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THEORETICAL PRACTICE

"Without revolutionary theory there can be no revolutionary movement. This idea cannot be insisted upon too strongly at a time when the fashionable preaching of opportunism goes hand in hand with an infatuation for the narrowest forms of practical activity."

Lenin

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THEORETICAL PRACTICE editorial

In this issue we publish a further investigation into the theoretical foundations of Leninist politics. Barry Hindess's article is based on a reading of Lenin's text The Agrarian Programme of Social Democracy in the First Russian Revolution, 1905-1907. Lenin's text is of major theoretical-political importance for the following reasons:

I. In it Lenin demonstrates the function of party programmes as forms of representation of the party's theoretical analysis and its strategy. A programme is an effect of theoretical analysis of the structure of the concrete social formation, the general political strategy which is developed from it, and the political positions in respect of particular conjunctures theoretically reflected and analysed. The programme of the party must be constantly revised in relation to the analysis of the conjuncture and the political lines which follow from it. If this is not the case the programme ceases to function as a representation of the party's line, it becomes an abstract manifesto.

II. Lenin demarcates between his position and that of the Mensheviks. He proves that the theoretical problematic of the Mensheviks, characterised by evolutionism and essentialism, necessarily leads to an abstract and mechanical conception of strategy. Menshevism is incapable of producing a scientific analysis of the conjuncture. Hence the opportunism of the Mensheviks;

their pragmatic cringing before 'given' facts.

III. The text reveals Lenin's non-evolutionist analysis of the combination of modes of production in Russia. Lenin analyses the antagonistic articulation of the 'Prussian' road and the 'American' road and demonstrates that in the combination one mode must be dominant and the other subordinate. He insists that the question of the dominant mode cannot be decided purely at the economic level but depends on the intervention of the political level. It is this political aspect which makes the party's analysis of the conjuncture, and its practice in respect of the class struggle at the political level, crucial for the future development of the revolution.

Hindess stresses that a reading of this text is the reading of a theoretical-political analysis of a specific conjuncture and that it is not possible to extract from this text an essence, a model, which contains the key to all subsequent positions of Lenin.

Following up the problem of the effect of the concept of conjuncture in Marxist theory we publish a set of theoretical remarks by John Taylor and Antony Cutler on Pierre-Philippe Rey's important work Sur L'Articulation Des Modes de Production. It is Rey's great merit in this text to have demonstrated that both the existence and the economic effects of private ownership of land in the capitalist mode of production may only be

understood by starting from an analysis of the articulation of modes of production, in this case the articulation of the feudal and capitalist modes of production in the 'transition from feudalism to capitalism'. However, opening up this problem requires that this articulation be explained by the precise conjuncture in periods of transition. The alternative, as the authors show is that in the absence of a conjunctural analysis, which in turn involves the necessity of raising the problem of the forms of transition, Pierre-Philippe Rey is forced to link a necessary function in this transition - the separation of the direct producers from the means of production - to a social class, thus surreptitiously attributing an 'historical mission' to this class. These theoretical remarks extend our work on the theorisation of Lenin's conception of the 'concrete analysis of a concrete situation'; the theoretical and political importance of such work is amply demonstrated in our view in the vitiating effects of the absence of concrete analysis in this fundamental and original work.

We also publish here the third section of Rancière's paper; to be completed with the publication of the final section in Theoretical Practice No. 7. Its immense theoretical value consists in its rigorous separation of the problematics of the 1844 Manuscripts and Capital, its reflection of the structural causality which is the foundation of Marx's analysis of value, and its critique of empiricist revisions of the theory of value. It provides an essential tool for a reading of Capital in respect of these extremely difficult questions. It is for these reasons that we make it available to an English audience.

Corrections, Theoretical Practice Number Five

Athar Hussain; Introduction to Marx's Notes on Wagner

p. 18, column 1, line 11

'Marx's own ideological reading' should read

'Marx's own reading of Wagner's ideological reading'

p. 23, column 1, line 10

'process without a subject' should read

'process with a subject'.

Copies of Part I of

The Concept of 'Critique' and the 'Critique of Political Economy'

by Jacques Rancière, which appeared in TP1, can now be obtained from: Theoretical Practice, 13 Grosvenor Avenue, London N5, price 15p.

Lenin and the Agrarian Question in the First Russian Revolution

by BARRY HINDESS

The 'economic basis of the real struggle must be compared with the ideological-political reflection of this basis that is found in the programmes, demands, and theories of the spokesmen of the different classes. This is the course, and the only course, that a Marxist should take' ('The Agrarian Programme of the Russian Social-Democratic Labour Party in the First Russian Revolution,' Lenin: Collected Works, Vol. 13, pp. 219-20).¹

In this passage, Lenin opposes the 'economic basis of the real struggle' to its 'ideological-political reflection'. Elsewhere in the text he contrasts 'the economic nature of the agrarian revolution' and its 'ideological cloak' (p. 234); 'the truth of the struggle' and 'illusory theories' (p. 238); and so on. These, and a whole series of such oppositions are used to signal a crucial difference between two forms of political analysis and between the problematics which generate such analyses, that is, between Marxism and the non-Marxist evolutionism of his Menshevik opponents. In the latter problematic the bourgeois revolution appears as a steady progression through a pre-determined and invariant sequence of historical stages. The correct identification of the present stage is sufficient to determine the broad outlines

of party strategy. There remain, in this problematic, various features of the present stage which operate at a level of accident or contingency with respect to the social formation - some of these will be examined in part two of the present essay. The existence of such features gives a pragmatic character² to evolutionist political analysis in such a way that certain tactical questions necessarily fall below the level of theoretical reflection. In such conditions political decisions are based on 'pragmatic' analyses of the programme, demands, etc., proposed by the different parties. It is this pragmatism that Lenin refers to when he notes that a grave fault in the Social-Democratic press and in the Stockholm debate on agrarian questions 'is that practical considerations prevail over theoretical, and political considerations over economic' (p. 294).

This paper is concerned:

- i) to examine Lenin's analysis of the 'economic basis of the real struggle' and, in particular, to show that this involves an analysis of the specific articulation of modes of production in the Russian social formation of 1905-7;
- ii) to contrast Lenin's analysis with Menshevik discussions of the agrarian question in the same period and to show that the differences are the result of different problematics - one of which necessarily produces revisionism in theory and reformism and opportunism in political practice.

It should be noted that this paper is concerned specifically with the Russian social formation in the period 1905-7. It makes no attempt to examine either Lenin's and Plekhanov's earlier disputes with the Narodniks³ or the agrarian question in respect of the period of the 1917 revolutions. There can be no question of drawing a general theory of the transition from feudalism to capitalism out of Lenin's analysis of one conjuncture. It is not possible to apply Lenin's analysis of this particular conjuncture to the different conjunctures of the later revolutionary period. The conditions governing the combination of modes of production, the positions of the different classes at the political level, are very different. The application of the analysis of the 1905-7 conjuncture as a 'model' to the later periods leads to gross misrecognitions of Lenin's political strategy in what was a new and changed conjuncture.

I TWO TYPES OF BOURGEOIS AGRARIAN REVOLUTION IN RUSSIA

Lenin noted that two main lines of development and outcome are objectively possible in the coming Russian revolution: either the 'Prussian' path of agrarian evolution into a Junker-landlord economy or the 'American' path in which peasant production predominates and the peasant is transformed into a capitalist farmer.⁴ Both types of development involve successive transformations of a specific combination of differing modes of production. The transition from an agriculture dominated by the feudal mode is effected either through the capitalist differentiation of the peasantry or through the 'Landowner's Transition' from corvée to capitalist economy.⁵ Both forms of evolution are in evidence in the history of the Russian social formation. I shall

comment briefly on these two forms before proceeding with the analysis of the conjuncture:

(1) The Differentiation of the Peasantry

The growth of a commodity economy among the patriarchal peasantry leads to its dissolution and the creation of new types of rural inhabitant:

- (i) a peasant bourgeoisie (big peasants) engaged in capitalist production for the market - characterised by the employment of wage-labour, the use of machinery and fertilisers, the hiring and purchase of land, etc.
- (ii) landless peasants and allotment-holding wage labourers (poor peasants) - if they have the use of allotment land these peasants may engage in a limited amount of subsistence agriculture but they are generally unable to exist without the sale of their labour power;
- (iii) middle peasants - characterised by the least involvement in the commodity economy either as labourers selling their labour power or as producers of agricultural commodities.

These new types of rural inhabitant are supports of the production functions allocated by a combination of the following modes of production in agriculture:

- capitalist agricultural production (peasant as capitalist);
- mode of simple commodity production (individual small producers owning their own means of production and setting them to work without co-operation);
- peasant cultivation of small land parcels (i.e. subsistence cultivation).

The capitalist differentiation of the peasantry refers to the progressive transformation of combinations of the above modes through the operation of the dominant capitalist mode. This transformation of the combination involves the subordination and partial elimination of

the other modes. In particular: the transformation of their supports into allotment-holding wage labourers; the freeing of the supports from the land and their transformation into a rural and urban proletariat; the transformation of a minority into peasant capitalists.

Lenin notes three specific obstacles to this transformation of peasant agriculture in the Russian social formation. These are (1) the independent development of merchant's and usurper's capital - these primitive forms of credit inhibit the accumulation of peasant capital and its productive investment in agriculture; (2) feudal forms of division of the land into, e.g., allotment land, rented allotment land, land rented from the state, the church etc., common land, communal land subject to periodic redistribution, and so on, - such division inhibits the organization of farming on the land in accordance with the demands of the market; (3) the survivals of corvée economy, i.e., the basis of the landowner's transition.

(2) The Landowner's Transition

The landowner's transition from corvée economy to capitalist production induces the transformation of the feudal landowner into a capitalist farmer and of the peasant into an agricultural labourer. This double transformation proceeds through a variety of combinations of forms of labour service and capitalist production. In particular there is a transformation of labour service proper (in which the labourer possesses his own means of production) into various forms of money-rent and rent-in-kind on the one hand, and forms of wage labour in which the labourer may or may not possess an allotment on the other. Here the agents of production are distributed into functions determined

by combinations of the following modes of production:
- capitalist agricultural production (landowner as capitalist);
- the feudal mode (feudal landholding, corvée labour, feudal rent);
- the mode of simple commodity production;
- peasant subsistence cultivation of small land parcels.

The landowner's transition refers to transformations of combinations of modes in which the capitalist modes are dominant. It should be noted here that the form of combination of landowner capitalism with peasant cultivation, i.e. the 'survival' of feudal forms of dependence, has the effect of tying the peasant to the land and thereby enabling the landowner to extract a higher rate of absolute surplus-value than is obtained by capitalists engaged in urban industry.⁶ It is clear that the capitalist differentiation of the peasantry outlined above leads, on the one hand, to a decline in the labour service system in all its forms (since this requires the subsistence cultivation of small land parcels tied to the feudal landowners) and, on the other, to the development of a rural proletariat free from feudal ties to the land (who can function as labourers for the Kulaks). The capitalist differentiation of the peasantry therefore leads to the decline of the landowner-capitalist supply of cheap labour based on semi-feudal forms of servitude.

The Development of Capitalism in Russian Agriculture

As the capitalist mode of production penetrates the countryside in the Russian social formation the products of agriculture take the form of commodities - that is, the products both of the 'feudal' latifundia and of peasant agriculture are produced as commodities. The growth of a commodity market, of capitalist production of non-

agricultural products, of merchant's and usurer's capital and of money taxes, dissolves non-commodity production in the feudal and the peasant sector.⁷ The development of capitalism in Russian agriculture involves the transformation of relations of production pertaining to the feudal latifundia and of those pertaining to independent (i. e. not appropriated by the feudal landowner) peasant production. It is these transformations that are referred to above as the 'capitalist differentiation of the peasantry' and the 'landowner's transition': the transformation of agriculture in the Russian social formation took the form of this double development.

There are two essential points to note in respect of Lenin's discussions of the two types of evolution in Russian agriculture. The first is that the two evolutions do not function in Lenin's text as 'models' of possible combinations of modes of production in the transition to capitalist agriculture - Lenin's illustrative references to 'Prussian' and 'American' paths to capitalism notwithstanding. An analysis which worked through 'models' would reduce conjunctural analysis to a simple twofold task of (a) correctly identifying the model which best typifies the given situation - e.g. the American, English, French, Japanese, Prussian path or some combination; (b) applying the chosen model by identifying the present stage of development. A 'models' approach is merely a complex variant of evolutionism.

The second point is that Lenin's conjunctural analysis in respect of the agrarian situation does not merely consist in the identification and separate analysis of the two types of agrarian relations considered as alternative and exclusive paths of evolution. The con-

juncture specified by the articulation of these two transitional forms - by the specific combination in domination and subordination of the several modes of production listed above - is one of contradiction between the two types. The analysis of this contradiction is of crucial tactical significance.

The articulation of modes of production in the conjuncture effects a specific distribution of agents of production (peasants, landowners, etc.) into various functions and a corresponding distribution of the land among different forms of landholding. Lenin uses Russian agrarian statistics to distinguish four major categories of landholding (pp. 225-229):

- (i) A mass of peasant farms crushed by feudal latifundia - the landholders here include: small peasant cultivators paying labour-rent, rent-in-kind and money-rent to landowners; allotment holding wage labourers employed by landowners; allotment holding wage labourers employed by peasant capitalists and paying rent in some form to landowners; various intermediate types.
- (ii) A minority of middle peasants primarily engaged in subsistence agriculture.
- (iii) A small minority of well-to-do peasants - a peasant bourgeoisie and petty-bourgeoisie developing capitalist farming, employing wage-labour, machinery, etc.
- (iv) Feudal latifundia - these are much larger, on the whole, than capitalist farms and derive income from combinations of capitalist exploitation and exploitation through bondage, labour-rent, etc.

Two points should be noted with regard to this classification:

- Two points should be noted with regard to this classification:
- (1) The division is in terms of different forms of

property in the land held by agents of production. It is not determined by, and does not correspond to, the legal division of the land between owners, lessors, allotment holders, etc.⁸ Thus the land farmed by the peasant bourgeoisie may be subject to several distinct legal determinations: allotment land; rented allotment land; land rented from the state; common land; etc. The absence of common land as a category in the above classification follows from the lack of common property in the land by peasant communities on any extended scale in Russia.⁹

(2) The distribution of the land and that of the agents of production is the effect of the specific articulation of modes in the given conjuncture and, in particular, of the forms of articulation of the temporalities specific to these various modes. Thus the rhythms of production, overproduction and crisis of the dominant capitalist mode impose, through the concrete forms of their articulation, 'corresponding' rhythms on the subordinate modes and their specific articulation - in particular on the relative distribution of commodity production and subsistence economy among the small and middle peasantry.

The distribution of land and of agents, together with the limits and forms of variation of these distributions, in a given region or social formation is an effect of the specific combination of modes of production in the region or formation concerned. In the absence of a regional disjunction, with the capitalist differentiation of the peasantry in one set of regions and the landowners transition in another, it is clear that there is no possibility, after a certain point, of the autonomous development of the two types of transition. Rather, we are concerned with the modality of their contra-

dictory articulation.

In particular, the two types tend to impose different and contradictory distributions both of the land and of the agents of production.

In the first place it is clear that the capitalist differentiation of the peasantry effects a diminution of the labour force available for exploitation by the landowner capitalist: (a) the peasant bourgeoisie and petty-bourgeoisie become, at best, tenant farmers paying capitalist ground rent; (b) small peasant cultivators are expropriated from the land and are therefore no longer tied to this land as cheap labour for the landowner.

Secondly, the organisation of the land for capitalist farming by the peasantry is limited by the legal forms of landownership and by the property in and cultivation of the land by the owners of 'feudal' latifundia (in part by relatively productive capitalist methods, in part by less productive forms of labour service) and by unproductive labourers engaged in petty commodity production and subsistence economy. The forms of landownership force the peasant farmer to bring together and to work land of a variety of legal statuses, with the result that different forms of rent and different restrictions interfere with the rational organisation of a productive enterprise. These same legal forms which inhibit the capitalist differentiation of the peasantry tend to preserve the forms of landholding which enable the landowner to extract a particularly high rate of surplus labour.

Analysis of the Conjuncture and Possible Courses of Development

It is clear that the mere fact of the impossibility of the autonomous development of the two types of evolution is not sufficient to determine the conjuncture. I cannot discuss here the general problems of the forms of combination of modes of production but some further comments on Lenin's conjunctural analysis are necessary. First it should be noted that, while the conjuncture determines, within definite limits, the distribution of landholdings into the four categories listed above, this distribution does not determine the conjuncture. In particular, there is no one-to-one correspondance between the set of combinations of the given modes on the one hand and the set of distributions of the land among these categories on the other. Lenin's discussion of 'The Economic Basis and Nature of the Agrarian Revolution in Russia' (pp. 220ff.) is not reducible to any empiricist process of induction from the given economic statistics. Nor is the analysis of the combination of modes of production reducible to a simple listing of the modes in the combination.¹⁰

Secondly it should be noted that the existence of a contradiction between the two types of evolution means that, in some sense, they occur in the same places. Thus Lenin refers to the dividing line that runs between the programmes of the Cadets and the Trudoviks: 'That line is determined by the interests of the two principal classes in Russian society which are fighting for the land, viz., the landlords and the peasantry' (p. 247 - Lenin's emphasis). The former stand for a landlord bourgeois transition of agriculture, the latter for a peasant bourgeois transition: the two evolutions are mutually exclusive, they are to take place on the same land. In this respect the Russian situation may be contrasted with the German situation

discussed by Engels in The Peasant Question in France & Germany.¹¹ In the latter social formation the combination of modes of production in agriculture takes the form of the conjunction of three geographically distinct regions with a small area of overlap. The three regions are characterised by three different combinations of modes of production. In this case we find the co-existence of three types of evolution of agriculture in the one social formation. It is clear however that the regional form of this overall combination allows of a relatively autonomous development of each regional combination. Thus conflict between the agents of the dominant modes does not take the form of fighting for the land. These comments appear to raise the question of what might be called the effectivity of the geographical. This question cannot be discussed here, but it should be clear that a scientific analysis requires the construction of concepts pertaining to the place and spaces of modes of production and of their combinations, and of the political and ideological instances. In the absence of such concepts there is an obvious danger of lapsing into a geographical empiricism in which political, economic and ideological boundaries function as givens¹² - given, for example, by the 'historical' determinants of regional distinctions in Germany: the existence of separate states, the effects of the French occupation of the Rhineland, etc. Such an historicism of the geographical must not be mistaken for an analysis of the contradictory unity of the German social formation, of the conditions of existence of the 'given' regional differences, and of the forms of effectivity of the geographical differentiation.

Finally, in this section, it is clear that the conjuncture must be defined at the political and ideological levels:

that is, it is not defined simply as the combination of such and such modes of production. There are two points to be made here: a general point on the combination of modes of production and a specific point on Lenin's conjunctural analysis of the Russian social formation. I shall return to the ideological level in the second part of this paper. If the concept of the 'economic' (i.e. of what it is that is the 'economic') in each mode of production must be constructed by a conceptual analysis, then the same is true a fortiori for each social formation in which a number of modes are combined. The same is necessarily true for the political and ideological levels. In particular, the definition of the different instances of a social formation cannot take place independantly of the analysis of the forms and modalities of the combination of modes: the combination of modes of production does not take place at a pre-given economic level (i.e. given in advance of the combination in question). In the chapter on 'The Genesis of Capitalist Ground Rent', to consider just one example, Marx notes that in the feudal mode 'the property relationship must simultaneously appear as a direct relation of lordship and servitude, so that the direct producer is not free' (Capital Vol. III, p. 791). Again, 'under such conditions the surplus-labour for the nominal owner of the land can only be extorted from them by other than economic pressure, whatever the form assumed may be' (ibid).¹³ It is clear then that a combination of, say, the feudal mode with the capitalist mode or the mode of simple commodity production cannot take a directly 'economic' form but must be directly and indissolubly both 'political' and 'economic'. The different legal and customary forms taken by the 'survivals' of corvée economy, labour-rent, money-

rent, allotment holding wage labour, etc., and the 'legal fiction' of the value of land in the case of capitalist ground rent - all these may be taken as indices of the modalities of combinations of the feudal and other modes of production.¹⁴

To return to the Russian conjuncture, Lenin clearly introduces a political pertinence into his analysis and asserts the incompleteness of any purely economic analysis:

'No statistics in the world (i.e. no economic statistics - B.H.) can assess whether the elements of a peasant bourgeoisie in a given country have 'hardened' sufficiently to enable the system of landownership to be adapted to the system of farming' (p. 290). Only the practice of the various classes can determine the nature of the struggle and the relative strenghts of the pertinent forces; 'without the experience of a mass - indeed, more than that of a nation-wide peasant movement, the programme of the RSDLP could not become concrete' (p. 256). Here both the fact of the movement and the precise contents of the demands and programmes of the participants are significant.

On the one hand the agrarian programme of the Cadets (the party of the liberal bourgeoisie) and the bureaucracy follow the line of the landowner's transition: the provision of a plot of land for each peasant household provides a labour force for the landowner-capitalist and suppresses the conditions of existence of the capitalist differentiation of the peasantry.¹⁵

On the other hand the programmes and demands of the peasant movements show the extent and the form of the ideological and political dominance of peasant capitalism and petty commodity production over sub-

sistence cultivation of small land parcels. 'If in the present epoch the mass of the Russian peasants are not displaying the fanaticism of private property owners (that is because) the real conditions of life of the small cultivator, of the small farmer in the village, confront him with the economic problem, not of consolidating the new agriculture, which has already taken shape, by means of dividing the land as private property, but of clearing the ground for the creation of a new agriculture (out of the existing elements) upon 'free', i.e. nationalised land' (p. 291)¹⁶

The dividing line between the two types of programme is determined by the interests represented at the political level of the two major classes in Russia that are fighting for the land. The conjuncture specifies two possible outcomes to the struggle. 'The survivals of serfdom may fall away either as a result of the transformation of landlord economy or as a result of the abolition of the landlord latifundia, i.e. , either by reform or by revolution' (p. 239).

The Determination of Tactics

'The tactics of Social Democracy in the Russian bourgeois revolution are determined not by the task of supporting the liberal bourgeoisie, as the opportunists think, but by the tasks of supporting the fighting peasantry' (p. 244).

To the two types of agrarian transition possible in the Russian conjuncture correspond two types of the bourgeois revolution: a landlord-bourgeois revolution and a peasant-bourgeois revolution. Both revolutions involve the further development of capitalism. The proletariat cannot take part in the bourgeois revolution without supporting one section or other of the bourgeoisie.

The central tactical question concerns which of the two possible bourgeois revolutions will best advance the political interests of the proletariat, that is, will create the most favourable conditions for the transition to socialism.

What are the effects of these two revolutions?

(i) Landlord-Bourgeois Revolution

The immediate effects at the economic level are the suppression of the capitalist differentiation of the peasantry: that is, the suppression of peasant capitalism and petty commodity production and the transformation of the peasant bourgeois and petty-bourgeois into allotment-holding labourers, wage labourers, managers and overseers, etc. This transformation of peasant agriculture inhibits the development of commodity production and the growth of commerce among the peasantry. That is, it inhibits the growth of a home market for capitalist production in the countryside: in particular, the home market for agricultural implements and machinery, and the markets for means of consumption and for labour power. By preserving the conditions for a high rate of extraction of surplus-labour by the landowner this transformation of peasant agriculture also inhibits the growth of a market for agricultural machinery in the landowner's transition.

While the development of capitalism as a whole is inhibited there are nevertheless sectors of capitalist production that do not depend to any great extent on the size of the home market for agricultural machinery, etc: notably various extractive industries and certain types of large-scale industrial production. The suppression of peasant capitalism ensures for these sectors, as for landowner's agriculture, a cheap supply of unskilled

labour by means of various forms of indenture, seasonal labour and fixed-term contracts in which the labourer returns home to the countryside after a given period of service. The agricultural sector, in particular the mode of subsistence cultivation of small land parcels, then functions as an organic component of capitalist production, supplying the labourer with subsidiary means of consumption and feeding the temporarily unproductive workers of the capitalist sector.

Thus the capitalist differentiation of the peasantry and the formation of both an urban and a rural proletariat are inhibited by the economic effects of a landlord-bourgeois revolution. At the political level the state becomes the state of the industrial bourgeoisie and the semi-feudal landowners: that is, a state in which the old Tsarist forms are preserved but the class content of these forms is transformed.

(ii) Peasant-Bourgeois Revolution

The nationalisation of the land transforms the economic level by eliminating landlord capitalism and by clearing away all feudal forms of landownership. This clears the way for the rapid development of capitalism in agriculture, the consequent rapid growth of a home market for capitalist production, the development of productive forces in agricultural and non-agricultural industry, the class differentiation of the peasantry and the growth of an urban and a rural proletariat.

Successful revolution, i.e. the successful abolition of the feudal mode, necessarily requires a transformation of the political level of the social formation. The elimination of the landowning class and the defeat of their allies, the liberal bourgeoisie and the bureaucracy, requires the overthrow of the existing stage machine:

'The peasantry cannot carry out an agrarian revolution without abolishing the old regime, the standing army and the bureaucracy, because all these are the most reliable mainstays of landlordism, bound to it by thousands of ties' (p. 349).

Since commodity production disintegrates and divides the peasantry, gives rise to a class struggle within the peasantry, such a peasant revolution is possible in the present conjuncture only under the leadership of the proletariat. The new state is the dictatorship of the proletariat and the peasantry.

The peasant-bourgeois revolution is the path which corresponds to the political objectives of the proletariat since, in the Russian social formation, this path would lead both to the most rapid development of the productive forces and to the most complete suppression of medieval and feudal remnants at all levels that is possible under capitalism. The capitalist differentiation of the peasantry and the development of capitalist agriculture on nationalised land lead on the one hand to class conflict among the peasantry and on the other to a movement for the division of the land among peasant capitalists:

'The farmers who have adapted themselves, who have renovated the whole system of landownership, may demand that the new agrarian system be consolidated, i.e. , that the holdings they have rented from the state be converted into their property' (p. 323).

The concept of property here must be taken in its full rigour. What is in question is property in the land, not the legal form of landownership. Nationalisation of the land by a peasant-bourgeois state involves the abolition of all forms of private landownership. Agricultural

production then takes place on land rented from the state - by capitalist farmers, by the state itself (in the case of state farms), etc. In the Bolshevik agrarian programme the allocation and re-allocation of nationalised land was to be administered by locally elected peasant land committees. The legal form of this state ownership must be distinguished from relations of production with respect to the land.¹⁷ Thus a movement for division need not involve the reduction or cessation of 'rent' payments to the state: such 'rent' is an effect of state ownership which may or may not correspond to state property. Here we may note that the locally elected land committees threaten both the free disposal of his land by the capitalist and the capital he may invest in it. The class character of these land committees and their effective control over the allocation and distribution of land under capitalist farming are indices of the location of property in the land (i.e. in the state or in the local capitalists).

Thus the revolution is followed by a conjuncture in which there is a move towards restoration among certain sections of the peasantry. It follows that the tactics of the proletariat should be: (1) with all the peasants against the landlords, the liberal bourgeoisie and the bureaucracy; (2) with the poor peasants and rural proletariat against the peasant bourgeoisie.

II THE EFFECTS OF THE MENSHEVIK PROBLEMATIC

The agrarian programme adopted by the 2nd (1903) Congress of the RSDLP distinguished between lands which serve for exploitation by means of various forms of bondage (lands 'cut off' in the 1861 reforms) and lands which are exploited in a capitalist manner.¹⁸ The former

exploitation was to be abolished by means of the reforms set out in the programme. In 1907, Lenin criticised this programme for: its abstract character and lack of concrete analysis; and its failure to oppose 'the consistently peasant to the consistently Junker method of carrying out the bourgeois revolution' (p. 257) - instead it opposed capitalist to non-capitalist forms of exploitation.

Both the programme adopted by the 1906 'Unity' Congress¹⁹ and that of the divisionists repeat the mistake of the 1903 programme. The latter overestimate 'the degree of capitalist development in Russian agriculture' and their programme 'is glaring historical tactlessness and reveals inability to take stock of the concrete historical situation' (p. 291). The divisionists 'are skipping the historical tasks of the current revolution' (p. 293).

Such remarks appear to suggest that Lenin is arguing from within an evolutionist problematic in which the 'concrete historical situation' is an essential section of the social formation at the present moment in time. The formation would then be a simple totality in which all phenomena express the essence of the present moment. Concrete analysis would then consist in correctly identifying the present moment in time and in reading off the phenomena of this essence: the stage of development of capitalism, the agrarian situation, the structure of the political level, and so on. All such phenomena are determined once the time has been identified. 'Historical tactlessness', on the other hand would consist simply in an erroneous reading of the time - with political and economic errors as a necessary consequence. In such an interpretation Lenin's insistence on the two possible types of bourgeois agrarian evolution appears

as the effect of a voluntarist evolutionism opposed to the fatalist evolutionism of Economism and Menshevism.²⁰

In fact, as we have seen, Lenin's concrete analysis is not a matter of telling the time correctly and deducing the consequences as an evolutionist interpretation would suggest. In particular, his analysis of the agrarian question in Russia is not an inference from the present stage of development of capitalism, but an analysis of the specific combination of modes of production in the Russian social formation.

The Menshevik analysis, on the contrary, does proceed from an evolutionist problematic and, in particular, from 'a general, abstract stereotyped conception of the bourgeois revolution' (p. 352) as a steady procession through a pre-determined and invariant sequence of historical stages. Once the present stage has been correctly identified the possibility of an essential section ensures that no further economic or theoretical analysis of the current situation is strictly necessary: all levels of the formation are strictly reducible to the economic. Tactical questions not fully determined by such analysis must be settled pragmatically: i.e. they appear at a level of indeterminacy with respect to the social formation. Lenin remarks that, in discussion of the agrarian question in the Social-Democratic press and the Stockholm debate 'practical considerations prevail over theoretical and political considerations over economic' (p. 204).

The Menshevik problematic necessarily leads to serious political errors and to revisionism in theory. I shall examine three of these consequences as they appear in the debate on the agrarian question at the 'Unity' Congress of 1906: the analysis of peasant demands; the

state; the theory of rent.

(1) The Analysis of Peasant Demands

'We must study the objective conditions of the peasant agrarian revolution in capitalistically developing Russia; on the basis of this objective analysis, we must separate the erroneous ideology of the different classes from the real content of the economic changes, and determine what, on the basis of those real economic changes, is required for the development of the productive forces and for the proletarian class struggle' (p. 259).

In the evolutionist problematic of the Mensheviks the demands of the peasantry are phenomena of the economic, in particular of the agrarian situation which is given once the present stage of the evolution of capitalism is known. The present stage is the stage of impending bourgeois revolution and the peasantry therefore demands private ownership of the land by individual peasant proprietors (i.e. the 'French' road to capitalist agriculture). It follows that attempts to nationalise the land would be resisted and would throw the peasants into the arms of reaction. Thus Comrade John (i.e. Maslov): 'We would have not one Vendée, but a general revolt of the peasantry against attempts by the state to interfere with the peasants' own allotments, against attempts to nationalise the latter' (quoted by Lenin p. 260 - John's emphasis). Thus the Menshevik programme drafted by Maslov adopted by the Unity Congress recognises peasant property rights to their land and proposes either conversion of confiscated land into public property or division of landlord lands among the peasants as their private property. In view of the low productive level of small-scale peasant agriculture the

former alternative is to be preferred.

The programme adopted by the Peasant Union demands nationalisation of the land. This non-correspondance with the economic situation of the peasantry (as specified by the present stage of capitalist development) is (a) denied at the level of the peasantry as a whole (the peasant masses would never stand for nationalisation), (b) explained at the level of individual peasant leaders and representatives as the result of opportunism, the effects of Socialist Revolutionary ideology, etc. This position combines a reduction of the ideological level to the economic (masses) with an accidental autonomy with regard to the social formation as a whole (individuals).

Marxism, on the contrary, asserts the relative autonomy of the ideological and political levels:

- (i) They have their own specific determination and are not reducible to the economic. Thus Lenin recognises a dislocation between the economic basis of the struggle and the political-ideological forms in which it is reflected. 'In deeds, the Trudovik peasant is a most determined bourgeois revolutionary, but in words he is a petty-bourgeois utopian who imagines that a "General Redistribution" is the starting point of harmony and fraternity and not of capitalist farming' (p. 281). The tactics of the proletariat in the struggle are determined not by the ideological forms in which the struggle is reflected, but by a concrete analysis of the conjuncture.
- (ii) The ideological forms in which the struggle is reflected are not accidental but are effects of ideologies representing specific class positions. Thus the peasant representatives combine (progressive) bourgeois economic demands with a (reactionary) utopian socialist

ideology. This combination is not accidental: 'the crux of the matter is not the opportunism of Peshekhonov and co. but the individualism of the small farmer' (p. 271).

(iii) Lenin shows that the Peasant Union and peasant deputies in the first two Dumas favour nationalisation. This analysis recognises the specific effectivity of the ideological level: it is not intended as an argument in favour of nationalisation. It is concerned rather with the form of words to be used in the agrarian programme of the Party:

'To remove any idea that the workers' party wants to impose upon the peasantry any scheme of reforms against their will and independently of any movement among the peasantry, we have attached to the draft programme Variant A, in which, instead of the direct demand for nationalisation, we say first that the Party supports the striving of the revolutionary peasantry to abolish private ownership of land' (C. W. vol. 10 p. 193n).²¹ The peasant demands for nationalisation show that Variant A should not be substituted for the original draft.

(2) The State

The Mensheviks argued:

- that municipalisation provides a guarantee against restoration, i. e., that the municipal land committees would not surrender land to the representatives of the old order;
- that municipalisation consolidates the gains of the revolution by instituting local democracy, while nationalisation consolidates the power of the state.

Lenin notes that the only obstacle to the restoration of the land is a law passed by a revolutionary parliament - that is, no guarantee in the event of counter-revolution. The greatest possible obstacle is the most thoroughgoing

development of the revolution; then more gains would remain in the event of restoration. On the second argument he notes that the posing of the question in these terms obscures the question of the conquest of state power: that is, what specific combination of modes of production should dominate at the economic level and which classes should dominate at the political.

How is the Menshevik position possible? In the evolutionist problematic the character and effects of the coming revolution are precisely specified. The revolution is a liberal bourgeois revolution; its major effects are a displacement of state power from the feudal aristocracy to the liberal bourgeoisie and a transformation of the form of state from autocracy to liberal democracy. These transformations bring the political level into line with the present stage of development of capitalism. The question of which class is to hold state power cannot arise: neither the proletariat nor the peasantry can possibly attain state power in a bourgeois revolution.

Nationalisation then appears as the expropriation of the peasantry by the liberal bourgeois state. Its effects are: to strengthen the power of the bourgeois state machine; to force the peasantry into alliance with the landowners. Municipalisation on the contrary maintains the peasantry in their alliance with the liberal bourgeoisie against the landowners.

There remains the question of the form of the liberal bourgeois state. Neither nationalisation nor municipalisation can affect the class character of the state but they appear to determine different forms of state apparatus: a centralised state apparatus on the one hand and a relatively decentralised state apparatus on the

other. The latter allows the proletariat to make limited local advances while they pass the time waiting for the socialist revolution.

Thus the question of whether Russia is to be a landlord-bourgeois state or a peasant-bourgeois state with their respective political and economic consequences cannot arise within this problematic. The Mensheviks are therefore unable to recognise the counter-revolutionary role of the bourgeoisie in the present conjuncture. Their programme favours a form of liberal bourgeois state characterised by the existence of municipal socialism. Such a programme requires a revisionist theory of the political level for its justification: 'Perhaps in some areas the people's local self-governing bodies will themselves be able to run these large estates, as the horse tramways or slaughterhouses are run by municipal councils, and then all the profits obtained from them will be placed at the disposal of the whole population' (quoted by Lenin p. 358-359).

(3) Rent

Maslov produces a revision of Marx's theory of rent which provides a theoretical basis for the municipalisation programme. I cannot discuss the theory of ground rent here.²² It is sufficient for present purposes to note that Marxism distinguishes two forms of 'capitalist' ground rent: differential rent and absolute rent. The former is a necessary effect of the capitalist mode of production; its existence does not depend on private property in the land. The latter is a specific effect of private landed property: i. e. it is an effect of a specific form of combination of the feudal and capitalist modes of production. The existence of private landed property inhibits the operation of the mechanism

of competition between various capitals and thereby inhibits the levelling of profits and the formation of an average rate of profit in agricultural and non-agricultural production. The agricultural product is then sold above its price of production (i. e. there is absolute rent on the worst plot of rented land). In addition the purchase price of land (capitalised ground rent subsumed under the legal fiction of the value of land) has the effect of withdrawing capital from investment in agricultural production. Private landownership (large or small) serves as an obstacle to the development of productive forces in agriculture.

Maslov's revision of Marx's theory effectively eliminates the concept of absolute rent. The effect of this revisionism is a denial of the significance of private landed property in a formation dominated by the capitalist mode of production. Hence it is irrelevant to the development of capitalism whether land is owned by the state or by private individuals: i. e. the difference appears to be merely a difference of ownership. Thus the question of the existence or non-existence of a specific landowning class and its necessary concomitants at the political and ideological levels cannot arise. It follows also that there can be no recognition of the significance of nationalisation as a measure which accelerates the development of productive forces and of class antagonisms under capitalism.

Thus Maslov's theory must produce a purely opportunist agrarian programme in which 'political' considerations (how to get the support of the peasantry) prevail over 'economic' (concrete analysis of the conjuncture). Thus the Mensheviks take a petty-bourgeois position with regard to private landed property: landed

property appears as specifically capitalist property and their programme objects not to private property as such but merely to large-scale private property. This programme then becomes: expropriation of large landholdings; preservation of small landholdings under private ownership by individual peasant proprietors - and therefore the preservation of the existing medieval forms of division of the land among small producers.

Maslov's revised theory of rent and Plekhanov's silence with respect to it are particularly clear examples of the reconstruction of Marxist theory imposed by the necessity of elaborating theoretical justifications for opportunist political practice and the consequent attempts to think the concepts of the relevant theoretical sector within a non-Marxist problematic. In the present case the evolutionist character of the latter problematic imposes the following form on the revised theory of rent: it must eliminate the distinction between absolute and differential ground rent. Concrete analysis of the current situation in the evolutionist problematic can only take the form of identifying the present stage of some process of development - say, of capitalism in Russia. Thus there can be no question of a conjunctural analysis of the specific combination of modes of production in the social formation. In particular, then, absolute rent cannot appear as an index and specific effect of a definite combination of the feudal and capitalist modes: it appears as just another effect of monopoly. The specific difference in Marxist theory between differential rent and absolute rent therefore collapses.

CONCLUDING REMARKS

This essay has argued that the Menshevik analysis is

unable to recognise the significance of nationalisation by a peasant-bourgeois state and that it obscures the question of whether Russia is to be a peasant-bourgeois or a landlord-bourgeois state. The result is revisionism in theory and opportunism and reformism in political practice. In particular: a strategy of class alliances with the liberal bourgeoisie and therefore indirectly with their allies, the bureaucracy and the feudal landowners.

These weaknesses in Menshevik strategy and political analysis are not accidental. If they are unable to produce a conjunctural analysis, this is an effect of a non-Marxist evolutionist problematic in which the Hegelian concept of time ensures the possibility of an essential section. Clearly these effects go beyond the agrarian question, but it is this problematic that determines the form in which 'practical considerations prevail over theoretical, and political considerations over economic' (p. 294). Thus, once the present stage of unilinear development is identified the possibility of an essential section ensures that no further analysis of the current situation is strictly necessary. Any remaining tactical questions necessarily fall below the level of theoretical reflection: they must be settled 'pragmatically'. This recourse to pragmatism opens the field of political analysis to the ideological forms of petty-bourgeois radicalism.

Lenin's conjunctural analysis of the Russian social formation in the period of the first Russian revolution enables him to produce the strategy: first, with all the peasantry against the landowners, the bureaucracy, and the industrial bourgeoisie - thereby effecting a transformation of the state and of the economic level

and leading to the rapid development of capitalism. Then, with the rural proletariat and poor peasants against the bourgeoisie - as a consequence of the capitalist differentiation of the peasantry and the development of counter-revolutionary tendencies among the peasant bourgeoisie. Since the Mensheviks cannot admit the two possible forms of bourgeois revolution in Russia this strategy is literally unthinkable for them. It must appear to the Mensheviks as dangerous adventurism.

NOTES

1 Lawrence and Wishart, London 1962. All further page references are to this text unless the contrary is stated.

2 Certain of Marx's formulations appear to express just such a theoretical pragmatism:

'This does not prevent the same economic basis - the same from the standpoint of its main conditions - due to innumerable different empirical circumstances, natural environment, racial relations, external historical influences, etc., from showing infinite variations and gradations in appearance, which can be ascertained only by analysis of the empirically given circumstances' (Capital, Vol. III, pp. 791-2).

Cf. Balibar's discussion of this passage, Reading Capital pp. 254-259.

3 Especially Lenin's early texts, 'The Economic Content of Narodism', 'What the "Friends of the People" Are', and 'The Heritage We Renounce'.

4 For a concise statement of the two evolutions see the preface to the 2nd edition of The Development of Capitalism in Russia (CW3 pp. 31-34).

5 On the differentiation of the peasantry and the

landowners' transition see especially chapters 2 and 3 of The Development of Capitalism in Russia.

6 This difference should not be exaggerated. A decree of Peter the Great allowed serfs to be bought for work in manufactories. 'Survivals' of this form of dependence allowed certain manufacturers to continue to extract high rates of surplus labour after the abolition of possessional ownership in 1863.

7 See Lenin's analysis of the home market in The Development of Capitalism in Russia Chapter 1.

8 Marx makes use of the formal distinction between possession and property in his analyses of transformations of the property connection (i. e. of the relations of production presupposed and formalised by legal and customary forms of ownership). See 'The Genesis of Capitalist Ground Rent' Capital, Vol. III, and Pre-Capitalist Economic Formations. On the property connection cf. Balibar op. cit. pp. 226-233.

9 Communal property is, of course, quite distinct from communal ownership. The Stolypin decree of November 1906 had the effect of bringing the legal forms of landownership closer into line with the forms of property - but only in respect of certain limited categories of land. Thus, communes in which the periodical redistribution of the land had been discontinued were abolished, and the land distributed among the heads of households forming the commune. In communes where periodic redistribution was still practised, heads of households could apply for release from the commune with a share of the communal land. These reforms were an attempt to create a class of peasant capitalists in support of the autocracy while preserving landlord ownership and destroying the village communes.

10 This listing of modes is all that is attempted in the present essay. It should be treated as a preliminary to a serious theoretical posing of the problem of the forms and modalities of combinations of modes. This problem is not posed as a theoretical problem in Lenin.

11 Marx and Engels Selected Works in One Volume pp. 633-650.

12 These questions of the place and spaces of modes of production assume particular importance in respect of the national question. Thus Stalin, in his essay, 'Marxism and the National Question' emphasises that 'a common territory is one of the characteristic features of a nation' (Works 11 p. 305). Further 'the chief problem for the young bourgeoisie is the problem of the market'. Its aim is to sell its goods and to emerge victorious from competition with the bourgeoisie of a different nationality. Hence its desire to secure its 'own', its 'home' market. 'The market is the first school in which the bourgeoisie learns its nationalism' (ibid p. 316). The territorial or geographical empiricism of this approach is only too clear. The effect is that a territorial division of bourgeoisies is given in advance of 'the young bourgeoisie' securing its own home market. The problem of territorial demarcation must be theorised if any advance is to be made in this area.

13 Cf. the discussion of this text in Balibar op. cit. pp. 216-224.

14 Of particular interest in this respect are the passages in which Marx notes the significance of the transformation of money-rent into capitalist ground rent (Capital, Vol. III, pp. 796-802).

15 The Stolypin decree notwithstanding. Cf. note 9 above.

16 On the significance of land nationalisation under capitalism see below and Lenin's discussion in chapter 3 (pp. 294-325). This crucial discussion also appears in the pamphlet Capitalism and Agriculture. (International Publishers); of Theories of Surplus Value Pt. 2, pp. 44-45. Nationalisation of the land involves the elimination of absolute rent (and therefore of the landowning class) and the transfer of differential rent to the state. Strictly, nationalisation of the land involves the elimination of a feudal property relation - i. e. it is not reducible to the transfer of the legal title to the land from a private individual to the state. In this respect nationalisation of the land must be distinguished from the nationalisation of certain industries or factories by a capitalist state.

17 See note 8.

18 The draft of this section of the programme is given in CW6 pp. 111-2.

19 The Fourth (Unity) Congress of the RSDLP met in Stockholm in April 1906. There was a small Menshevik majority and the congress adopted Menshevik resolutions on a number of questions (in particular the agrarian question and the attitude to the Duma). On the agrarian question the Menshevik programme, adopted by the congress, advocated municipalisation of the land (expropriation of large landed estates and their transference to local self-government bodies), existing peasant property rights to be maintained. This programme was drafted by Maslov who attended under the pseudonym Comrade John (see below). The Bolshevik programme, drafted by Lenin, called for nationalisation of the land, while a third programme, divisionism, called for the division of the land between peasants.

20 The existence of possibilities is quite compatible

with an essential section: i. e. , there can be voluntarist as well as fatalist evolutionisms (Lukács interprets Lenin as such a voluntarist). These variants differ over which of the couple consciousness/economy is taken to be determinant. Cf. RC p. 138.

21 See CW10 pp. 194-195 for Lenin's draft programme and variant A.

22 See note 16 above, and Capital, Vol. III, Pt. VI.

Theoretical Remarks on the Theory of the Transition from Feudalism to Capitalism

by Antony Cutler and John Taylor

Whilst the Althusserian problematic has established the fundamental importance of the question of the articulation and combination of modes of production, the transition from one mode of production to another remains the site of a problem within the Marxist problematic. This problem is precisely that of the relations that can be established between the theory of transition (eg, from feudalism to capitalism) at a level of generality such that one can speak of a 'theory' of transition from feudalism to capitalism on the one hand, and the specific

conditions of a particular case of transition on the other. Although Balibar's text¹ analyses the genesis of the elements of the capitalist mode of production (the genealogy), he does not analyse the general characteristics of transitional modes of production as effecting a progressive displacement of the dominant instance (the replacement of the economic for the political as the dominant instance in the transition from feudalism to capitalism). Given this absence, Rey's text is of crucial importance.

Sur L'Articulation des Modes de Production² contains two volumes: the object of the first is the articulation of private ownership of land and its function within the capitalist mode of production; the object of the second volume is the articulation of the capitalist mode of production within pre-capitalist modes of production. In this article, we will be concerned with a number of the theoretical problems of the first volume.

In Volume I, Rey attempts to explain how the displacement of the dominant instance is effected through the separation of direct producers from the means of production in the transition from feudalism to capitalism. He distinguishes three 'phases' in this process, and the different 'role' of landed property ownership in each of them. These phases are: (1) Capitalism does not possess the means to displace the existing agricultural labour force without feudal domination. The monopoly of feudal land ownership is here a historically necessary condition which remains the permanent base of the capitalist mode of production. (2) The destruction of rural artisan industry and the progressive reliance of the peasantry on the market for the provision of their means of production and consumption; during this period,

capitalism cannot immediately penetrate all agricultural sectors and therefore still requires the maintenance of non-economic measures to achieve this, and the continuing existence of feudal landed property ownership remains essential. (3) When peasant subsistence producers can no longer successfully compete with capitalist production in agriculture, feudal property ownership is no longer required by capital. 'It is only when capitalism can compete with small peasant or tenant farming in the dominant sectors of subsistence agriculture that landed property ownership becomes superfluous and inauspicious' (p. 64).

Therefore the nodal-point of Rey's text reflects the nodal-point of Marx's analysis of the transition from pre-capitalist to capitalist modes of production, namely the separation of direct producers from the means of production. Rey approaches this problem through the question of the effects of a 'feudal' relation of production, ground rent, in its articulation as a relation of distribution within the capitalist mode of production. This relation of distribution is, then, for Rey, the transformation of a former relation of production into one of distribution, private property in land. We shall return to the question of this transformation later in this review, and at this point simply comment upon Rey's critique of what may be termed a nascent economism in Marx's analysis of this articulation.

Absolute and Differential Ground Rent.

When Rey designates this relation of distribution as a 'feudal' relation of production, he recapitulates the theoretical effects of a well-known thesis of historical materialism, that private property in land is not a necessary economic relation within the capitalist mode

of production. In thinking this problem, Marx introduced a distinction within the concept of ground rent. Certain forms of ground rent were clearly different in character from the forms of ground rent existing in the feudal mode of production; furthermore, one of the forms of ground rent was distinguished by the fact that it was not a necessary form under the capitalist mode of production. We refer here to the distinction between absolute and differential ground rent.

Differential ground rent is regarded by Marx as a necessary relation of distribution under the capitalist mode of production. It arises from a fundamental characteristic of agricultural production, namely that the application of quantities of equal capital will yield differential total products because of the unequal fertility of different soils. Thus, on different soils, the same product will have different costs of production per unit. Under capitalism, however, the operation of the equalisation of the rate of profit means that equal capitals should yield equal rates of profit; therefore, a surplus-profit will, under conditions of free movement of capital, be eliminated, since such a surplus-profit will 'attract' the entry of capital into the sector where the surplus-profit is earned. This process leads ceteris paribus to a fall in price and an eventual elimination of the surplus-profit. The unequal fertility of soils thus produces a differential surplus-profit which is measured by the cost price prevailing on the least fertile soil. The latter, by definition, yields no surplus-profit and no differential rent. Where g = the general price of production (i.e., the price of production on the least fertile soil), i = the individual price of production and t = the total product, the mass of differential rent in any one unit = $t(g - i)$. This quotient of rent is produced by the

unequal natural conditions of production on different soils, and, therefore, its appropriation is independent of its social conditions of production. Thus, whether this type of ground rent is appropriated by a landowner, a landowner who is also a capitalist, or by the state, its quantity remains unchanged, and it thereby assumes the forms of surplus-value, ground rent or tax.

In contrast, absolute ground rent is a direct product of the existence of private property in land. In the case of differential ground rent, the existence of private property in land determines only the form of appropriation of rent, its appropriation under the form of ground-rent. The pre-condition of differential ground rent is the fact that, on the least fertile soil, production price and market price are equal; in this case, no differential rent is produced. However, if this were the only form of rent, then, in the latter case, there would be no rent per se. The existence of private ownership of land and the existence of a purely differential ground rent thus signals a contradiction: namely that on the least fertile soil the land yields no rent. In this case, the owners of this land cannot extract any rent and cannot, therefore, produce their economic conditions of existence.

To resolve this contradiction Marx introduces the concept of absolute ground rent. Here rent is yielded on the least fertile soil, and is constituted by the difference between market price and price of production on the least fertile soil. For Marx, this rent arises from the fact that private ownership of land permits the withdrawal of land from the market. Thus he states: 'The mere legal ownership of land does not create any ground rent for the owner. But it does, indeed, give him the power to withdraw his land from exploitation until

economic conditions permit him to utilise it in such a manner as to yield him surplus, be it used for actual agricultural or other production purposes, such as buildings, etc. He cannot increase or decrease the absolute magnitude of this sphere, but he can change the quantity of land placed on the market. Hence, as Fourier already observed, it is a characteristic fact that in all civilised countries a comparatively appreciable portion of land always remains uncultivated' (Capital, Vol. III, p. 739).

This withdrawal of land from circulation is seen as the mode in which private ownership in land directly produces absolute ground rent. Land is, therefore, not leased out until the prevailing market price is above the production price on the least fertile soil. Thus it is the existence of the landlord class which determines the existence of absolute ground rent itself, since it is this class which depends on the extraction of absolute ground rent. Agricultural production under capitalism is perfectly conceivable without private property in land and, therefore, without the existence of such a form of ground rent. How, then, should this relation of distribution be analysed, as it is clearly not necessitated by the structure of the capitalist mode of production; on the contrary, private ownership of land is a legal relation with economic effects and an economic 'realisation' within the capitalist mode of production. With regard to this problem, we encounter a paradox in reading Marx's text. If the existence of private ownership in land signals a politico-juridical intervention into the economic instance, and this intervention itself realises a particular distribution of the total mass of surplus-value, how, then, is the magnitude of absolute ground rent determined? Is there a purely 'economic'

explanation of this phenomenon in Marx's work?

The Magnitude of Absolute Ground Rent: A Nascent Economism.

The paradox in Marx's work is that of a purely 'economic' explanation of what has at least been implicitly recognised as an intervention of the politico-juridical instance in the economy. There are two modalities to Marx's explanation of the determination of the magnitude of absolute ground rent. On the one hand, the magnitude is infinitesimal, for the following reasons:

'Since corresponding to our assumptions, landed property does not yield anything until it is leased, and is economically valueless until then, a small rise in the market price above the price of production suffices to bring the new land of poorest quality on the market' (Capital, Vol. III, p. 739).

The reasoning behind this position is admirably simple, the assumption being that the explanation of the economic practice of the landowner is constituted merely by his bringing his land on to the market at a time when the market price is marginally above the production price. This conclusion is based on the conception that the politico-juridical intervention in the economic instance is a given, i.e., that it is simply constituted by the legal existence of private property in land. However, we do not have to treat this intervention in this way and, in fact, it runs in total contradiction with the fundamental conditions of this articulation, namely that the landowner may withhold his land from exploitation. The very existence of the landowning class requires that the primary determination of their revenue is their representation as a class at the level of the state. Marx's assumption takes as given that this represen-

tation may only assume one form, that it is linked to the guarantee of private ownership in land. However, it is clear that it is impossible to make this assumption, and equally impossible to restrict the question of the determination of the magnitude of ground rent to the conditions prevailing on the least fertile soil. Clearly, the magnitude of absolute ground rent is initially determined for the landowning class as a whole by the level of the market price. The absolute gains are greater for the owners of the most fertile soil, and, with regard to the less fertile soil, ground rent in any one unit will be determined by the difference between production price and the market price multiplied by the mass of products produced by that unit. We cannot examine this question in detail here, since this would involve an examination of the conditions of representation of the landowning class at the political level in determinate conjunctures. We may conclude, however, that a nascent economism can be identified, since, in his presentation of the question Marx treats private ownership in land in the same way as the private ownership of the means of production in general. This position necessarily leads to the reduction of the specificity of the politico-juridical intervention to the political conditions of the existence of private property in general.

We encounter this nascent economism again, in the other form of explanation that Marx advances for the determination of the magnitude of absolute ground rent, but here the explanation refers more to the economic conditions of existence of absolute ground rent than to its specific magnitude. Marx presents the problem in the following terms: 'To the extent that the agricultural rent proper is purely

a monopoly price, the latter can only be small, just as the absolute rent can only be small here under normal conditions whatever the excess of the product's value over its price of production. The essence of absolute rent, therefore, consists in this: Given the same rate of surplus-value, or degree of labour exploitation, equally large capitals in various spheres of production produce different amounts of surplus-value, in accordance with their varying average composition. In industry these various masses of surplus-value are equalised into an average profit and distributed uniformly among the individual capitals as aliquot parts of the social capital. Landed property hinders such an equalisation among capitals invested in land, whenever production requires land for either agriculture or extraction of raw materials, and takes hold of a portion of the surplus-value, which would otherwise take part in equalising to the general rate of profit. The rent, then, forms a portion of the value, or, more specifically, surplus-value, of commodities, and instead of falling into the lap of capitalists, who have extracted it from their labourers, it falls to the share of the landlords, who extract it from the capitalists. It is hereby assumed that the agricultural capital sets more labour in motion than an equally large portion of non-agricultural capital. How far the discrepancy goes, or whether it exists at all, depends upon the relative development of agriculture as compared with industry. It is in the nature of the case that this difference must decrease with the progress of agriculture, unless the proportionate decrease of variable as compared with constant capital is still greater in the case of industrial than in the case of agricultural capital' (Capital Vol. III p. 753).

The argument advanced here sets the determination of the magnitude of absolute ground rent as the relative difference between value and price of production in agriculture. Marx argues that the particularly low organic composition of capital in agriculture assures agricultural products the possibility of being continually sold above their production price, but below their value. It is implicit here that absolute ground rent exists because value is above production price. This assumption contains another symptom of economism: What Marx is doing here is to treat the sphere of agriculture as simply another form of monopoly. He is assuming that the conditions in agriculture allow at least a portion of the surplus-profit to be retained, if the product is sold at its value. Here again we find a contradiction. Given that in this sphere the entry of capital is forbidden by the existence of private property in land, why, then, should the limits of the magnitude of absolute ground rent be set by the relation of production price and value? It is clear that, under certain circumstances, the political practice of the landowning class may be capable of obtaining conditions in which the products of agriculture are sold above their value. Again Marx produces a pseudo-economic explanation of the magnitude of absolute ground rent which fails to analyse the specificity of the articulation of private property in land as a politico-juridical intervention into the economic level.

Dispelling these economist illusions about the phenomenon of absolute ground rent constitutes a considerable part of Rey's text. Lifting these illusions enables one to pose the problem of the articulation of private ownership in land in the capitalist mode of production within the context of specific political conjunctures in the transition

from feudalism to capitalism. These conjunctures and their effects in terms of the combined articulation of two modes of production, constitute the primary object of Rey's text, to which we must now turn.

The Dynamics of the Feudal Mode of Production.

Rey is insistent that the articulation of private property in land must be analysed in terms of the separation of the direct producers from the means of production in the transition. We must see this articulation as a function of the class alliance achieved between the capitalist class and feudal landowners in the period of the transition; this alliance is cemented around the function of the latter in the separation of producers from the means of production. But what are the conditions for this alliance in the transitional period? If this alliance is not to be seen in voluntarist terms, involving the correlative assumption of class subjects, then the political conjuncture determining this alliance must be specified. For Rey, the conditions of the alliance are to be found within the structure of the feudal mode of production itself:

'It is the reproduction on an extended scale of the fundamental relation of production, ground rent, which creates the conditions for the development of the capitalist mode of production' (p. 55).

It is the insertion of this fundamental tendency of the feudal mode of production, a tendency to produce a separation of direct producers from the means of production in the transition period, which achieves the transformation of the form of ground rent by means of the class alliance between capitalists and landowners: 'The transitional phase appears as the phase of a double necessity: a necessity of capitalist development

for landed proprietors, since it is this development that assures the development of their rents; a necessity to maintain landed property ownership (under a new form, specific to the transition to capitalism) for capitalists, since only this ensures the provision of labour power on the one hand and commodities (of agricultural origin) on the other' (p. 56).

However, the mode of causality operative in this analysis signals a crucial problem. The dynamics of the feudal mode of production is conceived as establishing an objective situation favourable to the class alliance; there is, therefore, an inherent tendency to the separation of direct producers from the means of production within the feudal mode of production, as a result of the existence of ground rent itself; the latter relation, in Rey's analysis, continues to perform the same function in the transition. This relation, of course, forms the basis for the class alliance, since the latter fulfils a necessary function for the embryonic capitalist class. Here we have a clear case of 'harmony' between the 'objective' and the 'subjective' - a harmony of 'subjective' class interests, since the functionality of the functions is transparent to the classes involved. This implied relation between objective and subjective factors indicates an epistemology which opposes structure to subject, and which is far removed from the necessary internalization of the subject within the structure. This epistemology precludes a full understanding of the concept of conjuncture, since the political conjunctures within the transition are here reduced to the harmony between two classes which is 'permitted' by the inherent tendencies of the feudal mode of production. We must now turn to Rey's analysis of the dynamics of the feudal mode of production, since the key to his theo-

retical error lies within his formulation of this concept.

At the most general level, we can approach this problem by defining the generality of the feudal mode of production. This generality, which excludes variant forms, is one in which there is a dislocation between the conditions of production, the labour process, and the conditions of appropriation; the relations obtaining at the level of the labour process are in no way constitutive of the relations of appropriation of the surplus-product. The latter is determined by a legally defined right to a particular portion of the surplus-product - this constitutes the specificity of the feudal mode of production. By defining the generality of the feudal mode of production, we have precluded any reference to its variants, because it is only at the level of generality that the concept of ground rent defined by Rey as the fundamental relation of production of the feudal mode of production can be treated. This concept designates that the appropriation of the surplus is achieved through the mechanisms of a 'legal right' to a particular portion of the surplus. Yet, by restricting the scope of this concept in such a way, have we not forced ourselves into a choice between empiricism on the one hand and idealism on the other? Empiricism, since the different forms of the feudal mode of production seem unrelated to this concept of mode of production, which surely makes them merely the variants of a particular 'model' of the feudal mode of production? Idealism, for to preclude the above, do we not have to 'deduce' these forms?

These objections would be valid if, at this point, we had exhausted the effects of the concept of ground rent; but this is not the case, since this concept designates

the legal right to a portion of the surplus as the mode of surplus appropriation, and, in so doing, designates the necessary dislocation between the conditions of production and the conditions of real appropriation. Given this dislocation, the effect of the concept of ground rent is to allow a theoretical definition of the forms of ground rent; this dislocation means that ground rent exists through its forms, necessarily never appearing as a form in itself. In putting forward this definition, we are trying to avoid what seems to us to be a crucial problem in Rey's text, and establishing the impossibility of deducing any specific conditions of production from the concept of ground rent itself.

Whilst Rey does not fall fully into this specific error, he falls into an equivalent one, since he assumes that all the specific conditions of production under the feudal mode of production have the same effect; this effect is, of course, the separation of direct producers from the means of production. In so doing, Rey makes two assumptions: on the one hand that we may 'identify' a fundamental tendency in the feudal mode of production - the tendency to 'extended reproduction' of ground rent - (a tendency the effect of which is to accelerate the process of the separation of direct producers from the means of production), and, on the other, that this tendency is intimately linked with the increasing dominance of the feudal landed proprietors within the feudal mode of production.

Are such deductions legitimate? The structure of the feudal mode of production, as we have outlined it, defines the 'space' in which the struggle for the surplus product is fought out; the struggle for ground rent occurs primarily through the direct mechanism of the

legal instance. Rey's deduction, however, goes much further, for he seeks to deduce the results of the class struggle effected in this space. One can clearly identify a tendency toward the increased extraction of ground rent, whatever its form, within the feudal mode of production, but this only allows us to identify the conditions favouring the increased extraction of ground rent by the landowning class. Among these we would include primarily the control over local legal jurisdiction exercised by the feudal landed proprietor. However, this tendency, in itself, has no univocal tendency to 'realise' itself within the feudal mode of production, since it encounters 'offsetting factors'; in these, we would include political class struggle between the feudal nobility and monarch around the question of the scope of local jurisdiction, the tendency to define ideologically a customary portion of the surplus, this being in contradiction to the 'expansion' of the extraction of ground rent.

However, in identifying such a tendency we are making a considerable simplification, since, as we outlined earlier, ground rent exists through its forms. The struggle for ground rent must be a struggle for a particular form of ground rent, or, rather, for a particular combination of forms of ground rent. These forms have their own conditions of existence and their own constraints. We may note here that, corresponding to his 'deductivism', Rey has a tendency to reduce the effects of distinct forms of ground rent. Thus, in his analysis of the articulation of private property in the capitalist mode of production, we read: 'In effect, the landed proprietor will only accept a capitalist development of production on his land if this development allows him to retain a rent at least equal

to the rent fixed within the previous mode of production' (p. 41).

The correlate of this position is, of course, a voluntarism with respect to the forms of rent, namely the notion that the proprietor himself will be able to determine the form of rent which he requires. What is ignored here is the possibility of a dislocation between the form of revenue required by a landed proprietor in a particular economic conjuncture and the forms of rent extractable in that conjuncture. In dealing with the constraints and conditions of the existence of any particular form (or combination of forms) of rent, we must include not only the conditions operative at the economic level (see here Marx's remarks on money rent), but also the possibility of articulation of certain forms of rent with certain legal statuses. The possibility of such a dislocation leads to another problem in Rey's analysis, namely his identification of the development of ground rent with the increasing dominance of the landowning class, since this dislocation involves the obvious possibility that the class of landed proprietors may be forced to obtain the form of revenue that they require by other means than the extraction of ground rent. An obvious and crucial example here is the alienation of rights of possession, of legal rights to a portion of the surplus, in return for monetary payment. We are in no position to deal with the effects of such alienations, but merely state that their effects are, again, effects specific to determinate economic conjunctures. Furthermore, it is also clear that the dislocation between the form of revenue required and the forms of rent extractable in a particular economic conjuncture involves the existence of a mechanism of separation of the landed proprietors from their posses-

sion of feudal rights over the surplus. This is crucial, not so much in its immediate economic effects, as in its effects upon the political and juridical instances.

An Ideological Conception of Dynamics

In raising these problems, we have attempted to indicate the symptoms of what seems to us an ideological conception of the dynamics of the feudal mode of production. Our object now, is to confront Rey's text with an ideological concept of dynamics, and to subject it to criticism from within historical materialism. Again, we shall examine that part of Rey's text which defines the fundamental tendency of the feudal mode of production:

'It is the reproduction on an extended scale of the fundamental relation of production of the feudal mode of production, ground rent, which creates the conditions of development of the capitalist mode of production' (p. 55).

To illustrate this further, we can observe the same theoretical tendency in the following:

'But in the case of the transition from feudalism to capitalism, this intervention (that of the juridico-political - trans) only appears as the continuation of the feudal mode of production itself, since the latter has already been capable of creating within itself, through the simple dialectical development of its own reproduction, the conditions for the birth of the capitalist mode of production for the first time' (p. 67).

The theoretical effects of these texts become clear when they are seen within the context of the ideological concept of the dynamics of a mode of production. Balibar has outlined the meaning and effects of such a concept:

'Such an ideological reading provides the base from which it is possible to characterise the whole Marxist theory of the economic structure as a dynamics. The concept has been re-introduced in this way in order to oppose Marx to classical and modern political economy, while situating both on the same terrain, and assigning them the same "economic" object: Marx thus becomes one of the innovators, perhaps the main one, who have introduced "dynamic" theory into political economy. This has made it possible to present classical and neo-classical economics as theories of economic equilibrium, i. e. , of a "statics" of the connexions of the economic structure; while Marx, on the contrary, is supposed never to have seen the study of equilibrium as anything more than a provisional moment, operational in scope, an expository simplification; the essential object of Marx's analysis is the time of the evolution of the economic structure, analysed in its successive components, the different "times" of Capital'.³

The implication of this use of dynamics is twofold: Firstly, that every 'moment' of a mode of production is a moment of its dissolution, since the synchronic is merely a 'model', an abstraction justified for the purposes of 'simplification'. Secondly, the concept of the dynamics of a mode of production is simultaneously the concept of its transition, and for this reason, reproduction is either an assumption (the assumption of a statics) or, in reality, reproduces transition in itself. In the set of concepts deployed by Rey, we can recognise this historicist problematic, for the moment of reproduction is itself a moment in transition- the concepts of the internal reproduction of the structure are the concepts of its transition.

Rey is aware of this problem, but his answer reflects an historicist answer to a form of historicism: 'In fact. . . the reproduction of the previous form is not, for Marx, the negation of this form, in itself, but is simply the creation of the conditions of the development of a new form' (p. 55).

This answer does not dispel the problem, for the creation of these conditions may not ensure the nature of the transition which will be effected; similarly, Rey's answer shows the impossibility of distinguishing between reproduction and transition within his historicist problematic.

If our identification is correct, then we must approach Rey's formulation of the fundamental production relation of the feudal mode of production as being that of ground rent, in the light of the concepts outlined above. If the conditions of reproduction and transition are identical in the sense that we have formulated, and, correlatively, these concepts are themselves identical, this should be clearly revealed in 'the fundamental relation of production' of the feudal mode of production. But if this is to be done, it is equally necessary to say that the concept of ground rent in both its roles - in reproduction and transition - is the concept of a univocal tendency. By this we mean a concept which defines the tendency of a structure to its own dissolution. This means that ground rent and its forms are the same, or, at least, have the same effects. We find that this reading is somewhat confused when we turn to Rey's text. In criticising an asymptotic conception of the concept of mode of production, Rey states:

'This conception of the mode of production excludes the approach characteristic of Marxist thought, from the

abstract to the concrete (in thought), according to which the modes of production are "simple" elements, whose articulation constitutes the "complex" whole of a social formation' (p. 74).

Here the opposition is between 'simple' (mode of production), and 'complex' (articulation of modes of production). Furthermore, in the text itself we find this conception reflected in 'simple' (feudal mode of production), and 'complex' (articulation of feudal and capitalist modes of production). The attribution of a univocal tendency to the feudal mode of production, however, creates a problem, for what, then, are the characteristics of the feudal social formation which define it as a complex whole? These are unstated; the univocal tendency will be realised, irrespective of the articulation of other modes of production, and the complex totality is not ever pre-given, but is engendered in the transition through the articulation of the feudal and capitalist modes of production. Here we encounter the re-appearance of a fundamental historicist thesis, namely that the modalities of 'society effects' of feudal and capitalist society exhibit an ontological difference - simple effect and complex effect respectively. The contemporaneity of feudal society is the contemporaneity of its univocal tendency, its supersession, and, finally, the conditions of its supersession.

However, such a conception should equally lead us to the question of whether the concept of the articulation of modes of production is itself adequate in Rey's text. The articulation is ultimately thought in terms of the presence of the same element in both modes of production; this element is, as we have seen, the relation of ground rent, which is analysed in terms of its changing

place and the effects of this change in two modes of production. Thus the element itself develops linearly, and is not transformed. Here we encounter a crucial essentialism, for the element of ground rent (in its generality) in the feudal mode of production precludes the possibility of private ownership in land, since ground rent itself signifies the legal right to a portion of the surplus: this right, and even the land directly controlled by a feudal landed proprietor, is not owned, but possessed. It is precisely for this reason that, for example, alienation of land is not a change in ownership, but a change in the right of possession. Thus, the articulation of this relation within the capitalist mode of production pre-supposes a crucial transformation not only of place (production relation - distribution relation), but also of the nature of the element itself. If we are to think this problem, we must reject the problematic in which the concept of reproduction is also the concept of transition. For Rey, the transformation of this relation in its articulation within the feudal mode of production is effected by a class alliance, but, in reference to the mode of causality operative in this schema, we can see that the fundamental relation of production is something which is already there in the objective situation, something 'carried over' into the class alliance itself. Thus the question is one of 'identifying' the function of this element.

Finally, we must ask the question of how the particular class alliance is itself possible? Its possibility clearly derives from the invariant combination of the fundamental tendency of ground rent with a social class, the landowners. This tendency, in turn, produces an invariant dominant class. The existence of ground rent is then **simultaneously** the existence of a dominant class

of feudal proprietors. We have attempted to show that this analysis precludes the study of concrete political conjunctures. The study of the latter involves the operation of structural causality, which, in its simplest form, entails that the place of a social class is not pre-given, since such a pre-giveness is a negation of the concept of conjuncture itself. For Rey, the class alliance between capitalists and feudal landed proprietors may only appear as the working out of a pre-given univocal tendency. The latter must in the last instance be referred to essential class subjects with a necessary historical mission, which is itself a function of the objective results of their own class interests. The class alliance is, therefore, the result of the intersection of two distinctive 'subjective' class interests in one 'objective' effect. It follows that the concept of conjuncture cannot function in Rey's text, and is necessarily replaced by the concept of stages, in which the objective effects of class interests are in harmony in certain stages (in the process of the separation of direct producers from the means of production), and in disharmony in other stages (when this separation has been completed).

Sur L'Articulation des Modes de Production constitutes a preliminary approach to the problem of the transition from dominance by a feudal to dominance by a capitalist mode of production within the Marxist problematic. As such, it is an important work in the analysis of the general characteristics of this transitional mode of production, its effecting a displacement of the dominant instance. The text is important, precisely because it dispels the economist illusions inherent in Marx's analysis of absolute ground rent. This is essential in order to begin to pose the problem of the articulation of

private ownership in land in the capitalist mode of production, within the context of specific political conjunctures in the transition. Nevertheless, it seems to us that Rey's text remains within a historicist problematic. This imposes definite limitations upon his analysis of the transition, and it is these that we have attempted to outline in our theoretical remarks.

Notes

1. Etienne Balibar: 'On the Basic Concepts of Historical Materialism', Reading Capital, NLB 1970.
2. Sur L'Articulation des Modes de Production, by Pierre-Philippe Rey, Vols. 13-14 of Cahiers de Planification, ed. Charles Bettelheim, pub. Centre D'Etudes de Planification Socialiste, Ecole Pratique Des Hautes Etudes, Paris (1968).
3. Balibar, op. cit, pp. 295-6.

The Concept of 'Critique' and the 'Critique of Political Economy'

(From the 1844 Manuscripts to Capital)

by JACQUES RANCIERE

(Continued from Theoretical Practice numbers one and two)

II CRITIQUE AND SCIENCE IN 'CAPITAL' (Continued)

2. Structure of the Process and Perception of the Process

A) THE DEVELOPMENT OF FORMS AND THE INVERSION

We have established a first concept expressing the relation between the internal determination of the process and its forms of appearance (or forms of manifestation): the concept of concealment. In doing so, we have provisionally left in the shade a second concept which defines this relation: the concept of inversion (Verkehrung).

Studying the change in form which converts the value of labour-power into value of labour, Marx declares: 'This phenomenal form... makes the actual relation invisible, and indeed, shows the direct opposite of that relation' (Vol. I, p. 540).¹

'In the expression "value of labour" the concept of value is not only completely obliterated, but inverted into its opposite' (Bd. 23, p. 559; Vol. I, p. 537).

What does this inversion consist of? What appears in the form of wages is the fact that the worker is paid for the whole of his working-day without distinction, whereas in reality the wages correspond to the value of the labour-power, and therefore to the part of the working-day during which the worker reproduces the value of his own labour-power. In the form of wages, the basis for the understanding of surplus-value (the division of the working-day) is thus reversed.

One of the essential points of the revolution brought about by Marx in political economy consists of his bringing to light in its domain this connection of inversion between scientific determination and phenomenal form, which is for him a general law of scientificity.

'That in their appearance things often represent themselves (sich darstellt) in inverted form is pretty well known in every science except political economy' (Vol. I, p. 573).

The inversion of the inner structural determinations, which bear witness to the constitutive character of the relations of production, in their forms of manifestation, thus appears as a fundamental characteristic of the process. It is this law which determines the development of its forms.

We already have an illustration of this even at the level of mere monetary circulation. Money is in fact a form of existence of the value of commodities and monetary circulation a form of motion for the contradictions in commodities. But an examination of the movement of circulation as it is given in ordinary experience reveals a different presentation:

'The currency of money is the constant and monotonous repetition of the same movement. The commodity is always in the hands of the seller; the money, as a means of purchase, always in the hands of the buyer. And money serves as a means of purchase by realising the price of the commodity. In this realization it transfers the commodity from the seller to the buyer and itself moves from the hands of the buyer into those of the seller, where it again starts out on the same route with another commodity. At first sight this one-sided movement of money does not seem to arise out of the two-sided movement of the commodity. Circulation itself begets the opposite appearance... It is the money which seems to circulate commodities motionless in themselves and to transfer them from hands in which they are non-use-values to hands in which they are use-values in a direction constantly opposed to its own direction. It is continually withdrawing commodities from the sphere of circulation and stepping into their places while abandoning its own. Hence although the movement of the money is merely the expression of the circulation of commodities, the circulation of commodities seems on the contrary to be merely the result of the movement of the money' (T. I, p. 123; Vol. I, p. 115).

Here Marx distinguishes between two motions: a real motion which is the movement of value, a movement which is concealed in the repetition of the process of circulation,

and an apparent motion, a movement accredited by everyday experience, and which presents the inverse of the real motion.

We find that this relation of inversion is confirmed as we pass from the most abstract and least developed forms of the capitalist process to its most developed and most concrete forms. It is the development of these 'concrete forms which grow out of the movement of capital as a whole' (Vol. III, p. 25), forms determined by the unity of the production process and the circulation process in the process of capital as a whole, that forms the object of Volume Three of Capital. This development ends with the forms which are manifest at the surface of capitalist production, those in which different capitals confront one another in competition, and which are perceived in their daily experience by the economic subjects to whom Marx gives the name of agents of production.

The development of the forms of the process is thus governed by the law of inversion: the forms in which the process of capitalist production presents itself or appears are rigorously inverted with respect to its inner determination. They present a connection of things (Zusammenhang der Sache) which is the inverse of the inner connection (innere Zusammenhang), an apparent motion which is the inverse of the real motion of capitalist production. It is this form of the apparent motion or of the connection of things which is given to the perception of the agents of production.²

We shall study this law in a precise example: the theory of the 'grounds for compensating' expounded by Marx in Volume Three (pp. 204ff.). However, before beginning our study of this text, I must first make two preliminary remarks.

1) The analysis of the grounds for compensating presents the application of the following passages from Volume One: 'The general and necessary tendencies of capital must be distinguished from the forms of their appearance. It is not our intention to consider here the way in which the tendencies, immanent in capitalist production, are reflected in the movements of individual capitals, where they assert themselves as coercive laws of competition and are brought home to the capitalists as the motives of their operations. A scientific analysis of competition in fact presupposes an analysis of the inner nature of capital, just as the apparent motions of the heavenly bodies are not intelligible to any but him who is acquainted with their real motions' (T. II, p. 9; Vol. I, p. 316).

In the relation between these three terms: tendencies immanent to capitalist production (real motion), movements of individual capitals (apparent motion) and the motives of the capitalists, we can see the outline of a theory of capitalist subjectivity, a theory of motors and motives, completely different from that of the 1844 Manuscripts. It is not the motives of the capitalist that turn against him in the form of objectivity; it is the tendencies specific to capital, the structural laws of the capitalist mode of production, that, through the phenomena of competition, are internalized as motives by the capitalists.

In Volume One this problem could only be posed incidentally. In Volume Three, on the contrary, the analysis of the inner nature of capital reaches the point where Marx is able, without analysing competition in itself, to pose the basis for such an analysis: the determination of the relation between real motion and apparent motion.

2) The analysis of the grounds for compensating is a part

of the study of the equalization of the rate of profit through competition. Its understanding demands that we recall the broad outlines of the transition from surplus-value to profit and the establishment of an average rate of profit.

a) surplus-value and profit

Let us start with the formula c (constant capital) + v (variable capital) + s (surplus-value), which expresses the value of commodities. We derive from it the rate of surplus-value, $= s/v$. The formula s/v expresses what Marx calls the conceptual connection. In fact it expresses the origin of surplus-value as the ratio of unpaid to paid labour.

At the level of the concrete phenomena of the process of capital as a whole, surplus-value does not appear. What does appear is a form of appearance of surplus-value: profit. Like all forms of appearance, profit is at the same time a form of concealment. In fact, what is considered in it is no longer the conceptual connection of surplus-value with variable capital, but its a-conceptual (begriff-slose) connection with the whole of capital, a connection in which the differences between the component elements disappear, in which, therefore, according to Marx, 'the origins of surplus-value and the mystery of its existence' are obliterated.

The rate of profit is expressed by the formula

$$\frac{\pi \text{ (profit)}}{p \text{ (cost of production)}}$$

which in reality represents s/v , the mass of profit being equal to the mass of surplus-value and the sum $c + v$ determining the cost of production.

b) the establishment of the average rate of profit
Unlike the rate of surplus-value, the rate of profit is determined by variations of constant capital. Independently of the rate of surplus-value and the mass of profit, the rate of profit will vary as a function of the lesser or greater importance of constant capital in relation to variable capital (which alone produces surplus-value).

If a capital has an organic composition lower than the average, i.e., if the proportion of constant capital in it is lower than the average, then the rate of profit will increase, and vice versa.

In a situation of perfect competition, there will be a flow of capital towards the spheres in which the rate of profit is higher than the average. This inflow of capital will induce an expansion of supply in relation to demand and vice versa in the spheres from which the capital has been withdrawn. Thus an equilibrium will be established: 'Through this incessant outflow and influx, or, briefly, through its distribution among the various spheres, which depends on how the rate of profit falls here and rises there, it creates such a ratio of supply to demand that the average profit in the various spheres of production becomes the same, and values are, therefore, converted into prices of production' (Vol. III. p. 192).³

As a consequence, capitals of the same size will yield equal profits, independently of their organic compositions. The law of value is thus overturned, or, more accurately, it is realised in the form of its opposite. But this determination by the law of value is known only by science. The forms of competition in which it is realised conceal it. This is what Marx shows in the passage on the grounds for compensating.

'What competition does not show, however, is the determination of value, which dominates the movement of production; and the values that lie beneath the prices of production and that determine them in the last instance' (Vol. III, pp. 204-5).

On the contrary, competition does show three phenomena which go against the law of value:

- 1) the existence of average profits independently of the organic composition of the capital in the various spheres of production, and therefore of the mass of living labour that a capital expropriates in a determinate sphere;
- 2) the rise and fall of prices of production consequent on a change in wages;
- 3) the oscillation of market prices around a market price of production different from the market value.

'All these phenomena seem to contradict the determination of value by labour-time as much as the nature of surplus-value consisting of unpaid surplus-labour. Thus everything appears reversed in competition. The final pattern (fertige Gestalt) of economic relations as seen on the surface, in their real existence and consequently in the conceptions by which the bearers and agents of these relations seek to understand them, is very much different from, and indeed quite the reverse of, their inner but concealed essential pattern (Kerngestalt) and the conception (Begriff) corresponding to it' (Vol. III, p. 205).

We have in this passage the elements of a theory:

- of the structure of the process
- of the place of the subject in that structure
- of the possibility of ideological discourse and its difference from science.

Let us put the relevant terms together in a general table:

	Verkehrung (inversion)	
fertige Gestalt		Kerngestalt
Surface real existence		inner essential
Supports Agents		Begriff
↓		↓
→		→
(Vorstellungen) erklären		

We can complement this table with a certain number of equivalent terms. The level of the fertige Gestalt is also that of the connection of things, of the apparent motion and of reality (Wirklichkeit). The level of the Kerngestalt is that of the inner connection and of the real motion.

To start with, this table enables us to specify the concept of science. In order to do this, let us recall the passage which defined classical economics as a science.

'Classical political economy seeks to reduce (zurück-führen) the various fixed and mutually alien forms of wealth to their inner unity (innere Einheit) by means of analysis and to strip away the form in which they exist independently alongside one another. It seeks to grasp (begreifen) the inner connection in contrast to the multiplicity (Mannigfaltigkeit) of outward forms (Erscheinungsformen)' (TSV, Pt. 3, p. 500).

We noted that in this project of classical political economy the dimension of science was installed by the establishment of a difference whose concept was not thought. Let us try to look more closely at why it was not, by examining the system of terms which in our text define the operation of begreifen, the pattern of the Begriff.

zurückführen
Einheit

Mannigfaltigkeit
Erscheinungsformen

It is a question of the reduction to a unity of the multiplicity of phenomenal forms, which defines a Kantian-style project. By utilizing this Kantian vocabulary, Marx designates a certain type of relationship between the science and its object of investigation, which in the Theories of Surplus-Value he characterizes as formal abstraction, false abstraction, insufficient abstraction.

By restricting itself to an external relationship between the inner unity and the multiplicity of the Erscheinungsformen, this type of abstraction misses the development of form which enables the Kerngestalt to be realised in a fertige Gestalt which contradicts it, which makes the apparent motion a function of the real motion. This is linked to the fact that the conditions of possibility of this unity have not been thought, the fact that the motor of the system has not been discovered. Having thought these conditions of possibility, Marx is able to formulate the concept of the constitutive difference of science, to assign science its exact function. If, in the development of the forms of the process, the inner essence, the essential pattern, disappears, concealed and inverted in its developed forms, if it becomes an invisible element (as surplus-value does in the form of profit), science is founded as the science of that invisible, a reduction of the visible movement to the invisible movement. It is therefore possible to replace the first definition of science by this new definition, which may seem just as schematic at first sight, but which we shall be able to explain rigorously: 'It is a work of science to resolve the visible, merely external movement into the true intrinsic movement' (Vol. III, p. 307).

This reduction of the apparent motion is in fact no more than the presentation of the real motion. That is why the term which designates scientific activity, in our text, is that of Begriff. It is a matter of grasping the movement by which the inner determination of the process manifests itself.

It is by no means useless to situate the concepts of Begriff and begreifen in relation to the 1844 Manuscripts. There the operation of begreifen designated a translation into a reference anthropological discourse. From then on all the categories of political economy could be rediscovered as expressions of the same concept (alienated labour). Each was only a 'developed and determinate expression' of those 'prime bases' constituted for Marx by private property and alienated labour. He gave as examples of categories which could thus be developed: commerce, competition, capital, money.

In this 'developed and determinate expression' we have a formulation very close to those of Capital. But what it in fact designated was a simple relationship between the (anthropological) essence and the phenomenon which was its particularized expression. Begreifen merely established a difference of level between an essence and phenomena which for their part were all at the same level, expressions of the essence with the same status. What was neither developed nor determined in the enumeration of categories (commerce, competition, capital, money) was precisely the difference of levels between money and capital, between the movement of capital and the movement of competition, it was the articulation of these categories in the system of capitalist production.

In Capital, begreifen consists on the contrary of the location of each of these categories by grasping the move-

ment of the forms in which the process of capitalist production takes place. The conceptual work grasps the articulation of the forms insofar as it grasps what determines their articulation, i.e., the social relations. Thus the conceptual connection of the rate of surplus-value makes it possible to apprehend the social relation concealed by the a-conceptual connection of the rate of profit.

By this conceptual grip the science is able to grasp the articulation of the structure. By that very fact it can provide the conditions of possibility of the discourses which can be sustained about it by determining the site from which those discourses are sustained, the site in which are active the representations (Vorstellungen) of the subject.

B) THE FUNCTION OF SUBJECTIVITY

The subject, the agent of production, is defined here and in numerous other passages as a support (Träger).

This concept is crucial. We have already seen Marx use it to define the economic objects. That this concept serves to define both the subject and the object clearly shows the displacement of concepts that has been brought about. In the 1844 Manuscripts the central couple was the couple subject/object (or person/thing). The relations defining economic reality existed in the sphere determined by this subject/object couple: action of the subject on the object, inversion of the subject/object relation, recognition of the subject in the object. In Capital it is the position of eccentricity of the relations of production which determines the place of the subject and the object. The subject/object couple is no longer the matrix determining the constitution of the domain of economic

reality. The subject is only the support of the relations of production constitutive of economic objectivity.

We are dealing with the following series of transformations:

Subject → agent of production (support)
Act → Process
Object → sensuous-supersensuous thing (support)

In the first column it is the subject which is the motor, in the second, the relations of production.

We can measure the distance between the theory of subjectivity in Capital and the theory of subjectivity of the Young Marx by referring to the schema of the 1843 Manuscript (see Theoretical Practice number two, pp. 30-33). We can see what a gap there was in this schema between the real, substantial subject which Marx defined as the hypokeymenon, and the mystical subject, that support of the autonomous idea, the mystical Idea. Here the substantial subject comes to coincide with the support. The concept of the support, which designated one of the terms of the speculative operation that confirmed the separation of the subject and its essence, here serves to situate the determination of the subject in the real process. By a double movement, Marx closes the structure of speculation while opening the structure of a process in which the subject finds its place.

On the one hand, the subject loses the substantial density which made it the constitutive principle of all objectivity, of all substantiality, retaining only the meagre reality of a support. On the other hand, if, as we have shown, speculation and mystification, far from being the result of a transformation produced on the basis of Wirklichkeit by a certain discourse, characterize the

very mode in which the structure of the process presents itself in Wirklichkeit, the essential content of the subject function will consist of 'being-mystified'.

We observe a transformation of the same order if we envisage the second concept which determines this subject function: this is the concept of personification, which also finds a counterpart in the model of the 1843 Manuscript. The capitalist and the worker are found to be determined as personifications of those relations of production, capital and wage labour. In this way, Marx writes, in a text all the more interesting in that we rediscover in it the problematic of enjoyment and calculation founded on a new basis:

'Except as personified capital, the capitalist has no historical value, no historical right to existence, and no social raison d'être. And so far only is the transitory necessity for his own existence implied in the transitory necessity for the capitalist mode of production. Thus the determinant aim of his activity is not values in use and the enjoyment of them, but exchange-value and its constant augmentation. The development of capitalist production makes it constantly necessary to keep increasing the amount of the capital laid out in a given industrial undertaking, and competition makes the immanent laws of capitalist production to be felt by each individual capitalist, as external coercive laws' (T. III, p. 32; Vol. I, p. 592).

The agent of production is thus defined as a personification or support of the relations of production. He intervenes here not as a constitutive subject but as a perceiving subject trying to explain to itself the economic relations that it perceives. The verb erklären, which was the Young Marx's expression for the critical activity, here

designates the necessarily mystified manner in which the capitalist subject tries to understand the structure in which it is caught (befangen). Its representations are, indeed, according to Marx, only 'the conscious expression of the apparent motion'. Its instruments of knowledge are intuition and especially experience, linked to the regularity of the apparent motion, to the stable forms of the fertige Gestalt. Experience teaches certain regular connections, for example a connection between wages and the prices of commodities from which can be drawn the conclusion that an increase in wages raises prices.

Let us see how this system works in the case of the grounds for compensating.

'As soon as capitalist production reaches a certain level of development, the equalization of the different rates of profit in individual spheres to general rate of profit no longer proceeds solely through the play of attraction and repulsion, by which market-prices attract or repel capital. After average prices, and their corresponding market-prices, become stable for a time it reaches the consciousness of the individual capitalists that this equalization balances definite differences, so that they include these in their mutual calculations. The differences exist in the mind of the capitalists and are taken into account as grounds for compensating. Average profit is the basic conception, the conception that capitals of equal magnitude must yield equal profits in equal time spans' (Vol. III, p. 205).

The illusion of the capitalist subject can be broken down into two elements:

1) It internalizes as the motives for its actions the phenomena of the apparent motion through which is realised the law of the real motion, of which it is

ignorant. Thus the grounds for compensating are merely the phenomenon of the equalization of the rate of profit by competition internalized by the capitalist as the motive determining his calculations.

'This conception serves as a basis for the capitalist's calculations, for instance, that a capital whose turnover is slower than another's, because its commodities take longer to be produced, or because they are sold in remoter markets, nevertheless charges the profit it loses in this way and compensates itself by raising the price' (Vol. III, pp. 205-6).

2) On this basis, capitalism imagines that it is the grounds for compensating which determine the existence of the profit, whereas they do no more than translate the distribution of the mass of profit constituted by the total exploited surplus-labour in all spheres as a function of the importance of the individual capitals.

'The capitalist simply forgets - or rather fails to see, because competition does not point it out to him - that all these grounds for compensation mutually advanced by capitalists in calculating the prices of commodities of different lines of production merely come down to the fact that they all have an equal claim, pro rata to the magnitude of their respective capitals, to the common loot, the total surplus-value. It rather seems to them that since the profit pocketed by them differs from the surplus-value they appropriated, these grounds for compensation do not level out their participation in the total surplus-value, but create the profit itself, which seems to be derived from the additions made on one or another ground to the cost-price of their commodities' (Vol. III, p. 206).

We can disengage from this analysis three important

elements:

1) We see that at the level of the consciousness of the agent of production, there is a perception of the apparent motion and a confirmation of the inversion which is constitutive of it.

In the real motion, profit depends on surplus-value, i.e., on unpaid labour. It is the total mass of the exploited surplus-labour which determines the mass of surplus-value, which therefore determines the limits within which the distribution of profit can take place. The law of labour-value thus plays the part of a regulatory law for the whole of production. The category of profit does not concern the production of surplus-value, but its distribution. The apparent motion makes this movement of distribution of surplus-value appear as constitutive of surplus-value. The capitalist subjectivity which internalizes these phenomena under the rubric of grounds for compensating can thus pose its motives as constitutive.

2) We see at the same time what is represented by the representations (Vorstellungen) of the agent of production. It is the categories of his practice. The capitalist has no reason to concern himself with the internal structure of the process. The categories he needs are those which express the forms of the apparent motion in which he lives his practice and carries out his calculations. The constitutive categories of the process are for him in some sense the rubrics of his account-book.

Thus the system of capitalist illusions is expressed in a theory of magnitudes. The determination of the value of commodities by labour-time is something which takes place behind the back of the capitalist, surplus-value does not figure in his account-book. For his calculations he

needs given regulatory magnitudes. He finds them in the magnitudes determining the distribution of the value produced: wages, profit, and rent. At the surface of capitalist production, and therefore in the capitalist's experience, these latter appear as the elements constituting the value of commodities. Thus the capitalist makes them enter his calculations as magnitudes constitutive of value.

'Here, then, experience shows theoretically, and the self-interested calculation of the capitalist shows practically, that the prices of commodities are determined by wages, interest and rent, by the price of labour, capital and land, and that these elements of price are indeed the regulating constituent factors of price' (Vol. III, pp. 852-3).

3) Lastly, we can determine in this concept of calculation the displacement which has taken place vis-à-vis the 1844 Manuscripts. In the 1844 Manuscripts, the theory of calculation was the index of the capitalist subjectivity turned against itself. The capitalist, in calculating for himself, served as a business agent not for the Hegelian universal spirit, but for the development of the human essence. Here the calculation of the capitalist is located at the level of the apparent motion of the structure. The capitalist believes that his calculation determines the movement of value whereas the former is determined by the latter. The theory of capitalist calculation is a theory of the illusion necessary to the capitalist for him to occupy his place as an agent of production, as a support of the capitalist relation.

We rediscover here the mechanism of appearance (Schein) as a dislocation between the constitution of forms and their perception. The capitalist subject qua perceiving

subject becomes conscious of certain relations presented by the apparent motion. When he makes them the motives for his action, he comes to take himself for a constitutive subject. He thinks he sees in the Erscheinungen the results of his own constitutive activity. In this manner in which the subject presents itself as constitutive we see the ultimate form of the mystification which we have said is constitutive of its being.

Another example is provided by the fall in the rate of profit, similarly taken for an operation determined by the will of the capitalist.

'The phenomenon, springing from the nature of the capitalist mode of production, that increasing productivity of labour implies a drop in the price of the individual commodity, or of a certain mass of commodities, an increase in the number of commodities, a reduction in the mass of profit on an individual commodity and in the rate of profit on the aggregate of commodities, and an increase in the mass of profit on the total quantity of commodities - this phenomenon appears on the surface only in a reduction of the mass of profit on the individual commodity, a fall in its price, an increase in the mass of profit on the augmented total number of commodities produced by the total social capital or an individual capitalist. It then appears as if the capitalist adds less profit to the price of the individual commodity of his own free will, and makes up for it through the greater number of commodities he produces' (Vol. III, pp. 225-6).

Here again, full light is cast on the relation between three terms: immanent tendencies of capital, apparent motion and the consciousness of the capitalist.

'The fall in the rate of profit appears in this case as an

effect of an increase in capital and of the concomitant calculation of the capitalist that the mass of profits pocketed by him will be greater at a smaller rate of profit' (Vol. III, p. 220).

The place of the agents of production in the process thus determines the necessary representations of their practice as mere expressions of the apparent motion of capital and therefore as totally inverted with respect to its real motion. This explains and founds the concept of inversion (Verkehrung) which was used even in The German Ideology to define ideology, but which then remained unfounded, due to the fact that Marx did not establish the difference between the Kerngestalt and the fertige Gestalt. In The German Ideology, Marx was still a prisoner of an ideological concept of Wirklichkeit. For him, science was situated at the level of Wirklichkeit. It was, he said, a matter of studying reality as an ordinary man. As he did not think the difference between reality and the real motion, the inversion appeared as a mere function of a subjectivity - explanation being provided by the characterization of that subjectivity as petty-bourgeois. Stirner and Bauer were petty-bourgeois, and it was the essence of petty-bourgeois subjectivity, which was incapable of seeing reality, to reflect it upside-down.

Here the inversion is founded in the structure of the process itself. The difference between this concept and the concept of Verkehrung which characterized the speculative operation for the Young Marx has likewise been established.

The place of the agents of production thus defined determines at the same time the site from which a certain discourse on economics is pronounced: the discourse of

vulgar economics.

'Vulgar economy actually does no more than interpret, systematize and defend in doctrinaire fashion the conceptions of the agents of bourgeois production who are entrapped in bourgeois production relations' (Vol. III p. 797).

In the Third Manuscript, political economy featured as the discourse of capitalist subjectivity. Here that function falls to a particular discourse: that of vulgar economics. Classical economics on the other hand is located on the terrain of science, and it is on that terrain that the difference between it and Marx's scientific discourse is established.

C) VALUE AND PRICE OF PRODUCTION - A RETURN TO THE PROBLEM OF ABSTRACTION

We now have the means of specifying this difference. We shall do so à propos of a problem which has given rise to considerable discussion: the relation between value and price of production.

Let us recall the definition of price of production: 'The price of production of a commodity is equal to its cost-price plus the profit, allotted to it in per cent, in accordance with the general rate of profit, or, in other words, to its cost-price plus the average profit' (Vol. III, p. 155).

In the price of production the inversion we have already examined is realised: equal capitals yield equal rates of profit independently of the organic composition of capital, which seems to overturn the theory of value.

'Indeed, the basis itself - the determination of the value of commodities by the labour-time embodied in them -

appears to be invalidated as a result of the conversion of values into cost-prices' (TSV, Pt. 3, p. 483).

Since the publication of Capital Volume Three this contradiction has given rise to discussions whose echo we find in Engels's Supplement to Volume Three. More recently we find it problematized in an article by an Italian economist, Pietranera: La Struttura logica del Capitale (Società, 1955). Pietranera attempts to give an explanation based on the concepts advanced by Della Volpe to define the scientificity of Marxism.

To start with, he criticizes a type of explanation founded on an analogy with physics. According to this explanation, the law of labour value is a theoretical law, valid in vacuo. But in the reality of economic phenomena, we are dealing with a full space. As a result there are a number of accidental perturbatory phenomena analogous to the phenomena of friction. The difference between value and price of production thus expresses the difference between a law operating in vacuo and a law operating in fullness.

For Pietranera this empty/filled opposition refers to a theory of abstraction that is not Marxist. To it he opposes a theory of determinate abstraction, i.e., of the abstraction representing a determinate stage of historical development.

He supports his interpretation with the following quotations.

1) A passage from Volume Three (p. 174):
'The exchange of commodities at their values, or approximately at their values, thus requires a much lower stage than their exchange at their prices of production, which requires a definite level of capitalist development.'

2) The Supplement to Volume Three written by Engels in order to reply to various objections and interpretations aroused by our problem. In this text, Engels wants to refute the opinion that the law of value is no more than a 'theoretical fiction' or an abstraction corresponding to nothing real. This leads him to write:
'The Marxian law of value holds generally, as far as economic laws are valid at all, for the whole period of simple-commodity-production, that is, up to the time when the latter suffers a modification through the appearance of the capitalist form of production. . . . Thus the Marxian law of value has general economic validity for a period lasting from the beginning of exchange, which transforms products into commodities, down to the 15th century of the present era' (Vol. III, p. 876).

If Engels's commentary is correct, we have the rather surprising result that the law of labour-value was valid before capitalism but stopped being so with the development of the capitalist mode of production. Within developed capitalism the dominant category is no longer value but price of production.

Pietranera takes this interpretation of Engels's as his basis. For him, value is a determinate abstraction corresponding to an earlier stage of development. Price of production, on the other hand, presupposes the average rate of profit, it presupposes the existence of different branches of industry characterized by the different technical compositions of their capitals and thus by different organic compositions and different rates of profit. It is thus the determinate abstraction which accounts for the stage of development which is that of capitalism in the nineteenth century.

Given this, Pietranera sets to work one of Della Volpe's

essential theses, according to which the scientificity of Marxism is characterized by the establishment of a logical order of categories which is the inverse of the chronological order of their appearance. This thesis depends on a famous passage from the 1857 Introduction, where Marx declares:
'It would be inexpedient and wrong therefore to present the economic categories successively in the order in which they have played the dominant role in history. On the contrary, their order of succession is determined by their mutual relation in modern bourgeois society and this is quite the reverse of what appears to be natural to them or in accordance with the sequence of historical development' (A Contribution. . . , p. 213).

This text refers to the theory of the Grundform (fundamental form). It is clarified by the preceding paragraph, where Marx declares in particular that:
'There is in every social formation a particular branch of production which determines the position and importance of all the others, and the relations obtaining in this branch accordingly determine the relations of all other branches as well' (p. 212).

In the capitalist mode of production, the fundamental form is the form of industrial capital. It is the last in order of appearance. The forms of commercial capital and finance capital are older. It was these forms which made possible the birth of industrial capital. But insofar as industrial capital becomes the fundamental form of the capitalist mode of production, it subjugates these pre-existing forms, it makes them particular forms of its process.

Thus industrial capital has, says Marx, a way of its own to subjugate interest-bearing capital. This is the creation

of a form which is peculiar to it, the credit system. In the form of credit, interest-bearing capital appears merely as a particular form subordinate to industrial capital.

This is the schema that Pietranera uses for the relation value/price of production, without taking into account the level at which these categories are situated. He establishes the same relation between value and price of production as that which Marx established between interest-bearing capital and industrial capital.

Thus, given a chronological sequence:
market-price - value - price of production - (monopoly price)

or, what is just another way of expressing it:
surplus - surplus-value - profit - (monopoly revenue),
by inverting this sequence (the order of historical appearance of the categories), we obtain the theoretical order of their subordination in capitalist society. Each category historically subordinates the preceding category and enables us to understand it theoretically. At the time Marx was writing, the dominant category was that of price of production. The category of value, the dominant category of earlier stages, was then theoretically and historically subordinate. Here, too, we have reached a very surprising result, and one not easily reconcilable with the theory of forms of manifestation.

Why is this application of the passage from the 1857 Introduction illegitimate? In the first case, we were concerned with a relation between forms of existence of value. Industrial capital, the fundamental form of existence of value in the capitalist mode of production, made commercial capital and interest-bearing capital forms of existence of value which were subordinate to

it. In the second case (the value/price of production relation) we are concerned with the relation between value and its forms of existence, with the relation between the Kerngestalt, the essential pattern of the process, and its most developed and concrete forms. Profit does not represent a perturbed form vis-à-vis surplus-value. No more does it represent the dominant form which succeeded surplus-value. It is its form of manifestation.

Value and surplus-value are the motors of the system. But as such they are its hidden element.

'Surplus-value and rate of surplus-value are, relatively, the invisible and unknown essence that wants investigating, while rate of profit and therefore the appearance of surplus-value in the form of profit are revealed on the surface of the phenomenon' (Vol. III, p. 43).

Likewise, Marx says of the price of production that it is 'a completely externalized (veräusserlichte) and at first sight a-conceptual (begriffslose) form of the value of commodities'.

In moving from surplus-value to profit, from value to price of production, we do not move to a more advanced historical stage but to another level of the process. We are at the level of the phenomena of the fertige Gestalt and no longer at the level of the essence, of the Kern-gestalt. But the inversion of the phenomena is the realization of the law of the essence: what determines the production of surplus-value for the whole of the capitalist class is the law of value. Profit and price of production are categories which concern only the distribution of surplus-value between the members of the capitalist class. They are the forms taken by surplus-value and value at the level of the process as a whole.

Thus what Pietranera overlooks is the radical difference which enables Marx to explain what had remained inexplicable to classical economics, because of an inadequate theory of abstraction: the relation of value and surplus-value to their modified forms. The classical economists faced the following problem: how to reconcile the law of labour-value with the phenomena of bourgeois production which negate it. Here in particular is how the problem was posed for Adam Smith, according to Marx:

'Although Adam determines the value of commodities by the labour-time contained in them, he then nevertheless transfers this determination of value in actual fact to pre-adamitic times. In other words, what he regards as true when considering simple commodities becomes confused as soon as he examines the higher and more complex forms of capital, wage-labour, rent, etc. He expresses this in the following way: the value of commodities was measured by labour-time in the paradise lost of the bourgeoisie, where people did not confront one another as capitalists, wage-labourers, landowners, tenant farmers, usurers, and so on, but simply as persons who produced commodities and exchanged them' (A Contribution . . . , p. 59).

Now let us remember Engels's statement: that Marx's law of value was valid 'for the whole period of simple-commodity-production,' before the change brought about by the 'capitalist form of production'. But it is for just such a conception that Marx attacks Adam Smith. In short, Engels and Pietranera want to exonerate Marx of the Ricardian sin of abstraction by making him adopt the Smithian theory. As for Marx, he leaves us in no doubt as to his own theory:

'This in fact means that the full development of the law

of value presupposes a society in which large-scale industrial production and free competition obtain, in other words, modern bourgeois society' (A Contribution . . . , p. 60).

The fact that commodities are exchanged individually at their value is one thing, the law of value is another. The theory of the process and of the development of forms makes it possible to understand that, in its full development, the law of value is realised in its opposite: the exchange of commodities at their prices of production.

It is hard to explain this interpretative error by Engels, who had posed the problem perfectly correctly at the end of the Preface to Volume Two - if not by a 'realist' reaction due to circumstances. On the other hand, it is clear enough what gave rise to Pietranera's. The latter declares that value and price of production correspond to two different levels of abstraction - which should not, he says be confused with abstract models. It is indeed a matter of different levels of abstraction, but the latter are only thought by Pietranera as the expression of different stages of historical development. Abstraction is only thought here as a moment detached from a linear history.

Here Pietranera places himself on a terrain which was that of the 1844 Manuscripts, which represented the theory of the identification of the structure of the process as an object of science with the development of a history.

If Pietranera identifies a form of development of the process with a stage of historical development, it is because, like Della Volpe, he stands on the terrain of a historicism and a theory of abstraction as separation, i.e. , on the terrain of an empiricism outlined, as we

have seen, by the presuppositions of the 1844 Manuscripts. In struggle against abstract dialectics, he cannot conceive of the constitution of an objectivity which does not coincide with the development of a history.

We have here a misrecognition of the structure in the name of a historicist parti pris, whereas, precisely, only an analysis of the determinations of the structure makes it possible to grasp indirectly the historicity of economic forms and categories. The same goes for the analysis of the commodity as a sensuous-supersensuous object, which made it possible to pose it as the expression of certain social relations, i.e. , of a certain stage of historical development.

Pursuing our study from this point we rediscover our point of departure: Ricardo's misrecognition of the form of value. Ricardo had posed labour as the substance of value without concerning himself with the particular character of that labour and without taking into account the fact that the labour was represented in a very particular form. He was still content with the affirmation of the law of value. But we know that the perceived phenomena contradict that law.

Two possibilities then present themselves: either to abandon the law of value, i.e. , to abandon 'the foundation and subsoil of the scientific attitude' according to Marx. This was the solution of vulgar economics; it was also that of the exoteric Adam Smith, who, having sent the law of value packing to pre-adamitic times, determined the value of commodities by the theory of the three sources (wages, profit and rent). Or alternatively, to maintain the law of value, like Ricardo, but then violence was needed to make the law fit facts which are in contradiction to it, such as the average rate of profit. Ricardo

did this violence by a double negation:

- A negation of the difference between surplus-value and profit. For him profit was merely a different expression for surplus-value, and price of production - which Ricardo called natural price - the money expression of value.

- A negation of the inversion. Thus the average profit which appears as the contradiction of the law of value was for Ricardo a confirmation of it. More generally, in Ricardo, the apparent motion was presented as the confirmation of the real motion.

This double operation reveals Ricardo's method, the type of abstraction he resorted to:

'Ricardo... consciously abstracts from the form of competition, from the appearance of competition, in order to comprehend the laws as such. On the one hand he must be reproached for not going far enough, for not carrying his abstraction to completion... On the other hand one must reproach him for regarding the phenomenal form as immediate and direct proof or exposition of the general laws and for failing to interpret it. In regard to the first, his abstraction is too incomplete; in regard to the second, it is formal abstraction which in itself is wrong' (TSV, Pt. 2, p. 106).

On the first point, Marx takes a position opposed to the normal criticism of Ricardo, which was also that of the Young Marx. Ricardo was not too abstract, he was not abstract enough.

'One can see that though Ricardo is accused of being too abstract, one would be justified in accusing him of the opposite: lack of the power of abstraction, inability, when dealing with the values of commodities, to forget profits, a factor which confronts him as a result of

competition' (TSV, Pt. 2, p. 191).

In fact, in his first chapter, which should only have treated the value of commodities determined by labour-time, Ricardo introduced, says Marx, categories such as wages, capital, profit, the general rate of profit, etc. In opposition to his principle (the dissolution of the fixed forms of wealth), Ricardo took as given the particular forms of surplus-value which he did not distinguish from the pure form. Thus, from the first chapter, he presupposed the general rate of profit. Marx, on the contrary, proceeds to a radical dissolution. Look how, in a letter to Engels of January 8 1868, he defines one of the 'three fundamentally new elements' of Capital: 'That in contrast to all former political economy, which from the very outset treats the particular fragments of surplus-value with their fixed forms of rent, profit, and interest as already given, I first deal with the general form of surplus-value, in which all these fragments are still undifferentiated - in solution as it were.'

If Ricardo did not distinguish general form from particular forms, this was fundamentally linked to his misrecognition of the determination of form (Formbestimmungen).

Here we touch on the second point: Ricardo's abstraction was formal and false in itself. Further on Marx counterposes it to true abstraction, and elsewhere he characterizes it as a forced abstraction. The foundation of this false abstraction is analysed by him at the beginning of his study of Ricardo in the Theories of Surplus-Value: 'Ricardo's method is as follows: He begins with the determination of the magnitude of the value of the commodity by labour-time and then examines whether

the other economic relations and categories contradict this determination of value or to what extent they modify it' (TSV, Pt. 2, p. 164).

Ricardo's abstraction did not constitute the simple element whose development permits the reconstruction of the concrete process. Ricardo took the economic categories one by one and sought to find in each the determination of labour-value. According to him, it should have been possible to find the abstract essence in the phenomena. To do so it was enough to eliminate the interfering elements. This presupposed that the phenomenon was constituted by:

- an essence
- various inessential accidents.

Everything which apparently contradicted the law was an accident, it fell within the inessential. An invariant had been posed which was value. Everything which did not reproduce this invariant belonged to the inessential.

Ricardo retained a classical conception of abstraction which could much more legitimately be described as the theory of trituration which some would like to apply to Marx. Not having studied surplus-value in its pure form, Ricardo could not recognize that the apparent perturbations of surplus-value are in fact modes of existence of surplus-value, modes of realization of surplus-value in the form of its opposite. He was therefore obliged to set aside these perturbations and to affirm identity where there is contradiction and inversion, to treat the apparent motion, a contradiction of the real motion, as its immediate confirmation. Marx sums up Ricardo by saying that he wanted to 'present the science before science' (Letter to Kugelmann, July 11 1868). For this reason, we find in Ricardo side by side but not articulated

in a system, on the one hand, scientific determinations (the law of value), on the other, the fixed forms of wealth, forms of appearance of value which are taken as given.

If we follow the advice to seek the source of the errors of the economists in their points of departure, we shall establish that the situation in which Ricardo found himself was due to the misrecognition that Marx has registered here at the level of the point of departure. Ricardo did not understand the true relation between profit and surplus-value for the same reason as that which prevented him from understanding the relation between the simple value form of the commodity and its money form. After having posed the substance (labour) as the invariant, he let the value form fall within the inessential. He took this value-form as something self-evident. It was necessary to problematize this form, to pose the critical question and thus to expose 'all the secrets of the critical conception': the dual character of the labour represented in the value of the commodity.

From here on, it is possible to understand the development of forms of capitalist production. Marx indicates this in a footnote to Chapter One: the value form of the product of labour is the most abstract form of the capitalist mode of production. Its analysis enables us to understand the later development of its forms (the money form, the capital form, etc.). On the contrary, if this analysis is lacking, if the critical question of the form is not posed, then the problem of the relation between the essential form and the concrete forms cannot be posed either. One is reduced to a comparison between the existing categories and the categories which

express the inner determination. One is left with a false abstraction which is not developable.

If we recall the text already cited where the method of classical economics was defined by the fact of reducing the different forms of wealth to a unity, we can grasp the difference of Marx's method in the following text: 'Classical political economy occasionally contradicts itself in this analysis. It often attempts directly, leaving out the intermediate links (Mittelglieder), to carry through the reduction and to prove that the various forms are derived from one and the same source. This is however a necessary consequence of its analytical method, with which criticism and understanding must begin. Classical economy is not interested in elaborating how the various forms come into being, but seeks to reduce them to their unity by means of analysis, because it starts from them as given premises. But analysis is the necessary prerequisite of genetical presentation, and of the understanding of the real, formative process (Gestaltungsprozess) in its different phases' (TSV, Pt. 3, p. 500).

If we were to restrict ourselves to the letter of Marx here, classical economics would simply be incomplete. It would fulfill only the first of the two tasks of science: analysis, the reduction to a unity, and neglect the second: the genetical development of forms. In fact, as we have seen, it is the analysis itself, the manner of investigating the unity and determining its mode of existence which separates Marx from Ricardo. Only the analysis of form Marx performs makes possible the second movement, the genetical development.

From here on, the genetical development makes it possible to escape the juxtaposition, comparison and

iteration which, in Ricardo's theory, characterized the relations between economic categories, i.e., it alone makes it possible to constitute a system of political economy. But this constitution is only possible given the renunciation of an understanding of this genetical development as the forward or backward reproduction of a real historical process.

Here again, it is necessary to protect oneself against a historicist interpretation. According to such an interpretation Marx's abstraction is developable because it is historical and thus receives from history its movement. What in fact distinguishes Marx's abstraction is the fact that it grasps the formal properties of a space, the constitution of a domain of objectivity. It is this that enables Marx to develop the complex categories from simple categories.

The difference between Marx and Ricardo is not a difference between a system posed as eternal and a historical system in which the categories have been marked with a + sign (the sign of their historicity). Only Marx succeeded in formulating a system in the Kantian sense of the term. There is only one way for political economy to be systematic, and that is to accede to that radically new type of objectivity, which Marx determines in the very first chapter of Capital.

Marx's revolution does not therefore consist of historicizing the categories of political economy. It consists of making a system of them, and we know that a critique is made of a system by its scientific exposition, i.e., that this system reveals a structure which can only be understood in the theory of the development of social formations.

Correlatively, Ricardo's 'system' appears as a coup de force. By his 'forced abstraction', which set out to make all the phenomena that contradict the law of value fit into it by violence, instead of developing the law to show how these phenomena are its modes of existence (in the form of concealment and inversion), Ricardo wanted to affirm the science within the non-science. He did not therefore succeed in completing the project of dragging the given forms of wealth from their fixity, their mutual indifference, and of relating them to their inner essence. For this reason, in Ricardo, who represents classical economics in its greatest rigour, the possibility of fetishism is always present. Fetishism was exorcized by Ricardo's coup de force. It was not understood.

NOTES

1 Vol. I, Vol. II, and Vol. III refer to Capital in the English translation published by the Foreign Languages Publishing House, Moscow 1961-2; T. I, T. II and T. III, to Volume One of Capital in the French translation by Joseph Roy, published by Editions Sociales, Paris; Bd. 23 to Das Kapital Volume One in the Marx-Engels Werke, published by Dietz Verlag, Berlin 1965; TSV Pt. 1, Pt. 2 and Pt. 3 to Theories of Surplus Value in the English translation published by Lawrence and Wishart, London 1966-72; A Contribution..., to the English translation of A Contribution to the Critique of Political Economy, Lawrence and Wishart, London 1971.

2 In 'Fonction de la formation théorique,' Cahiers Marxist-Léninistes Number One, Jacques-Alain Miller has expounded this law of inversion which determines the perception of the structure by the subject: 'In the structural system in which production is articulated in

a specific mode, the zone of the displacement of the subject - insofar as it maintains itself at the level of the current (actuel), i.e., insofar as the structure concedes it the perception of its state (of its apparent motion) while stealing that of its system - is defined as illusion. The latter, insofar as the subject reflects it, signifies it, in a word reduplicates it, perpetuates itself in the form of ideology. Illusion and ideology, if they are thought in the continuity from a 'seeing' to a 'telling', form the element natural to a subject rigorously qualified by its insertion into the structure of a social formation. Precisely because the economy is the last instance, to be situated as the referent of all the manifestations of social practice, its action is radically foreign to the dimension of the current (actuel), it offers itself by its effects. The absence of the cause is enough to achieve the inversion of the structural determinations at the level of the individual consciousness. As perception, the inversion is illusion. As discourse, ideology.'

3 The price of production of a commodity is equal to its cost of production plus a percentage of profit calculated in conformity with the general rate of profit. The latter represents the ratio of the total mass of surplus-value extorted by the capitalist class to the total capital it has advanced. Indeed, it is essential to realise that surplus-value is produced for the whole of the capitalist class. The movements of competition which balance up the rates of profit in the different spheres have as their aim the realization of this 'capitalist communism'.

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