[Book Review]

**David Harvey (Japanese translation by Sadaharu Oya,
Taiki Kagami, Takashi Sato, Jun Siota, Naoto Shimokado,
Takashi Nagashima, Yoshitaka Nakamura, Tomoyuki Niida,
Tamiki Hara, Kakeru Miura, and Yasuhito Morihara),
*Marx, Capital and the Madness of Economic Reason***

Tokyo: Sakuhinsha, 2019, 328 pp.

“Madness of Economic Reason” refers to the “transcendental power” (93; quoted in Japanese translation) of money generated by interest-bearing capital, or “capital fetish” (63). Interest-bearing capital is formed from idle money in the process of the movement of capital and is lent out through the capitalist credit system. In a state where smooth growth of capitalism is promoted, such capital is invested in sectors that produce surplus value and is recovered from the profit achieved. However, in contemporary capitalism where valorization has not been fully realized, a class of money capitalists who seek to gain interest perceive capital investment as an irrational activity. For capitalists, profit-seeking capital investment ceases to be self-evident and financing becomes an option. Moreover, when “the rate of monetary gain” (39) takes precedence over the rate of profit and capital growth, the capitalist reason falls into madness. Interest-bearing capital expands the area of benefit-seeking beyond valorization activities, such as national debt and mortgage loans, leading citizens or workers to “debt peonage” (68). To recover the rate of profit, the capitalist frontier is expanded to neighboring countries, and the

valorization process relocates itself to the poorest countries or precarious work. This intensifies global competition for climbing the capitalist ladder from the valorization workforce to the creditor.

As Harvey pays particular attention to Marx’s bewilderment regarding the positioning of interest-bearing capital, the circulation of such capital and the movement of capital are distinct. How this concept can be theorized remains a major issue in Marxian political economy. Harvey noted that he attempted to synthesize the concept of capital and that of interest-bearing capital in his previous works. However, from the scope of this book, it is not necessarily clear how it can be distinguished as an analytic framework. Nonetheless, by shedding light on the circulation of interest-bearing capital in distribution, which has traditionally been regarded as “the passive end-product of surplus value production” (38), the book unveils struggles within the capitalist class, often described by a monolithic image, and provides a path through which the capitalist market is linked to the nation or politics. If the contradiction of contemporary capitalism is epitomized in subjects with the future incomes of vari-

ous social characteristics being seized by interest-bearing capital and drawn in an endless competition, this could provide a clue to unravelling the mechanism of reinforcing “pure property right” (66) as the grounds for charging interest.

Harvey contended, “The world monetary system abandoned the last vestiges of dependency on the gold standard after 1970 or so. Marx was adamant that this could never happen. But on this point he was clearly wrong and we have to consider the theoretical as well as the practical consequences of his error” (221) and dismissed Marx’s theory of gold money. Although there seems to be room for reconsideration as to whether Marx was a gold money theorist in the strict sense, Harvey was guided by expositions in “Coin and Symbols of Value” in Volume 1 of *Capital* to unlock the possibility of “the disjunction between local and universal moneys,” suggesting that “distinctive regional value regimes” (220–21) exist rather than a single form of money common to capitalism, that is, gold. This suggestion captures well the limitations of Marx’s discussion on the form of value, which does not permit an argument for the co-existence of multiple types of money. However, it fell short of analyzing the logic by which money dissociates itself from the “material commodity base” (221) as well as the logical process through which the circulation of interest-bearing capital is unleashed. Consequently, Harvey overestimated the discretion of the central bank (cf. 241).

Harvey takes particular note of contemporary alienation and contradiction

spreading over a wide range of social sectors and argues for the need to pursue “alternative ways of living” (129) in “the spaces of not-value and unalienated labour” (132) and the need for strategic alliances in and outside value production. His observation, “There is a great deal of current interest in Proudhonian-type monetary interventions with local currencies, time sharing and labour time moneys being used as an alternative to conventional modes of exchange of goods and services” (87–88) is of particular interest. Despite this, Harvey belongs to the Marxist tradition in that he believes that these efforts have fallen into “a neo-liberal trap” and believes, “It would be a huge error to assume that the social relations expressed in the labour theory of value could be reconstructed by reforms of the monetary system.”

Incidentally, “monopoly rent” has been translated into Japanese as “*dokusen rijun* (monopoly profit)” (144) but this should be translated literally as “*dokusen chidai*.” Harvey takes up the problem of knowledge being bound by profit-making companies through intellectual property rights. In doing so, he captures the moment for multiplication of capitalists’ behavior in response to the declining trend of the profit rate. This indication should be actively positioned as an argument for the possibility of developing a theory of rent rather than as an argument for a theory of profit. Similarly, it would be wrong to interpret this point as a theoretical landowner receiving profits.

(Tsuyoshi Yuki: Saitama University)