

Footnote: Capital

Capital is the excess of money one has with which one can buy the labour of others in order to generate more money. However, what most fail to see is that, though erroneously measured in the same units, capital, and the profit it generates, are not the same stuff. [[PDF](#)]

What Most Are Denied

In 18th and 19th century writing, capital was called 'property'. A prime example is the Communist Manifesto of 1848. This is why people today think Communism requires that the individual possess nothing directly, and that everything be owned by the State. But this is not what it says. The Communist Manifesto specifically says that communism does not deny the working artisan ownership of the means to live - his clothes, house, land, equipment, tools of his trade - in other words, both the producer and consumer sides of his domestic micro-economy.

But even back in 1848 Capitalists were already vociferously accusing Communism of advocating the confiscation of all personal possessions. Referring to 'property', the Communist Manifesto therefore asks rhetorically how the introduction of Communism to a Capitalist country could possibly dispossess the vast majority of its people of what had already been taken from them. What was it that had been taken from them? Their land: the necessary and sufficient terrestrial resources for turning their labour into their needs of life.

Unfortunately, some implementations of so-called Communism have dispossessed the many just as effectively as Capitalism has done. The former possessions of the many have merely ended up in different places. Under Communism they have ended up in public ownership under the control of a power-crazed dictator. Under Capitalism they have ended up in the possession of a small elite clique of rich greed-driven individuals.

Wages Are Not The Same

Most people receive wages for the work they do. The amount one receives in wages is measured in one's national currency units (\$, £ etc). The value of land is also measured in those same units. People therefore think it is the same stuff. But it is not. The value of land is permanent. It is a measure of something which can generate the needs of human life *on an on-going basis*. The value of land is not diminished by the value of the food or renewable resources which have been grown upon it.

The value of land is static. The value of what it produces (consumables) is dynamic. If the value of land is in *dollars*, then the value of what it produces is in *dollars per year*. Static dollars are different from dynamic ones. It is like the difference between electrical charge and electrical current. One is a static quantity measured in coulombs, the other is dynamic charge measured in coulombs per second (or amperes). It is like the difference between distance and speed. One is a static quantity measured in metres. The other is a dynamic quantity measured in metres per second.

The problem is that both dollars (representing capital value) and dollars-per-unit-time (representing what they generate on an on-going basis) are both called dollars, and are deemed by the free market system to be equivalent. Saving dynamic dollars does not turn them into static dollars. If you save enough of them, the capitalist free market will exchange them for land (assuming there is some for sale) . But this is an anomaly of the capitalist free market system. The two simply do not equate.

The effect of this anomaly is to create an artificial or intellectual substance called money which has the unique and unprecedented attribute of inherent self-generation. It has the ability to generate more of itself out of itself without any external inputs. It has a nature which elsewhere would be attributable only to a God. And, given this divine capability, it is not surprising that, to many, it is God.

But in truth, it is not God. In truth it does not have the inherent ability to self-generate. It merely gives an illusion of self-generation by fiddling the books - by equating two things which are simply not the same. If we are ever going to see the true account of human wealth, we will have to reckon capitals and consumables in [different kinds of currency](#).

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