

‘Beginnings are always difficult ...’¹

We shall not cease from exploration
And the end of all our exploring
Will be to arrive where we started
And know the place for the first time.

T. S. Eliot, *Four Quartets* (1936).

Karl Marx, *Capital, A Critique of Political Economy, volume one, Capitalist Production* (London: Penguin, 1976); (London: Everyman, 1930); (Moscow: Foreign Languages Publishing House, 1958); (Leipzig: Dietz Verlag, 1962); (Paris: Gallimard, 1963).

If there is no general agreement on where to start reading volume one, there is a broad consensus that chapter One is far from the best point of entry. Those opening pages are not difficult in themselves. Indeed, one problem is that they seem straightforward. That ease of access can blind the newcomer to the complexities beneath the surface. I have elsewhere taken 8,000 words to explicate the opening sentence of some thirty words. (‘On Once More Looking into Marx’s *Capital*’, www.surplusvalue.org.au/mcqueen/marxism)

There can be no evading the chapters on the commodity and money. Those peaks have to be scaled but there is no need to begin one’s mountaineering with an assault on the sheer face of the Matterhorn. Other tracks towards the summit train the explorer for the most difficult sections of our encounters with the dialectics of Marx’s critical analysis of political economy.

A regular and sensible recommendation is to set out from the chapter on ‘The Working Day’ because it connects at once with the lived experience of working people. One drag is that the examples are now more than 150 years old. In preparing a French translation in 1873, Marx consigned most of the details to an Appendix.²

One alternative is to skip to the very end to study Chapter 33, ‘The Modern Theory of Colonisation,’ a side-step which has six attractions. First, it is very funny, sparkling with ironies, refuting the libel that Marx is turgid and unreadable; secondly, it engages with Australia to the surprise of many; thirdly, and most significantly, it has the big theme of class conflict; fourthly, nothing even looks like mathematics, let alone algebra, so that the

¹ Karl Marx, *Capital* (London: Penguin, 1976), 89.

² Karl Marx, *Le Capital*, Livre 1 (Paris: Gallimard, 1963), 827-84.

vast majority whose mis-education has left us maths-averse have nothing to fear; fifthly, the economics are descriptive, not at all intimidating; finally, the chapter is but ten pages long, not at all daunting but delivering a sense of achievement which encourages taking a second plunge.

The few traps for young players are easily overcome. They arise from not having read the previous 32 chapters – although many who have done so might well have forgotten these points. These difficulties are broached in the two sets of definitions and one correction below.

Where to stop writing?

Marx did not intend to write FINIS at page 940 in the Penguin. Indeed, that edition gave us the first English version of what had once been the concluding chapter – some additional 100 pages.

If the deletion of the 100 pages mentioned above is uncontested, the order of the final two chapters should be since there is no evidence in the correspondence to support the claim that Marx switched the order of the last two chapters to avoid the censors. Eight years earlier, he had cut a chapter on 'Capital' from *A Contribution to the Critique of Political Economy* for fear of provoking the German authorities;³ by 1867, he joked that not even they were likely to ban a work of 800 with Greek quotations. The proponents of the switch make their case on the basis of the flow of the argument about colonialism.⁴

Nonetheless, what is numbered chapter 33 in the Penguin and Moscow editions is a further instance of the end being in the beginning, and vice versa. Nowhere is that clearer than in Marx's ultimate paragraph:

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, 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.

Before starting to read the chapter, a piece of encouragement might help. The Marx's prose is ironic, terse and idiomatic – in a word, readable.

³ Arthur M. Prinz, "Background and Ulterior Motive of Marx's 'Preface' of 1859," *Journal of the History of Ideas*, 30, no. 3 (1969): 437-450.

⁴ Carlos Rodriguez Braun, "Capital's last chapter," *History of Political Economy*, 19, no. 2 (1987): 299-310.

Chapter 33: 'The Modern Theory of Colonisation'

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

Preliminary notes

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, Theory and Colonisation.

- '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 opinion of Wakefield is clear from how little notice he gets in the *Theories of Surplus-Value*.⁵
- 'Theory' In everyday speech, 'theory' is opposed to 'fact.' 'It's only a theory,' is how Creationists put down Darwin and Wallace's accounts of the evolution of new species by natural selection. The conversational 'I've got a theory about that' signals that the speaker has no more than a hypothesis, neither a theory, a concept nor a 'fact,' just one speculation among several.

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 were 'vulgar economists' about all aspects of capitalism.

- 'Colonisation' is not colonialism⁶ and still less is it Bukharin's or Lenin's Imperialism, i.e. self-monopolising capitals, which had not 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.

⁵ H.O. Pappé, "Wakefield and Marx," *Economic History Review*, New Series, 4, no. 1 (1951): 88-97.

⁶ Andy Higginbottom repeats the Third-Worldist slip by referring to 'Wakefield's theory of colonialism,' instead of 'colonisation,' "Structure and Essence in *Capital I*: Extra Surplus-Value and the States of Capitalism," *Journal of Australian Political Economy*, 70, (2012/13): 265.

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, and they appear throughout volumes in the *Marx-Engels Collected Works*.

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, a piece of advice could help. The phrases 'private property', 'abstinence', 'exploitation' and 'free labour' have peculiar meanings which will be 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.

Marx takes this distinction up at the start of the previous chapter. 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 building 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 have secured by selling their labour-power to an owner of productive property. Tenants cannot produce surplus-value by occupying the property of their landlords.⁷

⁷ See Frederick Engels, *The Housing Question* [1872] *Marx-Engels Collected Works* (M-ECW) (Moscow: Progress Publishers, 1988), 317ff.

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.'⁸

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 we workers has to sell. 'Exploitation' nonetheless occurs because, in addition to producing the values 'necessary' to match the cost of our labour-power, we wage-slaves add more value – 'surplus-value' - which capitalists then expropriate. Here is the secret of 'exploitation' within the capitalist mode of production (CMP).

ABSTINENCE

Marx's use of 'abstinence' relates to Nassau Senior's 1825 defence of profit-taking as a reward for the capitalists' abstaining from wine, women and song.⁹ Doyen of the Marginal Futility School, Alfred Marshall, later admitted that

Marx and his followers have found much amusement in contemplating the accumulations of wealth which result from the abstinence of Baron Rothschild, which they contrast with the extravagance of a labourers who feeds a family of seven on seven shillings a week; and, who living up to his full income, practices no economic abstinence at all.

Marshall joined the wise men who displaced 'abstinence' by 'waiting,' which is 'rewarded by Interest and is a factor of production.'¹⁰ Marshall abstained from reading Marx's volume Three and so spared himself having to play another round of word-substitution with interest, since, along with rent and profit, it is a share of surplus-value realised from the exploitation of wage-slaves.¹¹

⁸ *Marx-Engels Collected Works (M-ECW)* volume 6 (London: Lawrence & Wishart, 1976), 502.

⁹ Marx, *Capital*, I (London: Penguin, 1976), 298-9, 338, 343, 744-6, 809, 914 and 1010.

¹⁰ Alfred Marshall, *The Principles of Economics* (Basingstoke: Macmillan, 1920) 193, n. 2; and Maurice Dobb, *Political Economy and Capitalism*, (London: Routledge & Kegan Paul, 1940 ed.), 140ff.

¹¹ Karl Marx, *Capital*, III (London: Penguin, 1981) chapter 48.

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 our sustenance. We, therefore, are compelled to sell our 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, to steal or to beg. These choices are not open to the chattel-slave or to the serf, or to any other form of bonded labourer. The wage-slave is compelled to be free and free 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 in the Penguin through first, next work through this annotated presentation, before returning to the chapter. My running commentary is in square brackets [] and in a different and slightly smaller typeface, supplemented by remarks in the footnotes. The page numbers in the Penguin are given in bold (938).

Time to make a start.

(931)

Political economy confuses, on principle,¹²
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 their 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. See also chapter 26]

¹² Marx's critique of 'the science of Political Economy' is the theme of the chapter as it is this subtitle of *Capital*. Here though, his target is not the 'science' of Smith and Ricardo, but the 'vulgar economists', those both who set out to 'confuse'. Hence, Marx's choice of 'forgets' is too mild for those who, he knows, to be an 'on principle' suppressing the truth if not those confused by the workings of the system.

In Western Europe, the homeland of political economy,
the process of primitive¹³ accumulation has more or less been accomplished.

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.¹⁴

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 greater unction,
the more loudly the facts cry out in the face of his ideology.¹⁵

¹³ 'primitive' is a mistranslation of *ursprunglichen*; 'original' is more exact, as Paul Sweezy pointed out in 1950, *Science & Society*. The Penguin 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.' Ian Angus, "The Meaning of 'So-Called Primitive Accumulation'," *Monthly Review*, 74, no. 2 (2023).

One 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.'

The correction to 'original' or 'initial' misses the boat about how capital moved from steady levels of reproduction to expanding scales. For that 'dialectical inversion,' we need 'originating' or 'initiating' since we are analyzing a process, not just a take-off.

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

¹⁴ 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 less to write about in this chapter.

¹⁵ 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.

The 'false consciousness' of the personifications of capital and their agents is an expression of their social practice in realizing profits out of market-prices so that they do not have to—dare not?—recognise the origin of profit in the surplus-value that they take after making an equal exchange of wages for our socially necessary costs reproducing our labour-power.

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.¹⁶

The same interest which, in (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.¹⁷

In the interest of the so-called wealth of the nation,¹⁸

he [the vulgar political economist] seeks for artificial¹⁹ means to ensure the poverty of the people.

¹⁶ 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'.

¹⁷ 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, that is the centralisation of money-capital to fund the concentration of production capital. In brief, technology is secondary to social relations.

¹⁸ A sideswipe at the third-rate acolytes of Adam Smith.

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,²⁰ 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.'²¹

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. Like all categories, 'capital' can do nothing. Allied to the personifications are their agents – managers, priests, politicians, professors, judges, generals – who ensure that wage-slaves carry out the work that allows the kind of capital that distinguishes capitalism 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 is 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,

¹⁹ 'Artificial' foreshadows the 'Modern Theory of Colonisation' as an alternative to 'force' against fellow Britishers overseas.

²⁰ 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/mcqueen/marxism

²¹ M.F. Lloyd Prichard (ed.), *The Collected Works of Edward Gibbon Wakefield* (Glasgow: Collins, 1968). For mundane commentaries, June Phillipp, "Wakefield Influence in New South Wales, 1830-32," *Historical Studies*, 9, no. 4, (1960): 173-80; J.M.R., Cameron, "Information distortion in colonial practice," *Australian Geographical Studies*, 12 (1974): 51-76.

let's just assert that more is at stake than there was in choosing between 'primitive', 'original' or 'primary.' First, comes 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. (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. (849)

Perhaps, 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. (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 only 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* (London: New Left Books, 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. Only our living labour can bring the accumulation of our past labour back to life.

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

analyzing 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, (2012/13): 25-46. For 'The Porosity of Matters,' G.W.F. Hegel, *The Science of Logic* (Atlantic Highlands, NJ: Humanities Press, 1990), 496-8.]

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.²²

It is a historical relation of production.'²³

[They are always being remade by and through social reproduction, cf. p. 283.]

A Mr Peel, [Wakefield] complains, took with him from England to the Swan River district of Western Australia

means of subsistence and of production to (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 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 or Levey set up as merchants on the Swan they might have turned a profit from selling the goods, but then they 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 English²⁴ relations of production to Swan River!

²² This social definition of a slave derives from Hegel who points out that a slave cannot be a slave without a master, G.W.F. Hegel, *Phenomenology of Spirit* (Oxford: Oxford University Press, 1977), 111-9.

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 or universal.

²³ Karl Marx, "Wage-labour and Capital," *M-ECW*, vol. 9 (London: Lawrence & Wishart, 1977), 197-228.

²⁴ 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

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.²⁵

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

[Not so. All modes have capital in the sense of a store from accumulated labour-power.
To repeat, Marx is referring only to the capital within capitalism.]

[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 slaveries and serfdoms by saying that the pair depend 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 can
not erase the oppressive power of the state as an instrument of class rule under the
CMP, 915-6.]

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.

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 163-77.

²⁵ 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, but involves processes and class relations passing
through things.

[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.'²⁶

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 inside 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 they are connected? Are those links more than temporal and spatial overlaps? Once the CMP is up and running, do the differences increase? Are new ones generated by its advances.]

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 contract²⁷ of quite an original kind.

[It has to be said that if Wakefield's version is at the extreme end of the ludicrous is one more outcome of the magnitude of the obstacles to facing 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,²⁸

²⁶ Marxist accounting professor, Rob A. Bryer, puts the dominance of a CMP in the U.S. to between 1900 and 1920, held back because of its self-sufficient farmers, see his series of articles, *Critical Perspectives on Accounting*, 23 and 24, 2012-3, and my introduction to Bryer, 'Accounting for Capital', www.surplusvalue.org.au/mcqueen/marxism

²⁷['social contract' is a swipe not only at Rousseau but at the gaggle of philosophisers and vulgar 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 are the 'Robinsonades' who extrapolate from Crusoe alone on his island to the CMP, cf. 265.]

²⁸ 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, Ludwig Feuerbach, *The Essence of Christianity*

‘they have divided (934) themselves into the owners of capital and the owners of labour ...’²⁹

‘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 ...
STILL ONLY 50 PERCENT BY 1850 SAYS KM

[Wakefield is reporting on the 1830s. Moreover, slaves could not ‘hire’ themselves out, though they were hire out by their ‘breeders.’]

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 –

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

(New York: Prometheus, 1989); for a Christian perspective see Patrick Masterson, *Atheism and Alienation* (Harmondsworth: Penguin, 1973).

²⁹ 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, not a divine creation.

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.

[This expropriation is not a sufficient explanation for the triumph of 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 **(935)** very cheap and all men are free,
where everyone 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,’ which contributed to their conglomeration, while
those were a basis for the workshop division-of-labour.]

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?³⁰ (see chapter 30)

³⁰ 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, the agents of 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.

[Marx is thinking of a market-place in a nearby village or township – not the 'market' as 'orbit of sale' for a 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?³¹

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

[Here, 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, as they 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

³¹ 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 footnote 10 above.

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.'^{32]}

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, (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, thirsting³³ after exploitation and 'abstinence';

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

³² See Ronald L. Meek, "Malthus – Yesterday and Today," *Science & Society*, 18, no. 1 (1954): 21-51; K. Marx, *Theories of Surplus-Value*, Part III (Moscow: Progress Publishers, 1971), 13-68, but cf. 'All honour to Malthus ...', *Capital*, I, Penguin, 666 n. 7.

³³ 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 'capital-H History,' they can do nothing.

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

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 is an obstacle to the advance of 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- (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 expression in the old world and a different one for the new world, and at the same time.]

[Footnote 16

Even that mild, free-trading, vulgar economist Molinari says this: 'In the colonies where slavery has been abolished without the compulsory labour being replaced with an equivalent quantity of free labour, there has occurred the opposite of what happens every day before our eyes.

Simple workers have been seen to exploit in their turn the industrial entrepreneurs, demanding from them wages which bear absolutely no relation to the legitimate share in the product which they ought to receive.

The planters were unable to obtain for their sugar a sufficient price to cover the increase in wages, and were obliged to furnish the extra amount, at first out of their profits,

and then out of their very capital.

A considerable number of planters have been ruined as a result,
while others have closed down their businesses in order to avoid the ruin which threatened them ...

It is doubtless better that these accumulations of capital should be destroyed than that generations of men should perish.' (Gustave de Molinari, *Etudes économiques* (Paris, 1846), 51-2)

M. Molinari, M. Molinari! What then becomes of the ten commandments, of Moses and the Prophets (742), or the law of supply and demand, if in Europe the 'entrepreneur' can cut down the worker's 'legitimate share'

and in the West Indies the workers can cut down the *entrepreneur's*?
 And what, if you please, is this 'legitimate share,' which. According to your own admission, the capitalist in Europe daily neglects to pay?
 Over yonder, in the colonies, where the workers are so simple' as to 'exploit' the capitalist,
 M. Molinari feels a powerful itch to use police methods to set on the right road that law of supply and demand which works automatically everywhere else.'

[Between 1675 to 1782, England (from 1707, Britain) could boast of its Commissioners for Trade and Plantations, a marriage of responsibilities which suggests much about the links between mercantile capital and chattel-slavery in plundering the New World and Africa. One Commissioner was that apostle of English liberty, John Locke, who bases liberty on property and property on labour,³⁴ while justifying the expropriation of the fruits of that labour by the Masters, along with their expropriation of any soil judged by invaders to be under-utilized. Locke invested in the Royal African Company for the slave-trade while arranging for the sale of Carolinian Indians to estates on Barbados where he also invested, this time through the Royal Adventurers.³⁵]

[George Fife Angas used some of the compensation from his being deprived of his property in chattel-slaves in Honduras to buy his way into the South Australian Company in 1835; he got around the problem of a secure supply of labour by funding the immigration from 1838 of 'Old Lutherans' who kept their oath to serve him faithfully, repay their fares and the £10 per acre, at 20 percent interest, they paid for land.³⁶]

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.

³⁴ Locke prepared a report in 1697 advocating terror against vagabonds by lopping off their ears and putting their children out to work aged four or five, E.J. Hudert, "The Making of Homo Faber: John Locke between Ideology and History," *Journal of the History of Ideas*, 33, no. 1 (1972): 3-22. Textile firms realised the later reform by working children of those years for up to eighteen hours a day. Cf. Marx, *Capital*, I: chapter 28; and *Reports from Factory Inspectors*, quoted in Marx, *Capital*, I, 405-7 for silk manufacturers.

³⁵ C.B. Macpherson, *The Political Theory of Possessive Individualism Hobbes to Locke* (London: Oxford University Press, 1962), chapter V; Bhikhu Parekh, "Liberalism and Colonialism: critique of Locke and Mill," Jan Nederveen Pieterse and Bhikhu Parekh (eds), *The Decolonization of the Imagination: Culture, Knowledge and Power* (Zed Books: London, 1995), 81-98; David Armitage, "John Locke, Carolina, and the 'Two Treatises on Government'," *Political Theory*, 32, no. 4 (2004): 602-27; James Farr, "Locke, Natural Law, and New World Slavery," *Political Theory*, 36, no. 4 (2008): 495-522; Brad Hinshelwood, "The Carolinian Context of John Locke's Theory of Slavery," *Political Theory*, 41, no. 4 (2013): 577.

³⁶ For the political and commercial elements in capital-within-capitalism's move into the second, 'freer-trade' stage see my "Born Free: wage-slaves and chattel-slaves," Carolyn Collins and Paul Sendziuk (eds) *Foundational Fictions in South Australian History* (Wakefield, 2018), 43-63.

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.³⁷

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

[Wakefield is reporting on the 1830s, before there were rail networks, not the late 1860s when Marx is writing.]

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,
(938)

depositing a sediment of 'redundant' workers.

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

[By dramatising the personifications and agents of capital, (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, chapter 5 and Part Two.]

³⁷ The CMP requires the centralisation of money-capital to fund the concentration of productive resources, pivotally 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 is every bit as much an industry (914, n.1.) as is processing, construction, mining or transport since the wage-slaves in each produced surplus-value. (Marx, *Capital*, III, 440.)

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;³⁸
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.'

{The agents of capital hoped to solve the problem with contracted labour out of the Indian sub-continent, and by enforcing Master & Servant Acts.]

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.'³⁹

But never mind,
the wealth of the nation is once again,
by its very nature,⁴⁰
identical with the misery of the people.⁴¹

³⁸ This is 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 reserves of money-capital (v. 2, 162-6) – which is the opposite of the miser's hoard (254) – but backed by a regime of credit (777-80; v. 2, 418-24).

³⁹ Slave-owners prosecuted this case against factory-owning Abolitionists, see Eugene Genovese, *The World the Slaveholders Made* (London: Allen Lane, 1970). From the 1790s, British workers had pointed out the hypocrisy of their Quaker Masters and Wilberforce in opposing the slave trade abroad but not wage-slavery at home.

⁴⁰ 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* (Harmondsworth: Penguin, 1970), 119-21.

⁴¹ 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), 208.

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.

[Marx's German is 'Der Kunst ist ...', that is, 'art,' not 'trick'. Dietz, 800.]

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 passage quoted in Marx's footnote 20 could be extended to Australia's first peoples:

'It is, you add, a result of the appropriation of the soil and of capital that the man who has nothing but the strength of his arms finds employment and creates income for himself

... but the opposite is true, it is thanks to the individual appropriation of the soil that there exist men who only possess the strength of their arms ...

When you put a man in a vacuum, you rob him of the air.

You do the same, when you take away the soil from him ... for you are putting him in a space void of wealth, so as to leave him no way of living except according to your wishes.' (Hippolyte Colins, *L'Economie Politique* (1857), vol. 3, 268-71.)

The (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,
 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.'⁴²

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, 36-7.

⁴² 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/mcqueen/marxism

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;⁴³

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
that 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'⁴⁴

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'

⁴³ 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 chapter 15 and p. 762; and volume three for the resultant rises in productivity, albeit opening the path to a tendential fall in the profit-rate, Volume III, Part Three.

⁴⁴ The notion of 'substitute' comes from military service where the better-off paid the poor to take their places. 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, 491.

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.⁴⁵

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

Meanwhile, the advance of capitalist (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,

[For Irish emigration, pp. 860-2 and 868-9].

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,⁴⁶ the creation of a finance aristocracy of the vilest type,⁴⁷ 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.⁴⁸

⁴⁵ Thomas Peel was the cousin of prime minister Robert Peel whose 1844 Bank Act Marx lambasted, see *M-ECW*, volume 15 (Moscow: Progress Publishers), , 379-84, and volume 16, 3-7, and *Capital*, v. III chapter 34.

⁴⁶ Despite their destructiveness, wars need not impede the accumulation of capital. The revolution inside capital gained and 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.

⁴⁷ 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 some money-capital by fleecing mum-and-pop investors.

Different again is 'finance capital' in this era of self-monopolising capitals, see Rudolf Hilferding, *Finance Capital*, Routledge, London, 1981; N. Bukharin, *Imperialism* (London: Merlin Press, 1972); V.I. Lenin, *Imperialism* (Beijing: Foreign Languages Press, 1965); V.I. Lenin, *Collected Works*, volume 39 (Moscow: Progress Publishers, 1968); Murray Noonan, *Marxist Theories of Imperialism A History* (London: I.B. Taurus, 2017).

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

⁴⁸ 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.

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,⁴⁹

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.⁵⁰

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,⁵¹

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.

Proletarian revolution expropriates the expropriators.

[*Post Script*]

⁴⁹ Further to footnote 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, that is, 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, no. 30 (1958): 166-82, on-line. For the place of labour and land in the European occupation of Australia, see the Appendix below.

⁵⁰ See Henry Mayer (ed.) *Marx, Engels and Australia*, (Melbourne: F.W. Cheshire, 1964).

⁵¹ Again ponder: are they one and the same? That is, does the need for continuous expansion distinguish the CMP from all other modes, and, if so, exactly how does it do so? And how exactly did that 'dialectical inversion' – the revolution inside capital – come about?

'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 spiraled out of the eighteenth century to lay a foundation for the era of self-monopolising capitals (Bukharin's and Lenin's imperialism) from late in the nineteenth century. As ever, Engels sounded a warning about the limits of nature:

... that the exploitation of the inexhaustible regions fertilised for us by nature herself in South-Eastern Europe and Western America will be exploited out on a far mightier scale than before. Not until all these areas have been turned by the plough and there is then dearth, will it be time to say *caveant consules*.⁵²

Humphrey McQueen

May 31, 2023.

⁵² F. Engels to F.A. Lange, March 29, 1865, *Marx-Engels Collected Works*, vol. 42 (London: Lawrence & Wishart, 1987), 137 - 'Let the consuls beware lest the Republic suffer harm.'; cf. F. Engels, *The Dialectics of Nature M-ECW*, vol. 25 (New York: International Publishers, 1987), 460-1.