

# Fiction without Fantasy: Capital Fetishism as Objective Forgetting

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**Abstract:** In my paper I briefly examine three popular mystifications of the concept of capital, before I further argue that the concept of fetishism should be conceived of as a process of social forgetting. I argue that we are living in a fetishistic society insofar as fetishism is not only collective but also objective. However, I am not opening up totally new territory here, since, for example, Žižek argued that commodity fetishism is “the unconscious of the commodity form,” and Jameson expanded the idea of the objective quality of commodity fetishism towards what he calls the “historical amnesia” of consumer societies. However, I hope that my reflections can be seen as an extension of these positions in two important respects: first, they go beyond the concept of commodity and tie the concept of fetishism back to the concept of capital, and, second, they tie the problem of amnesia and fetishism back to Marx’s method.

**Key Words:** Marx, commodity fetishism, capital, debt, abstraction

## Introduction

The form of revenue and the sources of revenue are the *most fetishistic* expression of the relations of capitalist production. It is their form of existence as it appears on the surface, divorced from the hidden connections and the intermediate connecting links. Thus the *land* becomes the source of *rent*, *capital* the source of *profit*, and *labor* the source of *wages*. The turned-around [verdrehte] form in which the real inversion is expressed is naturally reproduced in the views of the agents of this mode of production. It is a kind of fiction without fantasy, a religion of the vulgar.<sup>1</sup>

Generations of 20<sup>th</sup> Century Marxologists have worked, in the wake of Lukacs and critical theory, through Marx's concept of commodity fetishism. However, despite the fact that a massive amount of critical intellectual energy has been spent on this extraordinary concept in Marx, the concept of fetishism has been discussed mainly in regard to Marx's concept of commodity fetishism, as it is presented in chapter one of *Capital*. Since all too many readers seem to read only chapter one, subsection four, which is where Marx introduces commodity fetishism, two important aspects of this concept have often been overlooked: [1] Marx indicates that the concept of fetishism also belongs to other social-economic categories, such as money and capital; additionally one can find him dealing with fetishism in all three volumes of capital, up to his claim in volume three that the concepts of interest and debt are the most abstract and emptiest form of fetishism. Interest and debt as fetishisms are also taken up by Marx in preparatory manuscripts between 1861 and 1863. [2] The concept of fetishism is directly related to and interwoven with his method in *Capital*, insofar as at all stages of his investigation Marx tries to reverse the process of forgetting that is contained in each methodological step in his analyses. Accordingly, among others one goal of *Capital* is to reverse the amnesia that a society determined by capital is characterized by. This amnesia is self-related, insofar as capitalist society *forgets itself in itself*. Fetishism, accordingly, is a subjective-objective concept. What Marx has in mind with his astonishing sentence that fetishism is a "fiction without fantasy" is a subjective relation that exists objectively.

In the following I would like to briefly consider a few popular mystifications of the concept of capital, before I further argue that the concept of fetishism should be conceived of as a really existing process of social forgetting. I argue that we are living in a fetishistic society insofar as fetishism is not only collective but also objective. However, I am not opening up totally new territory here, since, for example, Zizek argued that commodity fetishism is "the unconscious of the commodity form"<sup>2</sup>, and Jameson expanded the idea of the objective quality of

commodity fetishism towards what he calls the “historical amnesia”<sup>3</sup> of consumer societies.

## Capital

Before I deal in more detail with the concept of fetishism in Marx, I would like to briefly sketch three popular misunderstandings of capital, especially since these misunderstandings can lead to fetishized conceptions of capital, which, in turn, make it difficult to understand that capital is another term for the objective form of capitalist social organization and the relationship to itself.

## Capital and Money

The first confusion about the concept of capital stems from the problem of to what extent capital is differentiated from money. In many popular discussions and in the media, it is assumed that capital is identical with money invested in the economy. Although this conception is not wrong, it is important to see that, if we mean by capital something that is simply used for *purchasing something* else, this is still money that does not (yet) function as capital, since capital is only money that is used for *purchasing something for the sake of increasing money*. Accordingly, capital is *not really* used for the sake of purchasing something. Although it is true that investment money is used for purchasing labor power, machines and technologies, land, buildings, etc., the ultimate purpose for money in the form of investment is, of course, to accumulate the amount of money that was invested. As long as capital is used for exchanges in the market - for example, when it is used for purchasing labor power or education - capital seems to function as money because it is used for *buying* something (in this case labor power). However, money as capital functions differently, insofar as capital in the form of more money is supposed to return to its owners with a surplus. The *sole* purpose of investment is therefore, ultimately, more investment.

Marx makes an important distinction in *Capital*, which, despite all further complications, it is important to remember. He introduces the distinction between what he calls “money as money” and “money as capital” as two different forms of circulation. The latter circulation gives a society, such as ours, that is based on money as capital a *socially (and historically) specific* direction, dynamics, and purpose. With the switch towards capital as the all-encompassing principle of social organization, it is no longer consumption that regulates market exchanges; rather, all market exchanges that are related to consumption (such as buying commodities) receive a new index that turns *all* of these market

exchanges into exchanges that are not *really* exchanges based on supposed equality and symmetry, but, instead, they are exchanges in which the purchase and consumption of things function as a *wealth creating instrument*, i.e., they are asymmetrical from the beginning on. Put differently, consumption in the form of commodity and money exchanges becomes subsumed by surplus value, and, as a consequence, consumption becomes dependent on capital. However, this is not a quantitative problem. For example, one could argue that there is *too much* consumption and that capitalist societies are “consumer societies.” Though this view is not totally incorrect, it nonetheless misses the main problem, insofar as there is too much consumption *only because* it becomes a function of capital. The fact of “too much” consumption is itself not sufficient for explaining that consumption in capitalist societies belongs to a different *kind of* consumption, namely, consumption that generates wealth and therefore contributes to class power, oppression, and inequality, as well as to the exploitation of labor power and the earth. Every purchase that we do in the market, although it still *seems* to be a purchase with the goal of consuming things, is, once it is subsumed by capital, not *really* based on fulfilling needs, given that all acts of consumption are now (necessarily) related to generating wealth and growth, i.e., for generating surplus value. This is what Marx means when he refers to the “surface” of commodity exchange. Commodity exchange, i.e., market relations as well as consumption, are only, we might say, the (visible) top of the iceberg, the main part of which lays hidden beneath the surface of exchanges. Clarifying the distinction between money and capital is important for popular identifications of the upper class with the rich, and of the capitalist with someone who has a lot of money. Though, empirically, this might be correct in most cases, it confuses the main point, since a rich person could also spend all of her money or save her money without throwing it into circulation. For example, it could be given as a gift or exclusively be used for consumption. In this case money would function as money and not as capital. However, it is clear that in capitalist societies, i.e., in societies in which the entire social organization depends upon capital, money spent or money saved would nevertheless function as capital, insofar as the purchases are subsumed to capital circulation and the banks would let the saved money “work.” In capitalism *all* monetary relations are *essentially* capital relations. The money circulation is subsumed by the capital circulation.

### **Is Capital a Thing?**

The second confusion is closely related to the first misunderstanding. It is common in the literature as well as in public discussions to refer to capital as something that exists in the form of tangible things, such as assets, humans,

money, investment, etc. I have argued elsewhere in more detail why capital should not be conceptualized as a “thing,” as something “tangible,” or as an “asset” that someone “has”<sup>4</sup>. Here I want to point out that the attempt to think about capital as tangible things and possessions mystifies its nature, which, in turn affirms capital fetishism in two major ways: first, the assumption that capital is something that we “have” or possess overlooks that capital is a relation and process, insofar as it can only function as capital if it is *in* circulation, *in* movement, and *in* returning. When Marx first introduces capital in *Capital*, he introduces it as a different type of circulation, namely, a circulation where money is related to itself in the form of more money. Capital is this “more” in flux, but in the form of real existing things and activities that now become part of the circulation and return process. Second, the assumption that capital is something that we “have” or possess equally misses the point that capital as the *form* of social reality (including things and activities) belongs to a *historically specific* type of social organization. It does not exist, at least not in universal form, in other types of social organization. As Marx has it,

capital is not a thing, but rather a definite social production relation, belonging to a definite historical formation of society, which is manifested in a thing and lends this thing a specific social character.<sup>5</sup>

The assumption that capital is something that is tangible, that it is money as money, or that it is something that we have and possess, tends to universalize and naturalize capital as something that exists in all societies. This confusion leads to a misrecognition and misunderstanding of the nature of a social organization that is determined *all the way down* by capital as a relation between money and more money, the consequence of which is that (potentially) every-thing can take on the form of capital and therefore be turned into a use value *for* capital. Put differently, everything can become part of surplus value production and growth. Every *thing* counts as a *social* thing only because it is related to capital and this is the reason for Marx’s claim that capital becomes a subject. A subject not only is something that is related to itself, but also is something that *is related to itself in its other*, i.e., it is related to itself through something that is external to itself. Accordingly, capital is a subject because it is related to itself *and* because it is related to itself through abstract labor, i.e., labor that is exchangeable and monetized, as well as through the products of abstract labor, i.e., commodities as monetized products of monetized labor. Marx very clearly rejects the idea that capital is a thing at the end of the third volume of *Capital*.

Capital is not the sum of the material and produced means of production. Capital is rather the means of production transformed into capital, which in themselves are no more capital than gold or silver in itself is money. It is the means of production monopolized by a certain section of society, confronting living labor-power as products and working conditions rendered independent of this very labor-power, which are personified through this antithesis in capital. It is not merely the products of laborers turned into independent powers, products as rulers and buyers of their producers, but rather also the social forces and the future form of this labor, which confront the laborers as properties of their products. Here, then, we have a definite and, at first glance, very mystical, social form, of one of the factors in a historically produced social production process.<sup>6</sup>

Given this, we can see why, in “standard” conceptualizations of capital as something that is simply “there” in the form of assets or money spent for “investment,” capital is understood via a mystification of what capital really is. In these conceptualizations, wealth and capital are taken as *givens* that are, so to speak, introjected into society. Society, accordingly, in these conceptualizations is understood as *external* to capital, and, in turn, capital is not posited as *constitutive* for social reality. However, we need to understand, following Marx, that capital is something that defines the *social form* of all creative capacities and activities (labor power), as well as all natural things (resources, earth, nature) and, also, mental reality (products of human capacities).

## Is Capital Spent?

An additional misconception and mystification of capital is related to another deep confusion, namely, the assumption that capital in the form of investments *is spent* in the economy. For example, one could argue that capital is spent for it to be used in companies, for investment, to purchase labor, etc. However, as I said above, money as capital is *not* used and not consumed, since everything appears to capital as a use value *for* capital. Money used for purchases is *immediately* capital, which, according to Marx, can either take on a “fixed” or “variable” form. It is indeed very difficult for us to understand that it not only is it not the case that capital is something that someone “has,” but also is it difficult to grasp that capital is never used for anything else than for *its own* accumulation. Accordingly, capital is not spent! In fact, it is the essence of accumulation. Marx introduces the problem of capital spending in *Capital* right when he introduces his concept of capital, but it is easy to dismiss the deeper consequences of his

claim. He writes:

In the circulation C-M-C, money is in the end converted into a commodity, that serves as a use-value; it is spent once for all. In the inverted form, M-C-M, on the contrary, the buyer lays out money in order that, as a seller, he may recover money. By the purchase of his commodity he throws money into circulation, in order to withdraw it again by the sale of the same commodity. He lets the money go, but only with the sly intention of getting it back again. *Money (in the form of capital<sup>7</sup>), therefore, is not spent, it is merely advanced.*<sup>8</sup> [*Italics added*].

And, a bit further down, Marx goes on to say:

The exact form of this process is therefore M-C-M', where M' = M + D M = the original sum advanced, plus an increment. This increment or excess over the original value I call "surplus-value." The value originally advanced, therefore, *not only remains intact while in circulation, but adds to itself a surplus-value or expands itself.* It is this movement that converts it into capital.<sup>9</sup> [*Italics added*]

If we think this through, then we need to come to the conclusion that, if it is true that every return in the form of growth, profits, and interest goes back into circulation, capital is a form of money that is actually *never* spent, although it is not a form of hoarding and savings. Instead, it is something that is constantly in movement and, as such, the essence of the social dynamics of our societies can be spelled out in spatial and temporal terms. Money functions only as capital as long as [1] it is in circulation and [2] it remains related to itself, which – in principle – has no end and, accordingly, is an infinite process. The only limits that it encounters are labor related, such as hick-ups in the markets, crises, delays, or labor resistance.<sup>10</sup> As soon as capital is taken out of its own processing, it functions again as money, either in the form of hard cash or in the form of cash savings. If it is used for land, machines, research, or buildings, it functions again *immediately* as capital, since all of the used resources now go again towards surplus value production. Important to note here is the fact that capital is not an irrational principle simply because money functions for the sake of making more money in the form of profit; rather, capital is *in principle* never spent and *only* accumulates. Capital accumulation is therefore something paradoxical, insofar as it "compounds" and needs to circulate with ever increasing speed. Capital can only be limited through its *destruction*.<sup>11</sup>

In this vein, David Harvey has given Marx's considerations about the irrational nature of capital a contemporary twist, which he calls the "the capital surplus absorption problem." In *The Enigma of Capital*, he writes:

In the absence of any limits or barriers, the need to reinvest in order to remain a capitalist propels capitalism to expand at a compound rate. This then creates a perpetual need to find new fields of activity to absorb the reinvested capital: hence 'the capital surplus absorption problem'. Where are the new investment opportunities to come from? Are there limits? Clearly, there is no inherent limit to the monetary capacity to fuel growth (as became obvious in 2008-9, when states conjured up, seemingly out of nowhere, trillions of dollars to bail out a failing financial system).<sup>12</sup>

Capital as ever increasing surplus, according to Harvey, runs into ever more crises since it becomes more difficult over time to dump all this money into the economy again. The more hindrances emerge for capital to valorize itself in the shortest time span possible, the more capital moves into the financial sector, given that short term accumulations (on the basis of money as debt extensions) are still possible in the financial system. Harvey concludes:

Financial and monetary crises have been long-standing features of the historical geography of capitalism. But their frequency and depth have increased markedly since 1970 or so, and we have to grapple with why this is happening and what might be done about it. The compounding rate of growth of global capital accumulation has put immense pressure upon the state-finance nexus to find new and innovative ways to assemble and distribute money capital in quantities, forms and locations where it is best positioned to exploit profitable opportunities. Many of the recent financial innovations were designed to overcome the barriers posed by pre-existing institutional and regulatory arrangements. The pressure to deregulate seemingly became irresistible. But moves of this kind invariably create a serious probability of unrestrained financing going wild and generating a crisis.<sup>13</sup>

In sum, the common view of capital as something that is "used for" something else than itself remains fetishistic, insofar as it does not understand that capital is never spent, never consumed, and only accumulates for the sake of its own accumulation. Consequently, capital as ever growing compound, as long as it is

not destroyed, remains in the hands of capitalists.

## Capital Fetishism as Objective Forgetting

After having clarified three of the most common fetishized *conceptions* of capital, I'd like to turn my attention to the objective side of the fetishism problem, namely, to the problem of fetishism as a process of forgetting both on the side of social reality and on the side of Marx's method. Frederic Jameson was one of the first Marxists who pointed out that the centrality of the concept of fetishism goes back to the extension of consumption culture that we observed during the 20<sup>th</sup> Century, and although Marx already thought about the fact that the laborer is at the same time a consumer, he could not foresee the force with which capital transformed everyday life, including the free time of the laboring individual, into a consumer culture. As we know, by means of the transformation of consumption, formerly external areas of human life, such as health, leisure, and education, have been incorporated into capitalism. Moreover, we are currently observing the subsumption of the entire mind and the brain to production.<sup>14</sup> In an early interview, Jameson says:

But there is another disturbing and significant factor which must now be introduced into the discussion: and it is the unique dynamics of this latest moment of capital - variously called consumer society, media society, multi-national society, post-industrial society, the 'society of the spectacle' and so forth - and which is characterized by a historical amnesia - a repression both of past and of imaginable future - far more intense than in any other social formation in human history.<sup>15</sup>

Although Marx's conception of fetishism is much broader than Jameson seems to argue here, since for Marx the commodity *form* or value is itself fetishistic, Jameson's take is nevertheless of interest for us here, since he ties the problem of fetishism not only to the problem of (historical) forgetting, but also, given the Freudian undertone, to the problem of amnesia as a process of *total* forgetting and repression. Speaking of a "historical amnesia" is based on the idea that in the process of *becoming* a capitalist society and *in* the process of its constitution, capitalist society loses "consciousness" of itself. Put differently, it does not know of itself, it mis-recognizes itself and, hence, appears reified to itself. Grasped both as a subject and as a relation, society remains unaware of its own coming about, of its own internal workings and of its own genesis. Its own genesis disappears, as Marx has it, in its result.<sup>16</sup>

In any case, what Jameson has in mind is remarkable for two reasons: [1] it reminds us of Freud's rejection of 19<sup>th</sup> Century theories of memory constitution that are based on the idea that consciousness and memory are constituted by material traces, and [2] it reminds us of Marx's language in *Capital*, since Marx uses the exact same argument not only for his claim that the value form is a form that exists in the form of a *real* abstraction (thereby "forgetting" its own sociality and "relatedness"), but also for his claim that his dialectical method and the inner relatedness of social categories, such as commodity, money and capital, is the attempt to *reverse* the process of forgetting by showing that each category is already contained and constituted by the next higher category. Let us first briefly look at Freud.

Freud's theory of consciousness is in large measure based on a critique of the psychology of his time and its assumption that memory works in the form of material "traces," the idea of which runs through the entire history of modern philosophy from Descartes onwards. Against this tradition, Freud argues in *Beyond the Pleasure Principle* that consciousness, i.e., knowing, is not defined by material traces that are somehow "present" or constitutive of consciousness and mental acts, such as perception and reproductive imagination, or having access to itself, but, instead, he claims that it is defined by the *loss of knowing itself*. He writes:

Consciousness is not the only distinctive character that we ascribe to the processes in that system. On the basis of impressions derived from our psycho-analytic experience, we assume that all excitatory processes that occur in the other systems leave permanent traces behind in them, which form the foundation of memory. *Such memory-traces, then, have nothing to do with the fact of becoming conscious; indeed they are often most powerful and most enduring when the process which left them behind was one which never entered consciousness.*<sup>17</sup> [*Italics added*]

Freud's claim is based on a reversal of central assumptions in modern psychology, inasmuch as as he claims that knowledge of itself and consciousness is based on being *cut off* from its physiological and "material" traces. Even if in our contemporary theories as well as in transcendental theories of knowledge we would find Freud's affirmation of the physiological base of consciousness and knowledge highly dubious, his claim is nevertheless still important, insofar as, for Freud, knowledge in general and knowledge of itself is constituted precisely by what we could call the *structural intransparence* of consciousness. Consciousness is a screen. Memory traces, if there are any, for Freud, *disappear*

in the result of their constitution. In fact, memory as that which gives us access to ourselves and that which constitutes subjectivity and self-relatedness for Freud, is constituted by its *absence*.

If we now turn our attention to Marx, it is rather astonishing to see that he uses the exact same language as Freud. In a central passage in *Capital* he writes:

We have already seen, from the simplest expression of value,  $x$  commodity A =  $y$  commodity B, that the thing in which the magnitude of the value of another thing is represented appears to have the equivalent form independently of this relation, as a social property inherent in its nature. We followed the process by which this false semblance became firmly established, a process which was completed when the universal equivalent form became identified with the natural form of a particular commodity, and thus crystallized into the money-form. What appears to happen is not that a particular commodity becomes money because all other commodities express their values in it, but, on the contrary, that all other commodities universally express their values in a particular commodity because it is money. The movement through which this process has been mediated vanishes in its own result, leaving no trace behind. Without any initiative on their part, the commodities find their own value-configuration ready to hand, in the form of a physical commodity existing outside but also alongside them. This physical object, gold or silver in its crude state, becomes, immediately on its emergence from the bowels of the earth, the direct incarnation of all human labor. Hence the magic of money. Men are henceforth related to each other in their social process of production in a purely atomistic way. Their own relations of production therefore assume a material shape which is independent of their control and their conscious individual action. This situation is manifested first by the fact that the products of men's labor universally take on the form of commodities. The riddle of the money fetish is therefore the riddle of the commodity fetish, now become visible and dazzling to our eyes.<sup>18</sup>

This complex passage contains at least three central ideas that are of importance for us here: [1] Marx claims that the money form genetically contains the commodity form, leaving no trace behind; [2] Marx claims that money is the "thing" in which all social relations disappear and, instead, that it exists in the form of "one," really existing, commodity that now stands in for *all* social

relations; [3] Marx claims that this externalized and objectified thing appears, as a consequence of the foregoing, as being beyond the control of those subjects who are constituted by it.<sup>19</sup> This process of social forgetting is a process in which society appears to itself as thing-like and as something “natural” that is “there” without access to itself. Fetishism occurs, we might say, when the reality is *not* seen as a result of a process, but, instead, as something given, fixed, natural, and unmovable. The entire critique of positivism in critical theory stems from this assumption. The similarity to Freud’s position is obvious: as Freudian psychoanalysis tries to make the process of constitution visible that is *contained, but suppressed* in consciousness, Marx’s dialectics tries to render the process of (social) constitution visible that is contained in the objectivity of society and the knowledge of itself as something (apparently) thing-like in nature.

In addition, here Marx points to the movement through which the value-form, as he discusses it in the first chapter of *Capital*, becomes invisible in the result of its constitution, i.e., in the real existing form of value, which is money. The steps, however, that lead to money as the universal placeholder of social reality *vanish* in their result. As Marx puts it in the above quote, *the intermediate steps of the process vanish in the result and leave no trace behind*. In a similar formulation, Marx puts it this way: “The name of a thing is entirely external to its nature. I know nothing of a man if I merely know his name is Jacob. In the same way, *every trace of the money-relation disappears* in the money names pound, thaler, franc, ducat, etc.”<sup>20</sup> [*Italics added*]. When we find commodities on the market, they *already* come with a price tag and the fact that commodities are constituted by their *specific social form* disappears behind their appearance. Put differently, money stands in for a complex relationship between the visible and the invisible, and it is as if the surface in capitalism is like a *symptom*, insofar as that which the symptom is a symptom of is forgotten *in* the symptom. Moreover, Marx argues that this basic process of forgetting and displacement occurs at every level of money and capital. For example, in regard to commodity circulation, i.e., *market* relations, he writes the following – with explicit reference to the process of forgetting:

In present bourgeois society as a whole, this positing of prices and their circulation etc. appears as the surface process, beneath which, however, in the depths, entirely different processes go on, in which this apparent individual equality and liberty disappear. It is forgotten, on one side, that the presupposition of exchange value, as the objective basis of the whole of the system of production, already in itself implies compulsion over the individual, since his immediate product is not a product for him, but only becomes such in the social

process, and since it must take on this general but nevertheless external form; and that the individual has an existence only as a producer of exchange value, hence that the whole negation of his natural existence is already implied ; that he is therefore entirely determined by society; that this further presupposes a division of labor etc., in which the individual is already posited in relations other than that of mere exchanger, etc.<sup>21</sup>

What Marx argues here is well known: at the surface of commodity circulation and everyday market relations, such as buying and selling as well as supply and demand, equal individuals seem to encounter each other as formally free individuals. In fact, market relations are only apparently made of individual transactions between individuals that are socially constituted through their exchange relations. In truth, however, these individuals are constituted by the relations that underlie market relations, but are forgotten and displaced underneath the exchange relations. Individuals are already determined as specific individuals and are constituted by the relations of production and consumption as well as by conditions of the relations of production and consumption. Accordingly, the fetishism and objective self-forgetting of capitalist society can also be traced back to the specific form, in which labor is constituted in capitalism, namely, to abstract labor and the wage form: “The wage-form thus *extinguishes every trace* of the division of the working day into necessary labor and surplus labor, into paid labor and unpaid labor. All labor appears as paid labor”.<sup>22</sup>[*Italics added*]

Marx does not stop here. In fact, if we take all three volumes of *Capital* into account, the fetishism does not suddenly disappear; instead, Marx analyses it in its ever more abstract instantiations, i.e., commodity fetishism reproduces itself objectively on each level of social constitution, which explains why Marx already thematizes fetishism in chapter one as a, if not *the*, constitutive moment of the *universal* form of value. Economic readings as well as cultural readings of Marx’s *Capital* tend to miss the entire point, as Marx discusses the fetishism as both [1] socially constitutive as well as [2] economically universal. As I pointed out in the first part of this essay, capital is not some “thing” that enters the society from the outside in the form of something tangible or as a bunch of money; rather, capital is the real existing form and dynamics of *all* social relations, insofar as capital is a specific way in which money takes on all social relations.

However, the most abstract form of capital and its “purest” expression, according to Marx, is *interest*. In interest (and, hence, debt) the “absolute knowing” in its most abstract form and identity is posited. Consequently, by reading *Capital* we are asked to understand that that which appears to us in

our everyday life as isolated and non-related “facts” or givens, such as money, capital, wage, interest, and debt, are in truth actualizations of the *same* social form, namely, the capital form as the self-relatedness of everything to itself in the form of surplus value. Our society knows itself through these categories. In interest and debt all other social categories are contained and the task of Marx’s dialectics is to render the systematic internal constitution of the categories visible in order to help us understand that capitalist social organization is a whole with a beginning and an end. Debt, then, for Marx, is the highest form under which objective forgetting is constituted and the most dazzling way in which our society appears to itself as that which it is not. Accordingly, we are asked not to look at interest and debt as separated “phenomena;” instead, we are asked to look at them as the purest and, hence, most objective actualization of capital. Consequently, debt (and the financialization of it) are *from the beginning* on part of capital, namely, its extension into the future.

Let me now, finally, turn to this most abstract form of social forgetting and the most objective actualization of this process of forgetting in something natural and thing-like.

### Debt as Pure Abstraction

In an extraordinary manuscript that Marx wrote in preparation of *Capital* between 1861 and 1863, entitled *Revenue and its Sources*, Marx points to three basic fetishisms that occur in capitalist societies, and which he calls the “religion of the vulgar.” These basic fetishisms are based on the idea [1] that the earth is the source of rent, [2] that labor is the source of the wage, and [3] that capital is a “tool” for acquiring labor. What he has in mind should be clear, given what I have discussed in the first part of this essay, insofar as even today, roughly 150 years after Marx’s *Capital*, we still live in a world that to a large extent follows this threefold religion of the vulgar. For example, how many people still believe that they receive the wage for their labor and the product of their labor, or its “importance,” or for the “responsibility” expressed in it (and not for their surplus value production and market mechanism of making their labor more exchangeable and profitable)? Be that as it may, Marx’s manuscript is also extraordinary because Marx uses terms that place the concept of fetishism in close proximity to the concept of forgetting, insofar as he determines here not only interest-bearing capital as the most completed form of fetishism, but also that in interest the “recollection of the past”<sup>23</sup> is no longer present and that it no longer shows any “scars of its origin.”<sup>24</sup> Whereas all other social categories show some social content in them, in interest all content seems to be eliminated, since capital exists in the form of interest as a pure and abstract relation to itself. One

gives money and receives more back, which, as Marx highlights, is based on the separation from the legal owner of interest bearing capital from the production process. Put differently, the separation of industrial capital from interest bearing capital and the fact that a portion of the first always goes to the latter. This also explains why interest does not appear as profit, but, instead, as something that people somehow “share” with whoever represents interest bearing capital, which is, in most cases, banks and – though invisible – financialized forms of capital.

Since ultimately all labor and exchange relations in capitalist society are driven forward by circulating capital, it is also clear that *ultimately* all capitalist relations culminate and, speculatively expressed, are contained in (compound) interest. Capital appears in interest as a source of itself – and how many speculators will sit behind their monitors and say to themselves that they made some money during the day! “In M-M’,” as Marx puts it, “we have the empty [begrifflose] form of capital, the perversion [Verkehrung] and reification [Versachlichung] of production relations”.<sup>25</sup> The negative existence of interest is debt, since that which someone “owes” to someone else is *in the end* always the surplus to be paid on top of the return of what was given, which is ultimately based on actually increased productivity or, as in almost all cases, on promised productivity. As we know, not only single persons, but also households, and even nations,<sup>26</sup> are in debt, and the connection between these forms of debt and capital in the form of interest disappears in debt itself. “In this way, all connection with the actual process of capital’s valorization is lost, *right down to the last trace*, confirming the notion that capital is a self-valorizing automat by its own powers”<sup>27</sup> [Italics added]. However, the debts of someone are in every case the wins of someone else, at least as long as surplus value in the form of productivity increases, expulsions, dispossessions, or extensions of markets occur, and the entire process lays in the hands of those who legally control the circulation of capital.

In the third volume of *Capital*, in a section that discusses banking capital and interest, Marx writes the following:

Moving from the capital of the national debt, where a negative quantity appears as capital – interest-bearing capital always being the mother of all turned around forms [Mutter all verrückten Formen], so that debts, for example, can appear as commodities in the mind of the banker – we shall now consider labor-power. Here wages are conceived as interest, and hence labor-power as capital that yields this interest. If the wage for a year comes to £50, say, and the rate of interest is 5 percent, one annual labor-power is taken as equal to a capital of £1,000. Here the absurdity of the capitalist

way of representing things reaches its climax, in so far as instead of deriving the valorization of capital from the exploitation of labor-power, they explain the productivity of labor-power by declaring that labor-power itself is this mystical thing, interest-bearing capital.<sup>28</sup>

Two things are important here: [1] insofar as the fact that interest and debt do not appear as what they are, namely, capital, they appear to those who “deal” with it, as something to be purchased and sold, i.e., as the *beginning* of the entire reproduction process (and not, as it should be, as the *result* of the entire process), and [2] labor power appears itself as a mystification in what we today tend to call “human capital,” i.e., we tend to believe that it is not interest as capital (and its compound rate) that circulates in the society; rather, we tend to believe that it is the “people” who are the real “capital.” With Marx, we might say that in those beliefs capital fetishism is at the point where it can hardly appear in more abstract forms, given that the *source* of capital, which is the creative capacities of human beings, is turned into capital itself.

Finally, the ever-increasing compound rate of interest and the increasing debts that we observe in our world today are of course, as Marx already knew, labor-capacities, productivity and economic growth projected into the future. We always live ahead of ourselves, as long as we are able to extend our current situation into the future and believe that it will go on without crises. As Marx has it:

All these securities actually represent nothing but accumulated claims, legal titles, to future production. Their money or capital value either does not represent capital at all, as in the case of national debts, or is determined independently of the real capital value they represent. In all countries of capitalist production, there is a tremendous amount of so-called interest-bearing capital or ‘moneyed capital’ in this form. And an accumulation of money capital means for the most part nothing more than an accumulation of these claims to production, and an accumulation of the market price of these claims, of their illusory capital value.<sup>29</sup>

## Conclusion

The claim that interest and debt are the most abstract forms of fetishism and the historical amnesia of ourselves is well represented in the film *The Big Short*. In this film in which Hollywood deals with the 2008 housing crises in the US, one of the main figures is an investor named Michael Burry (played by Christian

Bale) who speculates against the subprime mortgage market before the 2008 financial crisis, and in the end his fund's value increases by 489 percent. The film displays very well that the main activity of this fund manager, with the exception of his initial calculations and reports, consist of *waiting* for what will turn into the largest crisis of our modern system after the crash of 1929. The fund manager is displayed sitting behind his desk, making a few calls, and otherwise playing around in his small office. The labor that goes into his eventual win shrinks to an insignificant amount of everyday activities, and does not seem to have any other content than the initial *assumption* that the market will crash. In this case, waiting for the productivity to come equals waiting for the system to crash. The number "489%," displayed at the end of the movie on a traditional chalkboard, remains as empty as Burry's activities and the system that he represents. It is a number, and, nevertheless, this number is *real*. The fetishism of our world, both on the side of our conceptions of it and on the side of the social reality itself, is well represented by the astonished reaction of the viewer who watches *both* the downfall of a real existing world, including the suffering of the people, and the representation of this downfall in an abstract number that stands for a *real* win. What we do not realize is the fact that both represent *the same process*. Winning and losing is one.

The figure of Michael Burry, we might say in conclusion, is the theatrical incarnation of a society that has forgotten itself, namely, by replacing nothingness with fictional projections that are caught in a mythical conception of itself. The emptiness of capital as a social form, combined with the inspired feeling that *he* made money out of this, is all that remains of ourselves. Filled with awe, we enjoy our own downfall. In the end, the hero, capital, wins and everyone goes down. The film is a classical Hollywood movie, after all.

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  - 2 Slavoj, Zizek, The Sublime Object of Ideology, (London: Verso 2010), p.9
  - 3 Frederic, Jameson, Conversations on Cultural Marxism, ed. Ian Buchanan (Durham: Duke University Press 2007), p.15.

- 4 Christian Lotz, "Is Capital a Thing? Remarks on Piketty's Concept of Capital", *Critical Sociology*, 41:2 (2015), pp.375-383.
- 5 Marx, Karl, *Capital. Critique of Political Economy*, Vol. 3, tr. David Fernbach (London: Penguin, 1981), p.953; Karl Marx and Friedrich Engels, *Werke*, vol.25, (Berlin: Dietz 1952-2015), p.822.
- 6 Marx, Karl, *Capital. Critique of Political Economy*, Vol. 3, tr. David Fernbach (London: Penguin, 1981), p.953; Karl Marx and Friedrich Engels, *Werke*, vol.25, (Berlin: Dietz 1952-2015), p.822.
- 7 Brackets description added by Lotz.
- 8 Marx, Karl, *Capital. Critique of Political Economy*, Vol. 1, tr. Ben Fowkes, (London: Penguin 1976), p.249; Karl Marx and Friedrich Engels, *Werke*, vol. 23, (Berlin: Dietz 1952-2015), p.165.
- 9 Marx, Karl, *Capital. Critique of Political Economy*, Vol. 1, tr. Ben Fowkes, (London: Penguin 1976), p.250; Karl Marx and Friedrich Engels, *Werke*, vol. 23, (Berlin: Dietz 1952-2015), p.166.
- 10 For this process, see David Harvey, *The Enigma of Capital*, Oxford: Oxford University Press 2010.
- 11 For this, see Marx, Karl, *Grundrisse. Foundations of the Critique of Political Economy*, tr. Martin Nicolaus (London: Penguin, 1995) p.750.
- 12 David Harvey, *The Enigma of Capital* (Oxford: Oxford University Press, 2010), p.45.
- 13 *Ibid.*, p.54.
- 14 For more on this, see Christian Lotz, *The Capitalist Schema. Time, Money, and the Culture of Abstraction*, Lexington Books 2014.
- 15 Frederic, Jameson, *Conversations on Cultural Marxism*, ed. Ian Buchanan (Durham: Duke University Press 2007),p.15.
- 16 As we know, this idea also undergirds Lukacs' theory of subjectivity in *History and Class Consciousness*, but for the sake of this essay I am unable to reveal the deeper connection and systematic issues here.
- 17 Sigmund Freud, *Beyond the Pleasure Principle*, tr. James Strachey (New York: Dover, 2015), p.19.

- 18 Marx, Karl, Capital. Critique of Political Economy, Vol. 1, tr. Ben Fowkes, (London: Penguin 1976), p.187; Karl Marx and Friedrich Engels, Werke, vol. 23, (Berlin: Dietz 1952-2015), p.107.
- 19 For more on this, see Christian Lotz, The Capitalist Schema. Time, Money, and the Culture of Abstraction, Lexington Books 2014.
- 20 Marx, Karl, Capital. Critique of Political Economy, Vol. 1, tr. Ben Fowkes, (London: Penguin 1976), p.195; Karl Marx and Friedrich Engels, Werke, vol. 23, (Berlin: Dietz 1952-2015), p.115.
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- 22 Marx, Karl, Capital. Critique of Political Economy, Vol. 1, tr. Ben Fowkes, (London: Penguin 1976), p.680; Karl Marx and Friedrich Engels, Werke, vol. 23, (Berlin: Dietz 1952-2015), p.561.
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- 24 Ibid., p.1454 (translation altered).
- 25 Ibid., p.1460 (translation altered).
- 26 The question of whether it is true that nation-states can be “in debt,” I will leave open at this point.
- 27 Marx, Karl, Capital. Critique of Political Economy, Vol. 3, tr. David Fernbach (London: Penguin, 1981), p.597; Karl Marx and Friedrich Engels, Werke, vol.25, (Berlin: Dietz 1952-2015), p.484 (translation altered).
- 28 Marx, Karl, Capital. Critique of Political Economy, Vol. 3, tr. David Fernbach (London: Penguin, 1981), p.596 (translation altered); Karl Marx and Friedrich Engels, Werke, vol.25, (Berlin: Dietz 1952-2015), p.483.
- 29 Marx, Karl, Capital. Critique of Political Economy, Vol. 2, tr. David Fernbach (London: Penguin 1993), p.599; Karl Marx and Friedrich Engels, Werke, vol.24, (Berlin: Dietz 1952-2015), p.323.