

The Internal Logic of Capital Metaphysics

Feng Shi*

Automation School of Shenyang Aerospace University
Shenyang Aerospace University
Liaoning, China

Jiang Bian

Supervision and Inspection office of Shenyang Aerospace
University
Shenyang Aerospace University
Liaoning, China

Abstract—Capital contains “double logic”, the generating logic of “physical” and the operating logic of “metaphysical”. Marxism attacked the capital metaphysics, He believed, if capital becoming capital metaphysics, who would have a great harm to the real economy. This paper discusses the possible way to abandon capital metaphysics from the point of national security.

Keywords—Financial Capital; Real Economy; Dual logic; Metaphysics

I. INTRODUCTION

On the afternoon of February 22, 2019, President Xi Jinping hosted thirteen group study sessions at the Politburo of the Communist Party of China in Beijing. The theme of this study is “improve financial services, financial risk prevention.” At the meeting, President Xi Jinping said: We should understand the current financial situation at home and abroad, correctly understand and grasp the nature and laws of finance, and deepen financial supply-side structural reform, we should adhere to the road of “returning to financial source, serving economic and Social Development”, and the road of “deepening the reform of financial system, enhancing the ability of financial service to real economy”. The general secretary’s important exposition on financial policy is of great guiding significance for China to base itself on the reality and walk out the road of financial development with Chinese characteristics.

II. THE ESSENCE OF FINANCIAL CAPITAL

Financial capital should be a perfect product. It should be an important means and tool for human beings to seek happiness. However, the cyclical financial crisis in capitalist society makes many people reject and fear “financial capital”, even as they reject metaphysics. Why does capital become like this? Marx said that the capitalist mode of production alienated the means of finance.

A. The Emergence of Finance

According to Marxist historical materialism, financial capital does not always exist. Its existence is a historical process. It is the development of human society to a certain stage, after the commodity economy gradually replaced the natural economy and occupied the leading position in the economic field. When a single producer is short of funds in the three stages of purchase, production and sales, while other producers are idle due to the break of the three stages of

purchase, production and sales, different producers need to borrow from each other. In order to support each other, enterprise producers form lending activities, which is the initial financial activities. Credit mechanism is the basis and premise of lending behavior, which limits the scope of loan capital circulation. In order to improve the credit mechanism and expand the scope of capital circulation, banks with a large amount of capital base can be produced. Banks, relying on the “credit mechanism”, engage in all financial activities related to monetary and credit activities. The main function of financial industry is to be able to save “credit”. In this way, a single production enterprise can expand production beyond the limitation of time and space. The emergence of financial industry has promoted the expansion and development of production. “The existence of banknotes itself is based on the mutual credit provided by industry and commerce. [1]”

B. Excessive Expansion of Credit

From the perspective of monetary economics, credit is money and finance is transaction credit. Credit creates money, and only credit can create money. It represents a certain relationship between debt and creditor’s rights. The production process of debt (credit) is the creation process of money, and money is the mirror image of debt (credit). At present, the main western countries in the world have adopted the way of decoupling credit currency and metal currency, and these countries rely on “national credit” to issue credit currency. However, credit is not only an important driving force of modern economic development and prosperity, but also the root of the financial crisis. Because credit is a “promise”, a “non entity” product, and an almost spiritual thing, it can rely on its own unique attributes, and become a tool for value exchange and wealth increase. However, as a spiritual product, it is bound to show a “erratic” state in a certain environment, resulting in excessive expansion of credit. If the expansion of credit far exceeds the value of the real object it represents, it will inevitably lead to capital not flowing into the real economy, but only circulating in the financial system, which will inevitably lead to financial crisis.

III. “DOUBLE LOGIC” OF FINANCIAL CAPITAL

A. Double Logic

Credit currency is a special form of currency, which has different properties from metal currency. In capital, Marx pointed out that money, as a special commodity, has two

factors of commodity, namely use value and value. The “two factors” here are based on the “duality” of labor. As a special kind of currency, credit currency does not belong to the category of commodity, nor does it have the “use value” and “value” of commodity. When metal currency is transformed into credit currency, the fundamental attribute of currency also changes from “concrete” to “abstract”. As a special commodity, metal currency has “concreteness”. However, credit currency is not a commodity, not concrete, but abstract. The author believes that the logic of credit currency production and operation are two different kinds of logic. From the perspective of production logic, credit currency is the need to serve the development of real economy and the comprehensive and free development of human society. As a tool and means, it has “reality”, which means its production logic has reality. At the same time, as an “abstract object”, a form of expression of “credit”, a kind of existence similar to “spirituality”, credit currency makes its operation logic abstract. There are two different logics in the unity of “credit currency”, which makes “credit currency” naturally have the dual attributes of “physics” and “metaphysics”. “Physical” attribute means that its production logic is realistic and concrete, while “metaphysical” attribute means that its operation logic is abstract and spiritual. The “physics” nature enables credit currency to perform the function of currency’s circulation means and value scale. “Metaphysics” makes credit currency have the super power of overriding all reality and the powerful “magic” of “controlling” the world. Therefore, the dual logic of credit currency makes it possible for capital to evolve into capital metaphysics.

B. Capital Goes to Metaphysics

Brodale pointed out that the logic of capital production is in the form of $w-g-w$, that is, from commodity to commodity through currency, which is the process of commodity exchange. But under the capitalist economic system, the operation logic of capital is in the form of $G-W-G$. These are two completely opposite forms. The former is based on commodities and returns to commodities after operation. The latter is based on capital and returns to capital after operation. The purpose of the former is to increase commodities, and that of the latter is to increase money. By means of credit, the capitalist transforms the production and development process of $w-g-w$ into the process of currency appreciation of $G-W-G$. Marx said that the capitalist class changed all commodities into money, and they concentrated the scattered money and used it to generate more money. Finance is the tool and means to promote the development of real economy. G is the intermediate link of production and circulation, playing the role of serving W . However, under the capitalist system, the goal of G operation is not to accumulate and increase the value of W , but to turn W into an intermediary, the production and circulation links into a means of capital increase, and the ultimate goal of circulation is to turn W into W' . This is the first step of capital towards metaphysics, that is, the purpose of “means” evolution. Capital realized its first “magnificent turn”.

The second “transformation” of capital is from “appurtenance” to “ruler”. Marx’s criticism of capital metaphysics is based on his theory of alienated labor. Marx said that “through alienated and externalized labor, workers

produce a relationship between people who are alienated from labor and stand outside labor” [2]. From the production logic of capital, we can analyze again that capital serves the real economy and is a tool and means to promote the development of human society. Capital belongs to the “appurtenance” of material production and real economy, and belongs to the “service industry” in the field of social production. However, under the capitalist system, capital, by virtue of its unique magic of “law” and “value scale”, leaps to the “field of social reproduction”, realizes its second “transformation”, and reversely completes the rule and domination of the “field of material production”. When “capital” has the status of “ruling and dominating”, capital has evolved into “capital metaphysics”.

“Metaphysics” refers to a kind of “being” that transcends the changing and unreal sensory experience world and is not in the specific space-time. As a transcendental existence, being is the foundation and origin of the real world. “Capital metaphysics” means that capital has become a kind of “super perceptual” existence, and at the same time has the magic power of controlling reality. “Capital metaphysics” is the “virtual economy” that dominates the world’s economic field. Compared with real economy, virtual economy is the inevitable product of economic Virtualization (called “financial deepening” in the West). The essence of economy is a set of value system, including material price system and asset price system. Unlike the material price system supported by cost and technology, the asset price system is a specific price system based on the capitalization pricing method, which is called virtual economy. Because of the capitalization pricing, people’s psychological factors will have an important impact on the virtual economy.

Marx said that capital should only be a means of organizing means of production, and capital should not be the maker and controller of value judgment. However, when it is controlled by capitalists, capital becomes “capital metaphysics”. “The banking system is a religious and moral system”, “the advice of the bank is more important than that of the priest” [1]. At the end of the 20th century, philosophers raised the banner of “rejecting metaphysics”, and traditional identity metaphysics was criticized all over the world. When identity metaphysics was destroyed in the field of philosophy, “capital” as a new ruling force revived metaphysics in another field, that is, “capital metaphysics”. The reason why “capital” has become metaphysics is that “capital” has changed from “material power” at the bottom to “spiritual ruler” at the top after two turns. In the field of real life, “capital” has gradually gained the ruling power of traditional metaphysics and become the “abstract” power in modern society to rule people.

As the “Resurrection” or “manifestation” of traditional metaphysics in the field of real life, capital is characterized by two aspects: on the one hand, “capital”, like the “noumenon” of traditional metaphysics, has become the ultimate goal and value standard of modern people’s life, and is also the value standard stipulated by “dollar currency”. On the other hand, as far as the logic of capital is concerned, capital, with its powerful “Charisma”, brings everything in reality into the logic of capital appreciation.

“Capital metaphysics” is called “capital fetishism” by Marx. As one of the most important forms of fetishism, “capital fetishism” appears later than commodity fetishism and currency fetishism. It is a kind of fetishism peculiar to the capitalist era. Marcuse, a Marxist in the west, pointed out that the capital system changed people into “one-way people” through the control of ideology, the pursuit of “material needs” became the only pursuit of people, and the pursuit of spirit and emotion has disappeared. By controlling people, ideology leads to the cross flow of material desires in capitalist industrial society, and “money” has become the ultimate goal of human pursuit. Capital is the best matrix of “generating money”. Whoever owns capital has the “machine” of “generating money”. At the same time, whoever owns the capital will take the initiative in making “social rules”. The more capital is owned, the more power will be controlled in the society, the more “social rules” that are more suitable for capital appreciation will be formulated, and the capital will continue to expand. Therefore, capital is bound to be crazily sought after by people. In the real social and economic life, coveting capital and coveting surplus value become their only motive force. This also makes the concept of capital fetishism become a reality. Capital has achieved the same high position as God and accepted people’s competing pursuit.

C. The Harmful Consequences of Capital Turning into Metaphysics

The result of capital becoming metaphysics is the destruction and domination of virtual economy to real economy. Marx thought that capital was no longer the means of production and the real wealth under the capitalist system, but the “imaginary wealth”. Capital and labor have been alienated as well, “credit has become the most powerful means to make capitalist production beyond its own boundaries, and the most effective tool to cause crisis government and fraud” [1]. Marx believes that the credit system without any realistic basis is exactly the deep-rooted weakness of the capitalist system. Marx said in his capital theory: “the credit system centered on the so-called national bank and surrounded by big money lenders and usurers is a huge concentration, and it gives the parasitic class a mythical power, so that they can not only periodically eliminate some industrial capitalists, but also use a very dangerous spinning Yarn intervenes in real production - and this gang knows nothing about production and has nothing to do with it” [1].

How is the real economy dominated by the virtual economy? In capitalist society, production is not determined and influenced by the “invisible hand” - the market, but by a few capitalists who have rules, because they control the standard of setting social values. In the United States, what and how much is produced cannot be determined by consumers, not by the people who account for 90% of the society, but by the top capitalists who account for 10% of the capitalist society. Because 10% of the rich have 80% of the social wealth of the whole society, and the top 1% of the rich have 40% of the social wealth. “As a product of value and social reproduction opposite to productive labor, there is no” general social labor time “coagulated in commodities. What coagulated in commodities is the power relationship of the real society. In

capitalist society, this is the supporting status of capital” [3]. Therefore, in capital, Marx believed that the essence of capital is not matter, but the production at a certain stage of historical development, which is a kind of social production relationship under the cover of the shell of matter. According to the explanation of capital, capital is initially produced in the field of production. Therefore, without the existence of real economy, there will be no capital. The process of capital accumulation completely depends on the production and sales of goods. However, in capitalist society, capital separated from the real economy, and became the illusory “God” of independent movement, and became “blood and filthy things from head to toe”.

IV. THE POSSIBLE WAY TO ABANDON CAPITAL METAPHYSICS

The practice of socialism after Marx shows two problems: first, how to create a financial means to combine the means of production and make it compete with capitalism? Second, how to use international capital instead of being used by it? This requires us to innovate the new mechanism of financial development with Chinese characteristics and resolutely prevent financial capital from going on the metaphysical road.

A. Adhere to the Socialist System

The evolution of capital into capital metaphysics is consistent with the evolution of capital logic into capitalism. This kind of value-added of virtual economy, which is separated from the development of real economy, inevitably contains the inherent contradiction of “widening the gap between the rich and the poor”. On the one hand, the value-added of virtual capital is the growth of “number” itself, on the other hand, the relative concentration of capital, which is concentrated in the hands of less and less “super rich”, resulting in the widening gap between the rich and the poor. The “institutionalization” of capital provides institutional guarantee for capital in economic development and for capital to move towards metaphysics. To prevent capital from going to metaphysics is to eliminate the institutional premise. This requires us to adhere to the socialist system. The essential difference between the socialist system with Chinese characteristics and the capitalist system lies in the different subjects the state serves. Under the socialist system, the country serves the people, and the goal of national economic and social development is to meet the material and cultural needs of the people; under the capitalist system, the country serves the minority bourgeoisie, and the goal of economic and social development is to meet the purpose of capital appreciation of the minority capitalists. The focus of Marxist social theory is to realize the liberation of the “people” and the all-round and free development of the “people”. Only by adhering to the socialist system, strengthening the “system self-confidence” and the “people-centered” ideology, can we effectively resist capital metaphysics.

B. Adhere to Socialist Culture

Capital has evolved into metaphysics, which is closely connected with fetishism. Marx thought that in the capitalist system, “commodity is the most common thing, but in essence

it is also the product of human brain" [4]. The purpose of people's life is to pursue commodities, and the pursuit of commodities is reflected in the pursuit of money. The pursuit of money has further evolved into the pursuit of money appreciation. In this way, the result of the pursuit of some columns has evolved into "capital metaphysics". If we want to abandon capital metaphysics fundamentally, we must abandon a series of fetishism. The product of spirit should be eliminated by the way of spirit, and the problem of thought needs to be solved by the way of thought. We must adhere to the development of socialist culture with Chinese characteristics and prevent people's "spiritual emptiness" and "material desire crossflow". Socialist civilization is the most advanced, noble, scientific and progressive civilization in the history of human development. The socialist core values provide the value target, value orientation and value criterion for every citizen. As long as we firmly believe in socialist culture and uphold the core values of socialism, people under the socialist system can resist capital metaphysics.

C. Insist on Financial Service for Real Economy

China has entered a new era of economic development, but the deep-seated structural problems in the financial development are increasingly exposed. The "de real" to "virtual", excessive finance and high leverage are hindering the pace of economic development to a high-quality stage. Comrade Xi Jinping has repeatedly stressed that we must fully understand the essence and rules of Finance and stick to the essence of financial services and the real economy. "Finance should be surrounded by real economic services to meet economic and social development and needs of the masses" [5]. Facing the complicated international financial market environment, China should stick to the financial policy with Chinese characteristics and be alert to capital metaphysics. Therefore, for China, we must adhere to financial capital to serve the real economy.

V. CONCLUSION

Today, the dollar has a "hegemonic" position in the international monetary system, which is not only in the field of Finance and economy, but also in the field of superstructure and ideology. With its unique "hegemonic" position, the dollar sets the world's value standards and controls the world's value system. However, due to the excessive pursuit of "capital appreciation" by American financial capitalists, the country has long placed the realization of economic development mode on financial speculation, resulting in today's poor economic fundamentals in the United States. China protect the environment and increase China's social and economic development. Independent development is the most important thing for China.

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