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... What Toul [Prison]'s Dr. [Edith] Rose is doing goes further than denouncing an institution; it turns out she's denouncing the authorities behind the institution. Hence why, like she can't take anymore, she kind of breaks one of the system's unwritten rules, i.e., that anything said to a psychiatrist never leaves the room. She goes over a lot of things—an epileptic locked and chained in solitary confinement for eight days—things newspapers had only glossed over. Denouncing the institution in general... The GIP [Prison Information Group] has been rallying support for Dr. Rose from psychiatrists and analysts.

There's something I'd like to come back to. Last year, I tried to argue that social investments are what the libido is working with.¹ So far as the libido is concerned, parents only figure in as either agents of production or agents of anti-production—they never come in at the level of the unconscious. The unconscious is ignorant of parents; the idea of an unconscious libidinal investment of the social field implies a clear distinction between investments of the social field we should think of as the preconscious investment of interests and a completely different type of investments: the unconscious investments of desire, or libidinal investments. Something that initially bothered me in Freud's writings is the way in which he establishes a kind of inverse relationship between sexual investment and social investment. There are clear-cut moments in the Schreber case where Freud writes: you know, social investment implies a desexualization—the unfortunate concept of sublimation—And the social field as such is resexualized only in the case of regression. And that's how he interprets the whole social aspect of Judge Schreber's delirium, i.e., that it's a regression undoing desexualization, the original sublimation. Our whole assumption, on the other hand, is that the social field is invested by a sexual libido as such, and that that's actually the libido's primary function: to fuel the social field's unconscious investments of desire.

Where does individual sexuality come in? Here, there's already an assumption—one that doesn't line up with the inverse relationship Freud suggests: since the field of consciousness is entirely filled by the social field's preconsciously invested interests—beneath the real libidinal investments of the social field, investments of desire that don't necessarily coincide with the preconscious investments of interests—they can only manifest across erotic sexual relations and in the way individuals and groups conceptualize sexuality itself, i.e., that it [*missing*] mean just anything, taking Marx's well-known expression literally, where the relationship between man and woman offers a way of measuring his [*sic*] relationship with his fellow man [*sic*]. In other words, unconscious libidinal investments in the social field only appear through the series of a person's or group's lovers, series of sexual relationships, and in that sense it's really true that libidinal or sexual investment, through its erotic objects, invests an entire social field. And not for the sake of desexualization—it throws everything up in the air.²

Yet, in concrete terms, in his writing, there's something rather curious in Freud, completely in line with the bourgeois families he's describing, and it has to do with the role of maids. Roughly speaking, this comes either from Freud himself or from one of his cases.³ The first basic feature: when he discovers the Oedipus complex, it's in relation—he says so himself⁴—it's in relation to his own situation; it's funny, when it comes to his childhood, folks always bring up his father and mother. Really, there are two key figures: a maid who gets accused of theft, and a half-brother who has the maid locked up, who has the maid “locked up,” as he puts it. So, there's a link between this half-brother and the maid. That alone is enough to break down any pseudo-Oedipal structure because it turns out the half-brother goes to live in Manchester, and that's the rich side of the family.

Right away, I'd like to point out how Freud, per his psychoanalytical custom, has always oedipalized that, i.e., projecting it [*rabattre*] onto daddy-mommy—meaning that he only ever depicts his half-brother as a stand-in for his father and the maid as representing his mother. That might well be—that's not for me to say—but I think it was a tough decision for Freud, when he was discovering Oedipus, faced with a context where the libido obviously didn't just fill in familial roles but social agents of projection or social agents of enunciation—the maid and the half-brother—that option was on the table, where the libido was an unconscious investment of the social field rooted in a childhood divide between Rich-Poor. A possible direction he was aware of—we'll see—he represses it, he sublimates it for the sake of a wholly familial, oedipal interpretation. Freud's arguments always, constantly allude to or even directly cast the theme of rich-and-poor in terms of unconscious libidinal investment—in the Rat Man, for example. In what he's so beautifully written in “The Neurotic's Individual Myth,” Lacan is the first to underscore how significant this theme was even in childhood, the choice between rich woman and poor woman in the case of the Rat Man, rooted in a running theme throughout the Rat Man's case, i.e., this sort of circulating debt, a circulating debt which the Rat Man libidinally invests around the two poles of rich woman and poor woman.

In the Wolf man, the same sort of problem: the Wolf Man invests heavily in a maid he saw as a child washing the floor on her hands and knees, and this poor woman's position gives rise to an incredibly powerful investment that has a part in determining his adult sexuality. What does Freud say? He waffles between two positions, but we can tell he's already made up his mind—the first option is that the libido invests class determinations the child only apprehends empirically in the form of wealth-or-poverty. And what does the middle-class Wolf Man do, according to Freud? Having caught the maid on the floor, he develops a life-long habit of debasing women, as if all women belonged on the side of the poor woman. At once debasement and love. If we take that route—and we're not used to hearing Freud speak this way—there's only one way out: recognizing that libidinal or sexual investment, insofar as it is sexual, doesn't invest familial determinations at all, but through family arrangements, invests social divides from one's social field.

But that's not what he wants, and in these passages, he tells us that the tendency to debase women and view every woman as a poor woman is only a rationalization. We can see when Freud moves in one direction, explores it for a bit and then no, he says, I was only trying to show how that was a dead end. He says that has nothing to do with the Wolf Man's habit of debasing women because the child, he claims, identifies servants helping him as his mother insofar as they

show him affection. We're seeing the detours and doubts of a brilliant mind play out in real time: he almost goes one way and then ends up turning back. You know why the child invested his maid on all fours: it's because—recalling the famous thesis affording him his bizarre oedipal reduction—because he had previously caught his mother in the same position. Not washing the floor, but in a sexual position with his father. Which means the fact that the woman scrubbing the floor is poor no longer matters; that rationalization comes second to the daddy-mommy investment—the only investment.

A third kind of passage—A bourgeois family in the 19th century, it's easy to see why maids come up in Freud's writing; what might he say about us today, when many families have their children looked after by Portuguese women, who have children of their own? My first question is whether the child, small as they are, confuses and identifies his mother—the poor Portuguese woman—with the bourgeois woman whose house she works in. I believe that, even if her baby tends to mix them up, that gets straightened out soon enough. And conversely, whether the child, small as they are, confuse the poor Portuguese woman washing the floor with their mother making love to their father.

I wonder if, from childhood, there aren't properly unconscious and libidinal investments that aren't at all directed at the family or family determinations, that only target the family coincidentally, or where the parents are understood in relation to other social agents and aren't confused with them, such that the libido, from early childhood, invests determinations from their social-historical field, and invests them—not as a Marxist thinker would, obviously, that only comes later, and at the level of the preconscious investments of interests—but invests them in the directly empirical form of: rich – poor. In other words, the rich and poor play, as Lacan might put it—though perhaps in a non-Lacanian way—they play the role of the other, the big Other, which is non-familial, which comes through in the structure of the family; they are extra-familial divisions in the social sphere; and that's what the libido invests.

Third, in his writing, there's this whole Freudian business with family romance.⁵ It's always about maids, and with bourgeois families, it has to get framed that way. With the family romance, we again see Freud's oscillation and the choice he makes. He only hesitates inasmuch as he's already decided between his two options, has already opted for the puerile, familial understanding. Freud discovers the family romance in the context of neurosis, and the neurotic's family romance is presented as a fiction whereby the neurotic fantasizes their origins in one way or another. Again, we find the libidinal theme of wealth and poverty—sometimes the subject's fantasy about their origins takes the form, "I'm from a lesser background, I am not my mom's son, I'm the maid's son"; sometimes it takes the form, "I'm of superior descent, I am the son of a prince, Mom had me with a prince."

A famous example of the first sort of fantasy, the turn toward lower origins, is what we find in Sophocles' famous *Oedipus Rex*: recall the famous exchange between Oedipus and Jocasta where Oedipus says, "I absolutely have to know where I come from," and Jocasta—who understands the Oedipus complex well enough to know it isn't a problem—responds, "Don't worry about it, why does it matter?" And he is already so oedipalized that he says, "You don't care about your origins because you're from a rich, lustrous family, while, as the son of a poor shepherd, from a poor family, I've had to make my own success." It really makes for a family

romance, and he turns on Jocasta, saying, “Well, if you don’t want to talk about where I really come from, it’s because you’re ashamed of it.” So, he fantasizes his origin: I’m the son of a poor family, I’m the servant’s son.

What happens in Freud’s case? At first, when he discovers the family romance, it isn’t linked to neurosis is general; it was more precisely related to paranoia, and he had to some extent grasped the fullness of a sexual investment of the social field *qua* sexual investment. But that’s not what he wants; he’ll continue to stifle the possibility of that line of thinking, to the point that, when Reich brings it back up in a distorted form, he takes it badly, maintaining that the family romance is solely a defense against oedipal incest. That is, if the neurotic reconfigures their origins, it’s to escape the pressure of incestuous desire, so that again, when he’s on the verge of understanding the properly libidinal and sexual investments of the social field, he recants and falls back to the oedipal triangle, turning any social investments into merely preconscious derivatives of the only really libidinal investments, solely reserved for the incestuous oedipal familial arrangement.

This other theme, which Freud constantly muffles out, is always there, subsisting as a haunting reminder. What about the maid ultimately disturbed little Freud so much? I argue that if there’s a sexual investment of the social field, it happens at the level of childhood. It’s so important to Freud that it forms as an adult—ah, yes, any investment of the social field comes later—it’s because he wants for investments of the social field to not be libidinal, strictly speaking, but for them to presuppose a desexualization of the libido in order to maintain the libido’s narrow familial scope. But our whole hypothesis is that rich-and-poor, on the contrary, is really the sort of empirical apprehension of a class struggle as it’s invested, not by preconscious interests, but by unconscious desire: the child’s libidinal investment, insofar as it directly bears upon the social field, follows suit. Rich-and-poor is the Other in the sense of the nonfamilial, and there is, directly and immediately through the family—I believe children don’t have any familial investments, it’s laughable—on the contrary, through family determinations, family determinations playing an inciting rather than an organizing role, we find a different, non-familial, investment, along the lines of rich and poor; it’s in this sense that class struggle involves more than simply preconscious investments (although it plays a rather decisive role in preconscious investments); it goes through the ordeal of desire, and does so from childhood. It’s easy to see how what plays out next is the kind of fanatic oedipalization carried out by psychoanalysis. Everything proceeds as though even child sexuality opened onto a social historical field, investing it in its childish or unconscious way. What it invests in such a field based on major rich/poor divides that thereby determine an exteriority regarding the family. The family is divided and split by these cuts; it’s not that such cuts are determined by the family. What these divisions are, are veritable schizzes.

From the start, what’s invested is a transfinite set, the transfinite set of the social field—it isn’t a closed set by any stretch; it’s a transfinite set with divisions, and divisions of divisions. You cannot close it; it’s a kind of open set. This transfinite set of the social field includes machines, agents of production, agents of anti-production, and all that gets invested by the sexual libido. And what we look for in the succession of our later lovers—assuming we’re looking for something from our childhood—is certainly not some family nonsense but something more profound, namely familial investments of the non-familial from our childhood.

When psychoanalysts are shameful enough to claim that the worries of a child or woman going in for analysis—Why do they go in for psychoanalysis? The typical response is that it has something to do with the phallus. In Freudian terms, famously, a woman’s basic motivation for seeking analysis is her penis envy, and the same goes for children because, being the phallus without having one, they’re in a conflicting situation. It’s an oedipal reinterpretation. But it’s more than obvious that—to put it moralistically—taking up the position of being a woman or the position of being a child in our capitalist society is really impossible; and if it’s impossible, then, it takes unusual means to get out of it. Why? It’s certainly not “phallus or no phallus,” we’re missing something, namely that what makes it impossible for a child to assume their situation as a child is their economic dependence, both politically and libidinally. For a woman, it’s her economic dependence, which prevents or compromises investments of the social field. Yet it’s necessary, when socio-libidinal investments are blocked off by veritable impasses set up by said social field, it’s necessary that things come back to the familial field where the child or woman finds themselves totally imprisoned, tied down, and as a result, they may very well be sympathetic to the idea that *there* [in the family] lies the root of your troubles—and that isn’t the source of their worries at all; on the contrary, it’s a symptom and way of sidestepping the issue. That’s still the best way of repressing things.

The best means of repression: if you want to stifle social investments at the level of the unconscious and the libido, because that is something, there’s already the investment of the social field by preconscious interests; there’s already a whole system of repression at work when it comes to revolutionary or class interests, but with the unconscious libidinal investments of the same social field, taking place in a whole other mode, they don’t just need to be repressed; they need to be driven back. They’re just as shaped by society and by social determinations; they create real impasses in the social field that take desire back to the familial domain... You can see how it works: starting with a transfinite set invested by the libido, the social field is sexually invested by the libido. It’s not a coincidence that the characters in the family romance are always presented as connected to, or as having been derived from historical characters. It’s like the family romance says: yes, Genghis Khan is my real father, Catherine de Medici is my real mother, or the maid is the proletarian. That’s exactly the way in which, by way of some stimulus or other from the family, child sexuality starts to search for suitable divides in the social field and what it might invest therein.

It’s a transfinite set. Regardless how we describe what Oedipus does, whether we call it symbolic, imaginary, etc.—it’s always an act of reflection [*rabattement*], in a mathematician’s sense of the term. Which is when you project or rotate [*rabattre*] a starting set onto a target set, only the starting set is the social field invested by the libido, a transfinite set, [and] the target set is a finite set, the familial set. You go through this reflection or projection [*rabattement*], unseen and unknown, desire is trapped, sort of like, “Hey, this is what you wanted, buddy.” The part psychoanalysis plays is encouraging or, through its own means, carrying out this reflection—which it certainly didn’t invent, but for which it has found new methods.

This reflection is basically a race towards death. The familial target set everything gets projected onto is finite. 4, 3, 2, 1 0—the more it narrows in, the better, until desire is completely choked off and the only desire left is what gets psychoanalyzed. Tragic. 4, 3, 2, 1... *Four*—indeed, we’re

told that in order for there to be an Oedipus, there must be a fourth term, as a prerequisite for its triangulation: this fourth term is famously missing: the phallus, missing in place, etc. The prerequisite for Oedipus is that its fourth term is always missing in place. Traditionally, there are three terms in the oedipal arrangement—they say there's father, mother, and me. I'll let you in on a secret. Narcissus, narcissism, comes *after* Oedipus, not before. The oedipal machine is an oedipal-narcissist machine; they were wrong to place Oedipus before—a fatal error. It's a set-up of three, and then the entire social domain, with all its investments, is reflected onto it. That's what desire gets reduced down to while it was beginning to conduct a fantastic experiment, a machinic experiment—humanity's greatest activity: machining things. *Three*, Oedipus enters the scene; the fourth term was necessary for setting things up, then it wanders around the other three, it won't stand on its own—the notorious phallus in relation to which all three positions get defined.

The motivation (save for those who have already gone through their first analysis) is always economic, i.e., a subject's dependence, and not their dependence on daddy and mommy. That money matters are so embedded in psychoanalysis; it isn't the first time that monetarization is hidden behind means of payment. If, for psychoanalysis, monetary relationships are so embedded in the patient/doctor relationship, and if gets justified under the silliest, most laughable pretexts, it's because such internalization has the advantage of hiding something, namely the basic economic dependence defining [the patient's] motivation to get analyzed. None of us see how, as such, women and children—I can't see how a woman, *as* woman, could possibly assume her role as a woman in such a society. Even less so for children. From the perspective of desire, it's impossible, and again, it's not because of any penis-envy. As soon as the oedipal machine starts to function, it gets reduced again; it's down to only two.

There are actually several possible outcomes; the oedipal machine can work in three different ways, depending on which of the three terms is excluded. First, father and mother join forces to dump the child. The first function of the oedipal machine, the giant grinder, is something we find all over part of Oedipus: the primitive scene, parental coitus, the child's castration—father and mother join forces to maintain order, a secret order.

The second outcome is when it's the child who gets rid of the father in order to join up with the mother. The incestuous side of things, the other aspect of Oedipus. Third: the mother joins forces with one or the other to suppress the third—the terrible mother, the so-called pre-oedipal mother, who is absolutely integral to Oedipus. Now, with only two terms left, another effort to get to its sought-after result, the death of desire. Already, when desire learns that what it desires above all is really to kill one's father, to love one's mother, it finds itself in a small territoriality, its private life, its tiny little secret—only two terms is still too many, which leads to the oedipal machine's third phase. Here there's only one term left, and it's narcissism. It's pretty obvious that narcissism is the result of the oedipal machine and not the other way around. And big Narcissus is still too much; the outcome of this race toward death is zero, and zero is what Freud, out of psychoanalysis, labels as “the death drive.” Desire can no longer be anything other than a desire for abolition—sadness.

Here's where I claim schizo-analysis is the opposite; where do we find this kind of infinite reduction? It's what I find so striking in recent books written by certain analysts, who go so far

as to say, ([Serge] Leclaire) there's a sort of radical decentering of analysis today, i.e., where you don't even need to refer to the familial scene anymore, the psychoanalytic scene stands on its own; it's never been better said: psychoanalysis has become axiomatic, *verum index sui*, i.e., the psychoanalytic scene no longer needs external references, even the family is too extrinsic; it draws on its own internal references, it props itself up—the real proving ground is now the couch. The zero term approaches; after leaving the couch, there's abolition.

Let's picture a schizo-analytic process. It should absolutely regroup this field, i.e., in practice, in terms of individual analyses, [it should] denounce the death drive, i.e., its practice should combat the extreme lengths the oedipal machine takes to bring us to zero, and then shatter its familial prison at the level of investments and recover its opening—and this is what makes it schizo-analysis—bringing the subject to delusions about their social historical field instead of bringing them to neurosis about daddy-mommy. Whereby it ought to be thought of as a militant analysis since, again, class struggle doesn't simply take place at the level of preconscious interests; it moves to the level of the libidinal investments of the unconscious. To use a proposition as classical as Freud's, the libido invests the social field only inasmuch as it is desexualized (see the ego and the id and the Schreber case). I see that as just a way of telling us: desire has nothing to do with the social field; the domain of desire *qua* unconscious desire is Oedipus. Which is why schizo-analysis's basic proposition is, on the contrary, that libidinal investment as such concerns the social field and, as such, doesn't entail any desexualization. And an individual's sexual relations or a group's sexual relations are only exponents of such investments by unconscious desire of the social historical field.

We should revisit what Freud says about maids. Last year, I said: acknowledged or not, explicit or latent, all this familialism driving psychoanalysis is rather serious because, once desire has been oedipalized, the only freedom desire enjoys takes the form of a death drive. What I mean is that once we've oedipalized life—as Nietzsche might put it—one can only find the essence of life in the guise of life turned against itself, as death. And again, it's not that any desire from one's social field only appears in adulthood—that wouldn't make sense because it would be like saying, okay, child sexuality has to be desexualized in order to invest the social field; it's that way even in childhood. Before, the patient wasn't anchored in the family; that was a 19th century development in psychiatry, a bourgeois idea, as Foucault demonstrated. And he's absolutely correct in saying that psychoanalysis—through completely new means—isn't opposed to 19th century psychiatry; it pulls off what 19th century psychiatry had started and failed to achieve, since the latter didn't have the powerful family tool, the couch. It had the asylum. Freud finished what Pinel started. You have to see where the cuts are made.

What I can't help but notice is how even the most leftist takes—no matter how daring, even the folks who are anti-psychiatry—come up short because they don't get past this damned familialism. [R.D.] Laing sees the danger; his account of schizophrenogenic families is a lot of fun.⁶ See Laing and [Aaron] Esterson's *Sanity, Madness, and the Family*⁷ — they analyze families and attempt to show what makes a family schizophrenogenic. They first begin with a schizo and work up to the family. They set the scene for us and then, when we look at what they describe as a schizophrenogenic family, the big twist is that it's actually a typical oedipal family. What they call a schizophrenogenic factor is an organizing determination of the family: the famous double bind, i.e., sending contradictory signals where the subject supposedly goes crazy,

caught in a double impasse. For a characteristic example, see the book written by one of Laing's patients, who was miraculously cured⁸—she was painting with her excrement. In group discussions, some patients argued to let her do it, others didn't because it wasn't clean. One day Laing, looking at one of her scatological paintings, said, "Not bad, but it needs color." The woman starts to add color and then becomes a painter—she offers an account of her life, a description of her family.

But what family doesn't constantly put out double binds? What father doesn't take his kid with one hand and say, "I'm your best friend," and at the same time, with the other hand, "You'll get a smack if you act up." That's exactly what the double bind is, and the joke's on all of us if that's what we're calling schizophrenogenic. [Gregory] Bateson's whole deal is how the neurotic is determined by the oedipal family. In *The Self and Others*, Laing says at the end that the schizo is someone who has fundamentally—he proposes the two concepts of infirmation and confirmation—who has been infirmed, or who has only gotten a false confirmation à la the double bind. This etiology of schizophrenia is still familialist and ultimately brings things back to a neurotic framework: the so-called schizophrenogenic factor is a factor normally attributed to Oedipus, and it's back to business as usual, still oedipalizing things. But when we're dealing with a schizo, we're sure they have family problems, but it's somewhere else, they're from another world, so much so that they'll agree, "Sure, fine, my father, my mother..." [because] they're fed up, they're tired. They hear voices, and these voices aren't daddy-and-mommy; it's their social-historical field.

It seems to me that neither anti-psychiatry nor institutional psychiatry get out of this familialism, but I argue that the study of schizophrenia can only begin to understand its object if we sever this pseudo-relationship between desire and family.

I'm told that I'm being totally unfair to Leclaire; I claim that isn't my intent whatsoever. What stands out to me in S[erge] Leclaire's work is how there are two poles: one pole is completely oriented toward overcoming Oedipus and the other leans toward making psychoanalysis into a sort of internal axiomatics, and I don't know how he's able to reconcile these two directions.⁹

Moving over to the economic side of things, my whole basic assumption is that there's a major affinity between the capitalist machine and schizophrenia. In other words, the functioning of capitalism is sort of a schizo way of functioning. But, but, but the hypothesis I'd like to work toward is that they are, at the same time, perfectly similar—the processes of capitalism and schizophrenia ought to be evaluated economically and not at all ideologically; the affinity between the capitalist machine and the schizophrenic machine breaks out at the level of economic activity—and at the same time, they are completely different, because... the affinity between the capitalist and schizophrenic processes is due to the identity in their nature, but their difference is owing to the fact that there's an essential difference in their regimes. Identity of nature, difference of regime—that's where we're aiming. Last time, we started with the idea that the identity in their nature is as follows: if the schizo is someone who emits and channels decoded flows, who decodes every flow—which is why he doesn't get caught up in Oedipus, because Oedipus is a recoding [*recodage*]¹⁰—the neurotic is someone who avoids schizophrenia thanks to a recoding, only this recoding can't be an ordinary (social) recording; it's an Oedipal recoding.

Capitalism, historically, has been constituted on the basis of decoded flows, and it's the decoding of flows which has made capitalism possible as such. Its existence doesn't come down to decoding flows, because flows can be decoded without making and forming a capitalist machine, as is clear with Ancient Rome, with feudalism—capitalism comes to be when a conjugation of decoded flows is established, when decoded flows as such enter a determinable relationship.

In the pre-capitalist social field, it's decoded all over, literally, it escapes as a series of independent leaks [*fuites*], and we've seen how capitalism emerges when two decoded flows form a conjugation, namely, the decoded flow of money and the deterritorialized flow of labor. And when the money-owner—money which will turn into capital via this conjugation, this encounter—and the deterritorialized, possessing only the force of their labor, come face to face in the market. And we can only make sense of this development if we recognize how this double decoding entails two completely independent series—which is why their encounter might not have happened, why we find decoding at a certain point in Roman history without their conjugation taking place—it's radically contingent.

But what form does this encounter take? The money-owner—with all the historical circumstances we've seen—once it was in their interest to sell their land and once it was in their interest to invest their money in industry, well, private owners of decoded money will purchase the labor of deterritorialized workers. And in the process, it appears that capital truly becomes—insofar as capital buys labor—industrial capital. There was capital before, but not in a capitalist sense; there was merchant's (commercial) capital and bank capital, but—to borrow Marx's wonderful turn of phrase—it only functioned in the pores of the old formation. What does that mean? Literally, that means it functioned as alliance capital, allied with prior pre-capitalist societies, be they feudal or despotic.

The Chinese empire, for example: there is fully merchant capital, fully bank capital, which works in alliance, with everything that entails such as surveillance, with everything that entails such as state power, the great despot—it functions as capital in alliance with previous pre-capitalist society. After the encounter between both series of decoded flows, which will be constitutive of industrial capital, the capital which will become industrial capital undergoes a sort of mutation, a mutation whereby alliance capital is transformed into what we might call filiation capital. This transformation is well-described in a great passage from *Capital*, the section of *Book I* titled, “The General Formula for Capital,” where Marx writes, “[value] suddenly presents itself as an independent substance, endowed with a motion of its own [...] in which money and commodities are mere forms which it assumes and casts off”—that is, as merchant capital and bank capital, commodities and money now fall under this new form. “Nay, more: instead of simply representing the relations of commodities, it enters now, so to say, into private relations with itself. It differentiates itself as original value from itself as surplus-value,” in the same way that, in his person, God differentiates himself from himself as Father and Son. There's no better way of describing how capital becomes filial capital. Thus, it's the work of surplus value, which itself depends on the conjunction of both decoded flows, the flow of money and the flow of labor, which turns capital into industrial filial capital. But what is the formula for this filial capital? If you like, we might represent it as $x + ax$. It's the form whereby money becomes capital, and money becomes capital to the extent that money engages in what Marx calls expansion

[*bourgeoisement*] that is, to the extent that money produces money. An ineffable mystery: how money can produce money. $X + ax$, “ ax ” here referring to surplus value, i.e., the form whereby money makes money—that’s the “+ ax .” Where does this surplus value come from? We know that, according to Marx, it comes precisely from this encounter, this conjugation between whoever owns the flow of money and whoever owns the flow of labor, because the latter sells their labor.

From there, there are basically two patterns: an arithmetical pattern that might be expressed as $A' - A = \textit{surplus value}$, where surplus value is understood as an arithmetical difference. That’s the tendency in all of Marx’s writing; he says the one buying labor does so in the form of paying wages. These wages correspond to what it takes to maintain and renew the worker’s labor force. Let’s say it’s 6 hours—so, 6 hours = what’s needed for the maintenance and reproduction of the labor force. But when he buys the labor, he hasn’t bought 6 hours, even if he pays by the hour; he’s bought a day’s worth of labor, let’s say 12 hours. Therefore, there’s a difference between what the buyer gets from labor (by making them work for 12 hours) and what he pays for it, which is for 6 hours—hence the formula for surplus value is $A' - A$, an arithmetical difference. Obviously anti-Marxist economists are working on a similar basis, which isn’t a Marxist idea. Yet, in the same passages, he says something quite different. He tells us that there’s a difference between labor power with respect to its exchange value and labor power with respect to its use value.

At these points of the text, the difference is no longer arithmetical because the difference between considering something in terms of its exchange value and considering the same thing in terms of its use value comes down to a quantitative [*sic*] difference. Indeed, he says, wages paid by the owner of money-capital represent the exchange value of labor power, while the labor supplied by the owner of labor power itself has to do with use value. As a result, it’s no longer an arithmetical difference, but a qualitative one. At which point, the formula for surplus value is no longer $A' - A$, i.e., $12 - 6 = 6$ surplus value, but is $\mathcal{A}y / \mathcal{A}x$, where $\mathcal{A}y$ is the fluctuation at a given moment in the flow of capital possessed by the money-capital owner, and $\mathcal{A}x$ the fluctuation in the flow of labor possessed by the owner of labor power. In other words, it’s no longer an arithmetical difference; it conforms to the difference in nature between the two flows. It’s a differential relationship. This second formula, $\mathcal{A}y / \mathcal{A}x$, has the upper hand, and we’ll see right away where this $\mathcal{A}x$ just now comes from: it’s precisely because $\mathcal{A}x$ and $\mathcal{A}y$ are the elements of a differential relationship that $\mathcal{A}x$ is produced by adding it to x . There, the variation whereby the filiative form of capital produces $\mathcal{A}x$ provides the nature of the differential relationship $\mathcal{A}y / \mathcal{A}x$. We have to try to understand what this differential relationship is, and perhaps the entire capitalist economy hinges on such a relationship, and it does, but that remains to be verified.

And here my hypothesis bears out, namely, my assumption that capitalism either never runs on codes, or else, any codes are there for fun. It’s the first social regime that doesn’t use codes, and in that sense it’s very close to schizophrenia. But in another way, they aren’t close, because [capitalism] has come upon a wonderful trick: in place of failing and absent codes, it’s swapped in an axiomatic, an axiomatic machine a thousand times crueler, more cynical, more terrifying than the code of the great despot. More than anything, an axiomatic implies that—perhaps for the first time—capitalism presents itself as a society determining a field of immanence, and it forms

the conjugation of decoded flows therein. The axiomatics of flows forms a field of immanence which capitalism will fill in with its own content, whereas before, there was always a relationship between the social field and codes invoking ideologically transcendent determinations.

What do we make of this qualitative difference? We can no longer get away with calling them two heterogeneous flows, especially since we no longer have codes qualifying these flows; we've gone beyond such a simple perspective now that we've seen how these two qualitatively distinct flows are caught up in a very particular sort of relationship, a differential relationship, just like how in differential calculus you have the relationship of the differential of the abscissa and the differential of the ordinate. If it's true that both flows concerned are the flow of money capital convertible into means of production, of which part, if you like, is convertible into constant capital, and the other part into the purchase of labor power, i.e., into variable capital. [If that's true,] the two flows are heterogeneous, but they're like two parts of capital: constant capital, variable capital. From there, there's no doubt that the qualitative duality of these flows must show up again in money, and that moreover, the mechanism of money brings us to the type of relationship that exists between the two.

The nature of their differential relationship is such that the two quantities [*grandeurs*], understood as heterogeneous, qualitatively distinct, are not of the same power [*puissance*]. One of the two must be a power, with the other a mere quantity. We should get a handle on the nature of both flows and how they're related to money. I'd like to propose the following principle: in essence, money sort of plays out on two tables, and the coexistence of these two tables will form the most general basis for the mechanisms of capitalism. I'm relying on two current economists: Suzanne de Brunhoff¹⁰ and then a neo-capitalist economist whose theory is unwittingly completely schizophrenic, so much so that we might ask what difference there is between a text of scientific ambition in economics and a schizophrenic text when it comes to the mechanisms of capitalism. This economist, who is so spirited, so talented, is Bernard Schmitt, and I'll refer to his book, *Money, Wages, and Profit* [Paris: PUF, 1966].¹¹

Now, phenomenologically speaking—which is the only thing I'm concerned with, at the moment—Suzanne de Brunhoff, a Marxist, and the other one, who certainly isn't Marxist, both say exactly the same thing. Basically: there are two forms of money, which lead to two different consequences. The Marxist's takeaway is that the mechanisms of capitalism can only function by establishing a fictitious convertibility, more specifically, between both kinds of money. This convertibility is completely fictitious—it depends on the gold standard, it depends on the unity of markets, it depends on interest rates. In fact, it isn't meant to function; according to Suzanne de Brunhoff, it's meant to conceal the working of capitalism. This fictitious, hypothetical, constant convertibility from one form of money to the other ensures that how it works remains hidden. What I find interesting about this concept of concealment is that, where Brunhoff's analysis is concerned, it's no longer an ideological concept but an operational, organizational concept. That is, the capitalist monetary circuit can only function on the basis of an objective concealment, which comes down to the convertibility of one form of money to another.

What Schmitt has to say comes down to the same thing: he fully acknowledges both forms of money and attempts to define them. One, he says, is a pure creative flow—you can already sense

how the basic phenomenon in capitalism is what every banker recognizes as the creation of money, a creative flow in the form of the creation of money. The other, completely different form is revenue-money, i.e., money defined as purchasing power. What's so devious about Schmitt's argument is how he says, look, what creates purchasing power is the transformation of the first form of money, the flow creating money, into the second form, revenue-money; purchasing power does not predate the form of revenue-money. That could be—why not? In fact, there is a form of money, creation of money, mutant power—monetarization famously transforming an economy by creating money. Central banks play a determining role here, creating money. There's another form, revenue-money, purchasing power. What creates purchasing power is revenue-money and mutations in the flow of creating revenue-money; purchasing power doesn't exist beforehand. One immediate consequence: the worker hasn't been bought; there can't be theft, there is no surplus value. Schmitt says that Marx was wrong, that, for there to be surplus value, it's necessary that the worker's labor power be bought, but it can't be through wage-income because purchasing power is created by income; income cannot presuppose it. Therefore, he says, wages are not a form of purchase; it's a form of mutating one money into another.

At this level, Brunhoff and Schmitt say more or less the same thing: in both cases, there are two irreducible forms of money, there's a passage or mutation from one form to the other, and that's the only way a capitalist system can function. On a purely descriptive level, it's all too obvious that the money flowing through a firm or from a bank are signs of capital's power, or if you like, it's a force prospective in nature, which, strictly speaking—save for when the firm declares bankruptcy—at that point passes from one form of money to the other, signs of economic power which cannot be actualized here and now since, in effect, they imply an entire system of relationships between differential coefficients, involving other firms, finance banks, etc.

So, on the one hand, you have a system of signs of economic power, of unrealizable prospective forces, a detachment-cut in a system of capitalism's monetary signs, and broadly speaking, we'll file these signs of economic power away under the general heading of the structure of finance. It's the whole structure of finance that goes through a company, connecting it to banks, going to other companies, connected to other banks.

As for employees, what they receive, the money they're working with doesn't have to do with signs of economic power that can't be realized here and now, with a prospective value, but with signs of exchange value that don't represent a financial structure but a means of payment, i.e., payment for their labor, payment they'll actualize by buying goods. This system of means of payment and exchange values is convertible into goods and into use-values, and it [*missing, enters*] into a sort of one-to-one relationship with an imposed range of products, suggested by the market. They have their means of payment; they acquire certain types of suggested goods. This time it's not as a detachment-cut [*coupure-détachement*] into a set of signs of economic power; they're withdrawal-cuts [*coupires-prélèvements*] on a series of products, the appropriation of which depends on my possessing a number of means of payment.

I'm just trying to mark out concrete domains. Money has two distinct, fundamental aspects that confirm our initial assumption: $\mathcal{A}y$ and $\mathcal{A}x$ refer to quantities which evidently don't have the same power [*puissance*], i.e., the money that goes in and out of a company is not at all the same

as the money going in and out of the employee's pocket. And again, once we pretend that the two are interchangeable, they *are*, effectively—and that's what's funny about it, because it doesn't matter, since that doesn't change anything about their difference in nature. By no means do they have the same capacity [*puissances*]. One is really a sign of economic power, while the other is nothing of the sort—strictly speaking, it's the sign of the employee's powerlessness. One defines a financial structure; the other defines a series of payment methods—but that isn't the same thing at all, and that at least confirms our initial assumption, namely, that it was necessary for at least one of the two quantities [*grandeurs*] to be an incommensurable power unrelated to the other, the other being quantity [*grandeur*] pure and simple. As a result, when we try to use one to measure the other, it's like trying to use centimeters to measure astronomical distances. It's an aspect of money that functions in a completely different way.

There are two things I'd add. This same duality, if we try to define it in more precise terms, the first idea that comes to mind is that means of payment are more or less what we call the money of exchange, and the other, the making of money, would refer to so-called credit money.

But it turns out that won't do, and we can take this relationship even deeper: we actually find these two forms within credit money. How so? The distinction made between bank credit and commercial credit—commercial credit refers to phenomena of circulation, so-called simple circulation. For example: bills of exchange with a fixed maturity are credit money acting as payment money. The nature of bank credit is completely different; it implies a particular sort of circulation which is completely unrelated to the circulation of commodities. It implies a special circuit, the circulation of drafts, throughout which credit gains and loses its exchange value.

Thus, it's not just in the overall dualism between exchange-money/credit-money—more specifically, we find it there in credit money as such, in the dualism between commercial credit and bank credit: the dualism between payment and financing. In the end, the two flows we started with, the flow of money-capital and the flow of labor, have been transformed by the differential relationship between two very different flows of money: the flow of money as financial structure and the flow of money as means of payment. Which puts us in a position to amend something I said earlier, which turns out to be false, that we only get capitalism as such with industrial capitalism. Yes and no. I mean, it's true that capitalism as such can only emerge in the form of commercial or banking capital—which always colludes with, or would have always colluded with, other forms of society—were it not for industrial capital, but we ought to add that, sure, capitalism is fundamentally industrial, but it functions solely as commercial and banking capital, which has its sights set on industrial production. And there, then, such commercial and banking capital is no longer allied with pre-capitalist society. It finds its true ally, its alliance with industrial capital itself, an alliance which entails all sorts of violence, all the pressure and power that banking capital exerts over the very organization of production.

A student: [*A question regarding economics*]

Deleuze: I have a concern (*souci*). I've given two approximations of the regions where this form of money appears: one is the distinction between money in a bank-business circuit and the other form of money as means of payment, i.e., what goes in and out of an employee's pocket. The second was the distinction between two domains of credit money: commercial credit and bank

credit. It would be interesting to add other domains where this distinction is borne out; we'd have to demonstrate how the bank has power over both forms of money, i.e., how it issues payments and how it works out finance structures, and how that corresponds to banking activities that are theoretically convertible but which are, in reality, distinct.

Notes

¹ “Invest” and “investment” for forms of *investir*, following Hurley, Seem, and Lane’s translation. See the translators’ note in Gilles Deleuze and Félix Guattari, *Anti-Oedipus: Capitalism and Schizophrenia*, trans. Robert Hurley, Mark Seem, and Helen R. Lane (Minneapolis: University of Minnesota Press, 1983), p. 9.

² See *Anti-Oedipus* (New York: Viking, 1977), pp. 352-353, for this discussion of sexual relations and investments. In what follows, see pp. 353-356.

³ Deleuze refers to the *Five Cases*, a collection of famous Freud cases published in French. The collection includes the case of Dora, Little Hans, the Rat Man, Judge Schreber, and the Wolf Man.

⁴ See Ch.1 of Ernest Jones, *The Life and Work of Sigmund Freud*, vol. 1 (New York: Basic Books, 1953).

⁵ *Roman familial* as “family romance,” following precedence in English translations of Freud, however outdated this use of “romance” may be for modern anglophone readers.

⁶ The main reference to R.D. Laing in this context is to *Self and Others*, (New York: Pantheon, 1970), first published in 1961, then reissued in 1969; see *Ant-Oedipus* (New York: Viking, 1977), p. 360.

⁷ R.D. Laing and Aaron Esterson, *Sanity, Madness and the Family* (New York: Pelican, 1970).

⁸ Mary Barnes. See Mary Barnes and Joseph Berke, *Mary Barnes: Two Accounts of a Journey Through Madness* (Harcourt Brace Jovanovich, 1971).

⁹ Regarding these poles, see *Anti-Oedipus* (New York: Viking, 1977), p. 27 where, in a footnote, the authors attribute these poles both to Lacan and to Leclaire, in the latter’s essay “La réalité du désir,” a contribution to a collective edition from the Centre Laennec, *Sexualité humaine* (Paris: Aubier-Montaigne, 1970).

¹⁰ See Suzanne de Brunhoff, *Marx on Money*, trans. Maurice J. Goldbloom (Paris: Editions sociales, 1967; London: Verso, 2015). Besides this title, Deleuze refers to another title by de Brunhoff, *L’offre de monnaie* (Paris: Maspero, 1971). See *Anti-Oedipus* (New York: Viking, 1977) pp. 229-232, for Deleuze and Guattari’s references to de Brunhoff.

¹¹ See *Anti-Oedipus* (New York: Viking, 1977), p. 237, for this precise reference to Schmitt.