to invite working people to think about what Marx reveals about our daily lives.

It should break through the super-saturated solution of bourgeois bullshit from the ABC and Mass Murdoch.

It should be for people who have never read a word of Marx.

This pamphlet cannot be a substitute for studying Marx but it is an encouragement to do so.

The first edition benefitted from suggestions by CPA (M-L) activists.

This edition makes changes to the wording on every page for greater clarity. Other amendments aim to be more precise about what is in *Capital*. Additions and updates have been included.

At every step, I have been helped by members of our *Capital* reading group which has met weekly over the past fourteen years.

Page numbers are to the Penguin editions.

Humphrey McQueen,  
Canberra,  
September 24, 2023

*Religious* distress is at the same time the *expression* of real distress and also the *protest* against real distress. Religion is the sigh of the oppressed creature, the heart of a heartless world, just as it is the spirit of spiritless conditions. It is the *opium* of the people.

To abolish religion as the *illusory* happiness of the people is to demand their *real* happiness. The demand to give up illusions about the existing state of affairs is the *demand to give up a state of affairs which needs illusions*.

Marx, 1844.

Differences of age and sex no longer have any distinctive social validity for the working class. All are instruments of labour, more or less expensive, according to their age and sex.

Marx and Engels, *The Communist Manifesto* (1848).

The labour of women and children was therefore the first result of the capitalist application of machinery! That mighty substitute for labour and for workers, the machine, was immediately transformed into a means for increasing the number of wage-labourers by enrolling, under the direct sway of capital, every member of the worker's family, without distinction of age or sex. Compulsory work on behalf of the capitalist usurped the place, not only of the children's play, but also of independent labour at home, within customary limits, for the family itself.

Marx, *Capital*, I: 517.

## **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 can all take part in changing it.

### **Know our enemy**

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

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

Our class has to be armed to fight on each of those fronts. The four volumes of *Capital* deliver short-, medium- and long-range missiles 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 Dutton with bad ideas such as 'neo-liberalism.'

Neo-liberal practices are bad for workers but great for most of the boss class.

## **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 are building mass movements:

the plunder of nature; the expansion of capital; wage-slavery; exploitation; the future of labour-time; ground-rent, and crises.

One task is to forge Marx's insights into weapons for our struggles today, and every hour of every day.

*We make our own history, but we do not make it just as we please; we do not make it under circumstances chosen by ourselves, but under circumstances directly encountered, given and transmitted from the past.*

Marx, 1852.



## **The wealth of nature**

*Capitalist production, therefore, develops only ... 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.

Far more than other animals, we are forever remaking our species.

In remaking what it means to be human, we created languages, writing and maths.

Human nature is neither eternal nor universal. We alter our relationships with each other. We change our relationships with the rest of nature. And we transform some of nature. We become what we do.

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

Yet labour cannot be the sole source of wealth.

Our capacities can never create the raw materials to which we add value.

## **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.

Yet, only human labour can add more value than goes into its reproduction.

'Value' is an overloaded term. It can be a moral judgement or an artistic preference. In *Capital*, value is also an economic category.

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

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 agents in the state supply the long-term investment for plantations out of taxes.

## **Nature's gifts**

Nature presents its treasures to us for free. Wind and water exist without our having to lift a finger.

To benefit from those gifts, we erect wind- or watermills.

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

## **Property wrongs**

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

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

## THE WEALTH OF NATURE

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

Who gets what and how much is decided by how society is split between classes.

Within classes, wealth is divided along gender and ethnic lines.

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

Injustice is built into the expansion of capital.

### **Put in our place**

We live through nature just as nature exists inside us. Hence, we must heed a warning from Marx's life-long comrade, Frederick Engels:

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

We still have much to learn about those laws and about how to 'apply them correctly' if we are to serve the needs of working people.

Relentless growth threatens barbarism. To ravage our natural environment is chronic suicide.

Victory for working people in our class struggle is the foundation for the survival of life on earth ... before it is too late.

## The need to expand

*One capitalist always strikes down many others.*

*Marx, Capital, I, p. 929.*

To exist, capitalism must expand. That need distinguishes it from chattel-slavery and serfdoms.

Steady-state capitalism is impossible. If it ceased to grow it would cease to exist.

Twin forces drive its need to keep expanding:

1. Competition forces each firm to lower its production costs to reduce the market-price per item.

Each business strives to sell more of its cheaper goods to get back the same volume of profit.

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

Bosses react by replacing our living labour with machines which further increase the volume of commodities to be sold.

### Mass Marketing

Until these goods are sold, capitalists do not get any profit.

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

Over-consumption is not the sin of greed. 'Affluenza' results from the needs that capital has to expand.

## THE NEED TO EXPAND

Its agents instill demands in us to make us absorb the over-production that results.

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

Here is the class struggle over the five pillars of our daily 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 over-produce solar panels, wind-turbines and batteries.

Capitalists would also go on plundering every other resource.

Hence, renewables will not stop the system's spewing out wastes other than CO2. Capital pollutes the natural world that its agents plunder for raw materials.

Capitalists will use renewables to over-produce no end of disposables.

Electric batteries run on hazardous metals such as lithium. The demand for cobalt is set to rise by 1,000 percent by 2030.

### **Bigger is better**

Marx traces the origins of capitalism to three interlocked processes:

the *centralisation* of money-capital accumulated to re-invest on

the *concentration* of resources for production which requires a *conglomeration* of labour to add value to those other resources.

Their triumph became a cancerous growth for its survival.

## **Monopolies – old and new**

Monopolising has always been part of capital's expansion.

The Crown chartered Corporations with exclusive trading rights over commodities (chattel-slaves and furs), or to realms, the East India Company across Asia from 1599 to 1833.

Once British capitalism gained global dominance after 1815, the role of monopolies was transformed. Britain could enforce its interests under the mask of 'free-trade.'

Those two stages were different from monopolising capitals since the 1890s.

## **Intensified competition**

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

Monopolising is a process. Rival capitals persist.

Indeed, as corporations get bigger, they fight each other more fiercely. Think Coke vs Pepsi. Toyota vs. General-Motors. Huawei vs. Ericsson.

Sometimes, the giants get together to fix prices. Those cartels fall apart after a few years as 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.

QANTAS got fined \$20m. in 2008 for rigging freight-rates.

## **War**

Wars are the peak of monopolising competition.

They serve capital's need to expand in three ways:

One is to grab resources. Since labour is the prime resource, capitalists traded chattel-slaves to add value in the Americas.

Soil is the other vital need. By conquest, European capitalists grabbed land from which to import gold, spices, sugar and then cotton.

## THE NEED TO EXPAND

Today, the once great powers on land still control the oceans to fish and to mine.

The Exclusive Economic Zone (EEZ) of the U.K. covers 6m. sq. km. in the Atlantic; the French, 9.5m., mostly in the Pacific; and the U.S. has 12m. everywhere.

Were Beijing to secure all the South China Seas to which it lays claim, its EEZ would come to no more than 3m. sq. km.

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

From the late 1800s, nation-market-states imposed tariffs to reduce competition from imports.

After 1950, the most powerful ones pushed their exports through so-called 'Free Trade' and 'globalisation.'

Since 2017, the U.S. corporate-warfare state has swung back to protectionism against Germany and China.

Sometimes the agents of capital grab places to protect trade routes.

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 remains, too valuable 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.

Today, Australia is a spy base (Pine Gap) and a launching-pad for the U.S. corporate-warfare state.

## **Imperialism**

Lenin's 'Imperialism' is the latest form of the centralisation of money-capital to fund the concentration of production capitals.

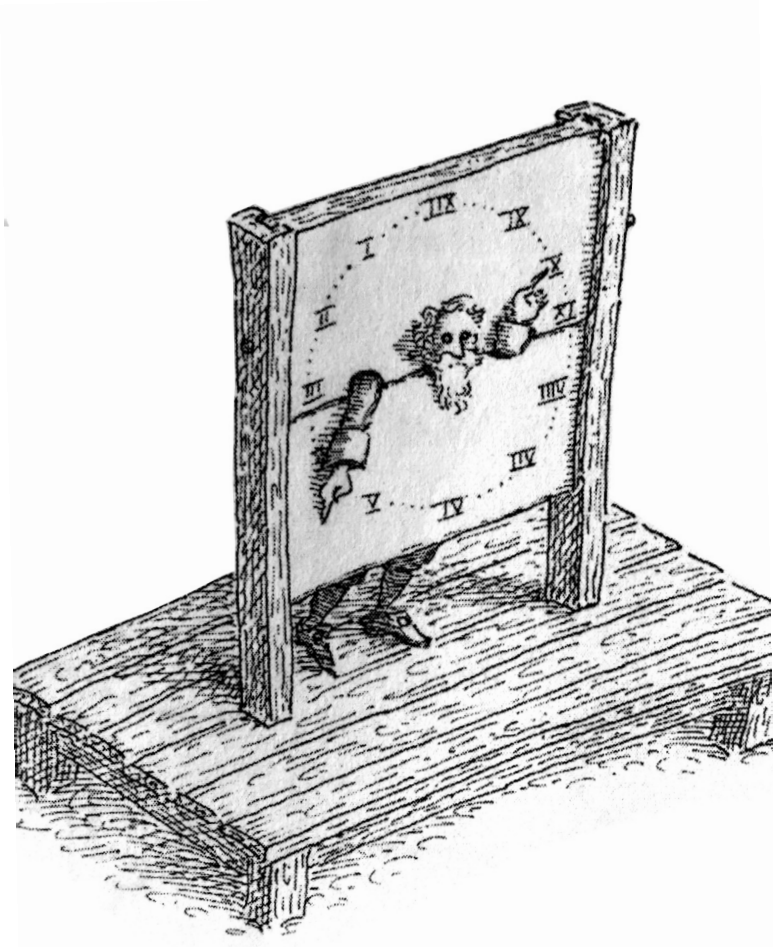
This third stage of monopolising capitals did not get underway until the 1890s.

By then, all the colonies had been seized. Imperialism is not a swear word for colonisation.

The monopolising stage stepped up the exploitation of us wage-slaves everywhere - from Austria to Zanzibar.

From the late 1940s, de-colonisation struggles brought varying degrees of constitutional and political control to the locals.

Economic and military power remained with the imperial centres, a regime known as neo-colonialism.





## **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 called his masterpiece *Capital*. In it, he gives us the finest analysis of labour ever penned.

He reveals that money for investment and production goods (machines) is the outcome 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 and of the state to make us sell our living labour to add ever more value to the wealth of nature.

### **Rights at work**

Once we have sold our labour-power, our capacities to add value are at the disposal of the personifications of capital, the capitalists.

Their overseers still have to subject our capacities in practice.

They direct our 'free labour' to serve capital's need to expand.

We are disciplined to serve that demand during every second of the working period.

To withdraw our 'free' labour is a crime. The ruling class can never accept our 'right' to strike. They try to claw back every 'right' we win.

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

## **Not '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 their 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.

Its *first* aspect is that our forebears were freed by force of the resources to keep themselves alive. Driven off the land, and out of handicrafts at home, they were free to be compelled to sell their labour-power.

We inherit that free choice. We too can sell ourselves for dinner - or starve, beg or steal.

*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*, employers 'set us free' when they sack us.

## **Capacities**

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

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 a 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**

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

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

Should we sell our home-grown tomatoes at a neighbourhood market, they have an exchange-value. Now they have become commodities.

At the street market, we are still selling the products of our labour. Our customers do not buy our capacity to add value in the growing of tomatoes.

Nor do we sell value that others have added to those tomatoes.

The situation changes once we are forced sell our labour-power to an agri-business to grow tomatoes.

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

Such exchanges are the heartless soul of capitalism.

## **Variable capital**

Once we sell our labour-power for wages, our capacity to add value becomes a form of capital, giving life to money-capital and production-capitals.

Marx calls labour-power 'variable' capital because it is the only element of production able to supply more value than goes into its reproduction.

He calls that extra 'surplus-value.'

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

## **Surplus-Value**

Marx draws this 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 for eight or more hours each day.

During that time, we produce values equal to the cost of reproducing our labour-power. Capital meets that cost with our money-wages.

At the same time, we are providing value 'surplus' to our needs.

However, we do not provide the labour necessary to cover our wages before lunch and add surplus-value only in the afternoon. They happen simultaneously.

The crunch is that we cannot be paid for producing that extra.

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

## **To market**

Surplus-value is not a fancy name for profit.

Capitalists cannot take their profits at the point of production.

Only when products are sold can the surplus-value become a chance to take a profit.

But one's employers never get all the surplus-value they have taken from us without paying.

Some goods spoil. Others never sell.

Production-capitalists have to share some of the profits with landlords, traders and lawyers.

In the sphere of circulation, swindles are the order of the day.

Capitalists swindle their customers and governments out of taxes.

## FREE-LABOUR IS WAGE SLAVERY

They must do so to come out on top in the competitive race.

These swindles come after they have taken our surplus product for free under an equal exchange.

### **Democracy**

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. Their 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 taking part in breaking up their state.

*... what presents itself to us in the cloak of bourgeois legality is nothing but the expression of class violence raised to an obligatory norm by the ruling class.*

Rosa Luxemburg, 1906.

## 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. We are exploited and yet not diddled. 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 reveals how exploitation works under capitalism.

The word 'exploitation' is flung around as abuse.

Marx helps us to understand why it is never exceptional, and yet need not be a swindle.

Armed with that insight we can see why there can never be 'a fair day's pay' under the rule of capital.

### Equal exchanges

Like all scientists, Marx begins from a simplified model.

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.

## EXPLOITATION

If capitalists pay in full for all the costs of reproducing our labour-power, there is an equal exchange.

Even then, we are exploited.

If our wages do not meet the cost of reproducing our labour-power, there is also a swindle.

That is what happens to the victims of wage-theft.

Even after they get all their back pay, they have not got the full value that they had added. They remain exploited.

### **Same difference**

If capital does not get something for nothing, it cannot exist, let alone 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 at all times.

What differs are the socially-necessary costs of reproducing our capacities to add value.

The reasons are clearer when we apply Marx's insight to real-life situations.

To do so, we'll compare a garment worker in Eretria with a kitchen-hand in Fremantle.

The process worker 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 her \$2.00 a day to reproduce. Her boss pays her \$2.00. An equal exchange has taken place.

But 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 by meeting her \$2 wage.

Whether she is also being swindled depends on how much her labour-power costs her to reproduce.

She has to pay for food and housing, training and transport.

Those outlays are necessary if she is to offer her labour-power on a job market.

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

## **Life-cycles**

The same rule applies to a Freemantle kitchen-hand with Sunday penalties of \$200 a day when her upkeep is \$200.

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

Nor does she add more value on a weekend than on a Tuesday.

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

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.

Winning higher rates on weekends became one way of our getting enough money to reproduce our labour-power across generations.

As ever, our success depended on 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 exploited.

Anyone getting double-time for working on Sundays is still being exploited.



## EXPLOITATION

When penalty rates were cut from 2017, kitchen-hands could be exploited at higher rates over their working-lives, and not just on Sundays.

### Sticking together

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

Outrage at the cheating of wage-slaves for NIKE suppliers risks leaving the rest of us feeling that we are not being exploited.

The same danger arises from our not seeing beneath the surface of low wages in poorer countries.

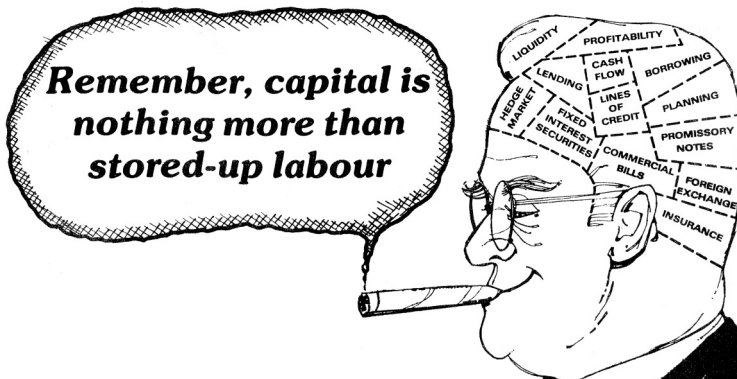
Campaigns against so-called 'modern slavery' can limit some swindles. They will never end the exploitation of wage-slavery.

If Andrew Forrest did not exploit Pilbara mine-workers, he would not have the tax-deductible profits to big-note himself as an anti-slavery advocate.

His wage-slaves can never be paid for the full value that they add.

Were we to be paid in full, capitalism could not exist.

Recognising the universal fact of exploitation under capitalism is key to our overthrowing its rule.



## **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 want to pay us for can be read in the window of a sandwich shop: 'Staff wanted – 10.30 to 2.00 pm'.

Those hours are when most onions have to be sliced and bread buttered. That is when our labour-power adds the most value.

Some outlets will also need hands to dish up breakfasts between 6 and 9 am. A few wage-slaves can be set free from 9 am to 10.30.

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

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 the costs of producing each unit of a commodity.

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

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

Those swindlers do not pay superannuation, sick pay, or annual leave.

### **Off the clock**

Capital enforces a two-sided strategy to get more unpaid labour-time and thus extract more surplus-value out of which to take a profit.

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

Capital also extends work off-the clock for no pay at all. In those minutes we deliver 100 percent surplus-value.

Such swindles are on top of normal exploitation from an equal exchange of labour-power for wages.

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

Each corporation would like never to pay us anything. A few 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 a lot 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.

Time-theft trumps wage-theft.

Bosses lengthen production times while intensifying the application of our capacity to add values.

## **Reserve Army**

Marx sets one scene for how this two-fisted assault operates. He calls the employed the 'active labour army.' Yet those wage-slaves are also in a 'reserve army of labour.'

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

Bosses prefer them because they are 'job-ready.'

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

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

## **Penalty rates**

Sometimes we win penalty rates for longer hours.

But we never get penalty rates when we are being driven to add more value within our standard working-hours.

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.'

Workplace bullying is part of this disciplining of labour-time, not just a personality defect among the supervisors of capital.

## **Robots**

Who is on first-name terms with a Robot? Who is not 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 being subjected to longer, more intense, yet broken working periods.

Marx explains why the two go together.

Only longer hours and/or stricter workplace discipline extract more unpaid labour (surplus-value).

The chase never slackens because the capture of surplus-value is crucial for the expansion of capital.

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

## **Everyday crises**

Daily life proves to be a chain of crises for the time-poor.

Wake up sleep-deprived. Scramble to get out the door and the kids to school. Find standing room on a train. Get stuck on toll ways.

One reaction is to grab fast food with long-term ill-effects on our health.

We suffer pandemics of malnourished obesity, diabetes, and children with allergies thanks to poisonous-food corporations such as McDonalds, Pepsi and Nestle.

## **How much longer?**

To prosper, capital needs to degrade us.

Under-employment of our talents is inevitable under capitalism.

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

There will never be a shortage of creative activities and social goods to share in a true common-wealth.

*Economy of time, to this all economy ultimately reduces itself.*

Marx, *Grundrisse*, page 173.

## Ground-rent

*Abolition of property in land and application of all rents of land to public purposes.*

Marx and Engels, *The Communist Manifesto*, 1848.

'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 their wealth flows from our unpaid labours.

Hence, 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 gets their cut.

The car-maker takes its profit out of the surplus-value it extracts from exploiting its wage-slaves, but only after selling the vehicles.

Rinehart's billions arrive even more indirectly. Rio Tinto pays her for the 'right' to mine ore-bodies from mining-leases which her father (Lang Hancock) nicked from his prospecting mate.

## GROUND-RENT

Rio gets the money to pay her from three points of exploitation: its workforce; the makers of its equipment; and the wage-slaves of its customers, steel-makers in China.

### **Windfalls**

All land offers some unearned income – rent - to whomever controls it.

Rising returns for Rio from the late 1990s had nothing to do with the quality of the ore bodies.

Wage-slaves for the mining corporations added more than they had earlier.

The windfalls to Rio and to Rinehart came from increased Chinese demands.

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

### **Resource Rent Tax**

Who else got any of these rising rents?

The Coalition used bigger tax revenues to buy its re-election in 2001 and 2004. The better-off got even more tax breaks 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 spotlights that ground-rents pivot on property rights secured by political power.

### **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. Once the dirt has been dug up, the land loses its rentable value as a mine. And it will often be useless for farming.

## **Invasion**

Before the invasion of Australia, none of the above 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 at the crux of the allocation of unearned incomes. After the invasion, the Crown claimed all the land.

Colonial governors made freehold grants or issued pastoral leases. Squatters stole some of that land from the Crown, and then some.

From 1820, London granted tracts of land to English companies which still operate here.

At Eureka in 1854, the rebels demanded the break-up of the big estates. They had some success with Free Selection Acts and later through land taxes.

## **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 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.



## GROUND-RENT

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 already 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.

Exploitation is international. So will be its overthrow.

Victory will follow zigs and zags.

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

*In the strict sense, the farmer is just as much an industrial capitalist as the manufacturer.*

**Marx, Capital, I: 914.**

*In order to be able to live by plunder, there must be something to be plundered, and this requires production. Moreover, the manner of plunder depends itself on the manner of production. For example, a stock-jobbing nation cannot be robbed in the same way as a nation of cowherds.*

**Marx, 1859.**

## **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 strength. Each crisis offers a chance for growth.

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.

Marx rejects any notion that crises in capitalism all have the same explanation.

Exactly how each one erupts, he insists, is a question of time and place.

Crises of capitalism, however, do connect to its need to expand.

That need leads to over-production.

In the build-up to the implosion of September 2008, global car-making capacity had been a third greater than effective demand.

The global crisis was not just 'financial.' Its financial front came with excess capacity in the production sector.

## **Time-lags**

At the core of the capitalist mode of reproduction and circulation is the dominance of exchange-value over use-values.

Marx builds his critical analysis up from a single commodity.

He goes on to show how the commodity form contributes to crises.

He offers the example of the exchange of a bible. Its seller 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 is a delay between buying and selling.

If those pauses are long enough, and big enough, the system of exchanging money for goods and of goods for money can 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 the Nippon Corporation within thirty days.

Meanwhile, the broker will have sold the steel to Toyota on 90-days credit.

Funds to cover the sixty-day gap have come from a merchant bank.

The turnover times of both commodities and of money are speeded up. Their acceleration spurs the pace of accumulation.  
So far, so good for capital.

## **Reserve funds**

The other lag in turnover-times also comes from the dynamics of capitalism – 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 pay for the raw materials and labour-power for next week, and next month.

Not all corporations can hoard all the funds they need to grow 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 repay their debts to other banks.

That panic spread before September 2008.

Governments stepped in to bail out their system.

## **Clearance sales**

Central Banks steadied the ship by printing cash as ballast.

The owners played their part by throwing some of the crew and cargo overboard. They shed excess capacity in autos, steel, apartments – and wage-slaves.

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

The ruling circles were not game to 'set free' all the wage-slaves that they needed to sack for the engines to go full throttle again.

Our refusal to stay within the safe channels spooked the bosses – 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 for 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, however, 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.

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.

For the present, they are re-enforcing the covert dictatorship against which wage-slaves here have battled since the end of convictism.



*"I was afraid there would be a run on the bank."*

## Where to from here?

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

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

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

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

Or you might turn to the last chapter. It links to colonisation around 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 is *Capital* is to train on the 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*.

## WHERE TO FROM HERE?

*Capital*, and the above suggestions, are available for free from several websites including:

<https://www.surplusvalue.org.au/>

<https://www.surplusvalue.org.au/McQueen/sborder/marxism.htm>

### **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 read a couple of pages aloud. Silences are golden as we absorb what we have read. Allow time to discuss what you have just read. Avoid gossiping about the latest headlines.

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.

One test is how well we can explain what we have read to someone who has not.

The workings of capitalism cannot be reduced to slogans.

*As the reader will have recognised in dismay, the analysis of the real inner connections of the capitalist production is a very intricate thing and a work of great detail; it is one of the tasks of science to reduce the visual and merely apparent movement to the actual inner movement.*

Marx, *Capital*, III: 428.

## **There is an alternative**

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

Marx and Engels, 1879.

The way we are made to live is far from the best our species can do.

To move forward, we need to start from the problems we deal with each day.

Seven needs are vital: housing, work, transport, health, education, our environments and our liberties.

- When available, housing rents are skyrocketing.
- Work is no longer arranged by set hours. Time-poverty rules.
- Getting from where we live to where we work is one more squeeze as fuel-prices soar. We rush to drop-off and pick-up kids for school, sport and arts practice, or from their part-time jobs. Running two cars has become a necessary cost in reproducing our labour-power.
- Next-to-no bulk-billing even for those with Health Cards; 'Emergency Department' is a contradiction in terms; waiting lists for elective surgeries stretch beyond the grave. Affordable dental services are as rare as hens' teeth.



## THERE IS AN ALTERNATIVE

- No timely dental intervention for disabled children.
- Tax-funded non-government schools get billions to reinforce inequalities of outcome. The least advantaged are offered little or no art, music or poetry. Uni fees force many to drop out.

Two questions reach beyond households.

- The environment is the air we breathe; it is our health and safety at work.
- To protest and to go on strike are how we overturn injustices.

By linking these concerns, our class can find ways forward.

The political responses are threefold:

1. Bring these issues together for actions which link workplaces with communities;
2. Build bread-and-marge demands into challenges against the rule of capital;
3. On the basis of those two, we learn why the political and economic system should be replaced, and how.

## **Learning through doing**

An agenda around these Seven Pillars of our well-being is not a blueprint waiting to be put into practice.

Tactics and a strategy will emerge only through our efforts to know each need while fighting to improve our access to them all.

## **Laying foundations**

Our class can move ahead by taking action where the shoe pinches.

Personal experience helps us to interpret the damage that capitalism inflicts on us.

Together, they sharpen our understanding of how and why governments control our lives in the interest of corporations.

Job delegates and community activists face three more tasks:

*First*, to frame policies which deal with the nitty-gritty of bank interest-rates and cycle paths, bulk-billing and school-lunches.

*Secondly*, to locate these hourly grinds within the broader questions of pollution and corporate clout.

*Thirdly*, to join in activities which show how changes in our everyday doings can lead to ways of living which enrich our individuality as part of our shared humanity.

No longer need our happiness be sacrificed to the needs of corporate capital.

## **An independent agenda**

To thrive, we need an agenda independent of the Business Council.

We also need an agenda which does not trail behind the ALP or the ACTU's trailing behind business lobbies.

Working people have to revive policies and practices which those bodies abandoned or have sidelined.

The train-wreck has been decades in the making. Developing a fighting agenda, therefore, will take time to get up and running.

## **Offence – our sole defence**

We cannot win on any particular issue if we do no more than react to each whack.

In short, we need a social wage, not just a series of belated pay rises.

A social wage means public housing as a right, free transport, free health, and free education from pre-school on.

For instance, the battle for bulk-billing has to promote preventive and community medicine. 'It's time' to kill off a system which enriches drug-peddlers who thrive by keeping us sick.

These needs can be won by bringing our struggles at work together with battles across the rest of our lives.

The hard yakka of organising, educating and agitating means listening to and learning from each other.

*I've seen my people working  
Throughout this mighty land  
I prayed we'd get together  
And together make a stand  
Then we'd own those banks of marble  
With a guard at every door  
And we'd share those vaults of silver  
That we have sweated for*

*'The Banks are Made of Marble'*  
by Les Rice, 1949

*Credit depends on the confidence that the exploitation of wage-labour by capital, that is, of the proletariat by the bourgeoisie, and of the petty bourgeois by the big bourgeois, will continue in the traditional manner.*

**Marx, 1848.**

*Our capitalist has two objectives: in the first place he needs his wage-slaves to produce a use-value which also has an exchange-value, that is, an article destined to be sold, a commodity. Secondly, he needs them to produce a commodity greater in value than the sum of the values of the commodities used to produce it, namely the means of production and their labour-power ... His aim is to produce not only a use-value but a commodity; not only use-value, but value; and not just value, but also surplus-value.*

**Marx, Capital, I: 293.**

*Only as a personification of capital is the capitalist respectable. As such, he shares with the miser an absolute drive towards self-enrichment. But what appears in the miser as the mania of an individual is in the capitalist the effect of a social mechanism in which he is merely a cog.*

*Accumulate, accumulate! That is Moses and the Prophets!*

**Marx, Capital, I: 739 and 742.**

## **Crime pays**

*The capitalist class of a given country, taken as a whole, cannot defraud itself.*

Marx, c. 1863.

A criminal produces crimes ... but also criminal law, and with this also the professor who gives lectures on criminal law and in addition to this the inevitable compendium in which this same professor throws his lectures onto the general market as 'commodities.' This brings with it augmentation of national wealth ...

The criminal moreover produces the whole of the police and of criminal justice, constables, judges, hangmen, juries, etc.; and all these different lines of business, which form equally many categories of the social division of labour, develop different capacities of the human spirit, create new needs and new ways of satisfying them. Torture alone has given rise to the most ingenious mechanical inventions, and employed many honourable craftsmen in the production of its instruments.

The criminal produces an impression, partly moral and partly tragic, ... and in this way renders a 'service' by arousing the moral and aesthetic feelings of the public. He thus produces ... art, belles-lettres, novels, and even tragedies ...

The effects of the criminal on the development of productive power can be shown in detail. Would locks ever have reached their present degree of excellence had there been no thieves? ... Crime, through its constantly new methods of attack on property, constantly calls into being new methods of defence, and so is as productive as are strikes for the invention of machines.

Marx, c.1863.

**Make your own index:**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

# KNOW YOUR 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, paid work, health and education.

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

Marx and Engels, 1879.