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THE POWER OF MONEY – THE MONEY OF POWER

Hans-Jürgen KRYSMANSKI[1]

Abstract: *We live in a US-dominated phase of financial expansion, in which „an expanded mass of money capital sets itself free from the commodity form, and accumulation proceeds through financial deals." (Giovanni Arrighi). The money elite within the present cycle of financial expansion embodies the liberation of huge amounts of money and their transformation into forms of pure power. Once money has been set free from the commodity form, financial deals are just the first step on the road towards detaching money from the economic process all together. Money will be turned directly into social, cultural, political and military power – and, just as important, vice versa.*

Keywords: *Money, economics of power, money elite, power elite.*

I

‚Don't Hate Them Because They're Rich', proclaims Daniel Gross and fantasizes about the ‚trickle-down effect of ridiculous, ostentatious wealth'.

> Not long ago, the superrich were a knowable entity—as New Yorkers, we were on something of a last-name basis with them. There were so few of them that when we saw a Guggenheim or a Rockefeller ... we felt a certain familiarity ... But somewhere along the line, as great torrents of cash came pouring into Manhattan, it stopped being possible to ignore them ... [Consider Santiago Calatrava's residential skyscraper at 80 South Street]: the entire building will be made up of $35 million apartments—$35 million each! ... Many restaurants, shops, and service industries have reoriented themselves to this new unreality, like that place that serves $700 sushi and draws a breathless crowd every night ...: Who are all these people? Where did they come from? When will things return to normal?

According to Giovanni Arrighi we live in a US-dominated phase of financial expansion, in which „an expanded mass of money capital sets itself free from the commodity form, and accumulation proceeds through financial deals." The money elite within the present cycle of financial expansion embodies the liberation of huge amounts of money and their transformation into forms of pure power. This is a very old phenomenon based on the fact that money is not only used to make more money, but also to effect ‚anything' imaginable.

And let us remember William Pfaff's remark from the Clinton years that the most significant transformation in our times has been the growing importance of money in America's political system. This

[1] University of Münster, Institute of Sociology.

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role was never slight, but a new dimension was added when the Supreme Court ruled that money that was spent on election candidates and on the furtherance of private and commercial interests is an expression of free opinion protected by the Constitution. This turned a representative republic into a plutocracy.

So what is the meaning of the other term, ‚the money of power'? I think that once money has been set free from the commodity form, financial deals are just the first step on the road towards detaching money from the economic process all together. Money will be turned directly into social, cultural, political and military power – and, just as important, vice versa! Former President Harry S. Truman wrote in his memoirs: "I could never lend myself to any transaction, however respectable, that would commercialize on the prestige and dignity of the office of the presidency." In the six years since Bill Clinton left office, he has pocketed a staggering $40 million alone in speaking fees (Jacoby). Afghanistan's and Iraq's warlords are being paid with dollars that never were part of any economic cycle - most likely money printed somewhere for just that purpose. I think using the term ‚money of power' (or: ‚the economics of power') might help to set free the sociological and political imagination with regard to the many new and sometimes hidden means, methods and instruments of exercising power.

II

Since Marx wrote, that „the riddle of the money fetish is the riddle of the commodity fetish" (187ff), generations of Marxists have tried to untangle the theoretical riddles implied by Marx' economic model. In order to get some feeling for the empirical reality behind the concept of fetish, I want you to join me on a short revisit to the ‚Economic and Philosophical Manuscripts' of Karl Marx, written in 1844, during his Hegelian, pre-economic period. The musings of the 26 year-old Marx on the power of money still shed a glaring light on the ‚psychology' and empirics of the ‚class of the rich'.

Here is a first quote:

> "That which is for me through the medium of money — that for which I can pay (i.e., which money can buy) — that am I myself, the possessor of the money ... Thus, what I am and am capable of is by no means determined by my individuality. I am ugly, but I can buy for myself the most beautiful of women ... I am bad, dishonest, unscrupulous, stupid; but money is honoured, and hence its possessor ... I am brainless, but money is the real brain of all things and how then should its possessor be brainless? Besides, he can buy clever people for himself, and is he who has a power over the clever not more clever than the clever?"

Fourteen years ago I did a documentary for German Spiegel TV on a young New York foreign policy expert who had put forth the proposal, to the acclaim of American millionaires, that the USA should take up an implicit offer by Boris Jelzin and buy Siberia, the whole of Siberia, converting it into the states number 51 to 55. *More Stars in Our Flag*, he wrote. His name was Walter Russell Mead, who today is the *Henry A. Kissinger Senior Fellow in U.S. Foreign Policy* at the Council on Foreign Relations (CFR). Commenting, in 2001, on the publication of his book 'Special Providence. American Foreign Policy and How It Changed the World', Mead gave a rare insight into the inner workings of the CFR, this court of clever people in the service of the East Coast elite. He expressed his gratitude for the privilege of "sharing the life of this community of scholars, policy makers, and

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brilliant lay readers and thinkers." (355) 'Brilliant lay readers and lay thinkers'? This is exactly the group Marx meant when he asked: "Is he who has a power over the clever not more clever than the clever?" Walter Russell Mead went on to thank "a group of donors who helped underwrite my salary and expenses".

A second quote from the ‚Economic and Philosophical Manuscripts' interprets a passage from Shakespeare's ‚Timon of Athens': „Shakespeare stresses especially two properties of money: 1. It is the visible divinity — the transformation of all human and natural properties into their contraries, the universal confounding and distorting of things: impossibilities are soldered together by it. - 2. It is the common whore, the common procurer of people and nations" (Marx 187ff).

Let us stick with money in its disguise as the common whore for a moment. The office of U.S. Senator Bernie Sanders from Vermont, self-described democratic socialist, in commenting Bush's budget proposals came up with some interesting numbers.

> „If the Estate Tax were to be repealed completely, the estimated savings to just one family -- the Walton family, the heirs to the Wal-Mart fortune -- would be about $32.7 billion dollars over the next ten years. The proposed reductions to Medicaid over the same time frame? $28 billion. ... Or how about this: if the Estate Tax goes, the heirs to the Mars candy corporation -- routinely ripped by human rights organizations for trafficking in child labor -- will receive about $11.7 billion in tax breaks. That's more than three times the amount Bush wants to cut from the Veterans' Adminstration budget ($3.4 billion) over the same time period" (Taibbi).

A third quote turns to the contradictions and confusion money creates:

> „If I have the vocation for study but no money for it, I have no vocation for study — that is, no effective, no true vocation. On the other hand, if I have really no vocation for study but have the will and the money for it, I have an effective vocation for it. Money ... transforms the real essential powers of man and nature into what are merely abstract notions ..., just as it transforms real imperfections and chimeras ... into real essential powers and faculties." (Marx 187ff)

This transfer of contradictory attributes pervades the world of philanthropy: The Los Angeles Times reports on the conflicts that exist within the Melinda & Bill Gates Foundation between the companies that the foundation invests in and the grants that it makes, particularly in Africa. For instance, Gates is investing in an Italian oil company, Eni, that spews pollution - 250 toxic chemicals and soot that have long been linked to respiratory disease and cancer – in the same part of the world where the Gates Foundation grants millions of dollars on vaccinations to immunize children against deadly diseases like polio and measles (Fine).

Thus, as Marx writes, „Money ... transforms fidelity into infidelity, love into hate, hate into love, virtue into vice, vice into virtue..." (Marx 187ff)

III

All this leads me to a final quote from the ‚Economic and Philosophical Manuscripts' of 1844. In it, the young Marx writes, just as the old Marx would have, about a utopia, an anti-monetary utopia already existing in and around us:

> „Assume man to be man and his relationship to the world to be a human one: then you can exchange love only for love, trust for trust, etc. If you want to enjoy art, you must be an artistically

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> cultivated person; if you want to exercise influence over other people, you must be a person with a stimulating and encouraging effect on other people. Every one of your relations to man and to nature must be a specific expression, corresponding to the object of your will, of your real individual life“ (Marx 187ff).

Renouncing the ‚visible deity', the ‚common whore' of the money fetish has been a deep undercurrent of American life, from the early settlers to the Hippie movement. Let's once more hear Daniel Gross of New York Magazine, whom I quoted at the start:

> „For literally centuries, New Yorkers have complained about the effects of extreme wealth on the city. Many would, of course, prefer an egalitarian paradise where the working man has a window on Central Park, too. But such utopian notions obscure what is, in fact, a very successful aspect of New York. The historical record clearly shows that when the very rich lose interest in living in a city, the dominoes tumble. Look at Philadelphia or Cleveland.“

Now: quite contrary to what this servile soul thinks, the wastelands of Philadelphia or Cleveland or Buffalo might be exactly the places where utopian experiments will have a chance in the future.

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It is the digital revolution that might eventually topple the visible deity, the common whore of the money fetish. On one hand, cyberspace, as the great third technological revolution of capitalism (Fredric Jameson), has led to an unprecedented expansion of the possibilities of the money power play, an unbelievable explosion of money exchange and interactive financial shenanigans. On the other hand, though, cyberspace is where property rights are being put to the final test. Content producers outrun copyright law. The riddle of the money fetish and of the commodity fetish might be solved by what the digerati of the Eighties and Nineties proclaimed: *Follow the Free*. We are thus forced to recognize that culture essentially is not about selling, but about sharing, not about profiting, but about giving...

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