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# THEORETICAL PRACTICE editorial

The essays on Marx and Lenin, and the document written by Marx, which are published here demonstrate the anti-humanism of Marxist-Leninist theoretical practice. 'Marxist' ethical humanism has grown from a trickle into a flood in recent years: and along with it has grown a variety of liberalisms and ultraleftisms. This general re-interpretation of Marxism in the light of Marx's early work has therefore had obvious political effects. In this situation the publication of an important theoretical text by Marx is an event which has a political character.

The crucial tasks of militants in theory involve the recognition of the revolutionary theoretical scope of Marxist-Leninist science and philosophy. This demands that the theoretical works of Marxism-Leninism be known, i.e. both literally read, and read theoretically. Only on the basis of such theoretical work can there be produced the necessary theoretical knowledge for the demarcation between liberal bourgeois and economistic interpretations on the one hand and Marxist-Leninist theory on the other. This knowledge is vital to the theoretical formation of militants who must take up the work of political analysis and organization of vanguard forces, i.e. the directly political functions of revolutionary leadership, (which itself requires also an advanced political formation.) The theoretical work in this issue is a

contribution to the struggle against revisionism which functions so as to absorb Marx into bourgeois culture. And as we have said this involves also the struggle against economism and vulgar Marxism in which is postulated a single determination of the class struggle: this theoretical error leads inevitably to political errors. These articulations of theoretical and political practices in the revolutionary movement are the objects of analysis in this issue.

# Leninism and the Concept of Conjuncture

by MICHAEL GANE

The meaning of Lenin's remark that the 'living soul of Marxism is the concrete analysis of concrete situations' is to be sought in the structure of Lenin's theoretical and political practices and the form of their unity. Posing the question in this way escapes the danger of misreading Lenin's work as an empiricist realism, or a realpolitik (in which concrete analysis simply means the identification of forces without romantic illusions. Denin's work may have this appearance but this is immediately dissipated by a directly theoretical reading which questions the problematic with which Lenin approached the revolutionary transitional forms in Russia.

The structure of Lenin's theoretical problematic generated distinctly different types of analysis. I want to discuss two of these: first, the specification of the inevitable and possible processes of the transition on the basis of an analysis of the social formation as a whole; secondly, a specification of the conjunctures which occur within the processes as displacements of the relation of forces they involve on the basis of the

analysis of political forces. The first analysis is one on which Lenin constructs the strategy of the class alliances which correspond to the position of the proletariat; the second, is the basis of tactical aims placed within the strategic perspective. And these levels are 'applications' of a prior level of abstract theoretical knowledge.

#### Two Basic Theoretical Questions

#### (a) the Articulation of Marxist Practices

The definition of the type of unity that is forged between theory and political practice in Marxism-Leninism is still the site of a theoretical problem. This problem can now be approached but not via the (traditionally) anticipated route. I will try to show in this article the character of the unexpected route as a preliminary statement of the direction of analysis indicated by Althusser in recent work. I have said 'unexpected' because some of the conclusions of this body of work (which I have taken here as my starting point) challenge the basic assumptions of orthodox Marxist-Leninist philosophy. These questions have already been discussed in Theoretical Practice<sup>4</sup>, but it will be necessary to summarize the most important of them.

The first result is the recognition of Marxist science as a theoretical practice which is constructed in a unique break with the ideological field of its birth. This rupture itself is a double one since it also effects a transformation of philosophy: the new philosophy reflects the mode of causality operative within the new science. This second result (ie philosophical rupture) is not produced within the autonomy of a philosophical

practice; there is no history of philosophy in this sense. It is produced as an effect of the advent of the new science.

Firstly, theoretical practice is recognized as a process of production in the strongest sense; secondly, theory is recognised as internally differentiated: science, theoretical ideologies, and Marxist philosophy.

'These conclusions imply something else: the historical development and applications of Marxist theory are not the external application of an already elaborated 'rational' dialectic (philosophy), but, on the contrary, the internal rupture with classical political economy is the point of departure of the Marxist science of history which, only now, is beginning to be reflected in an adequate knowledge.

#### (b) The Marxist Concept of History

I have already said that Marx's theoretical practice is a productive process: a specific combination of 'means' of production (generality II) working on a raw material (generality I) to produce knowledge (generality III)<sup>5</sup>. It is possible to pose the question of the structure of this 'means' of production. This questioning must take two forms: the question of (a) the epistemological structure of the mode of causality which is operative within the discourse, and (b) the structure of the problematic (the articulation of objects and different types of analysis.) These two questions are mutually dependent aspects of Marxist philosophy (both concern the nature of the Marxist totality,) which exists only in so far as it adequately reflects the dialectic of established Marxist theoretical and political practices: in other words, only

a form of anti-scientific empiricism is produced if scientific knowledge is conceived as being produced by the direct application of Marxist philosophical concepts to an ideological raw material existing at another level from that of its concept. (See Althusser, <u>For Marx</u>, p. 94, and pp. 117-28)

The Marxist theory of history is built, as Althusser has shown, on the concept of a process in which variation occurs within an invariant structure (op cit p. 209). The structure of this theory is further elaborated by Balibar: the 'science of combinations is not a combinatory, in which only the places of the factors and their relationship change, but not their nature, which is not only subordinate - to the system in general, but also indifferent: it is possible to abstract from it and proceed directly to the formalization of the systems. ' (Reading Capital p. 226). Marxist theory therefore possesses the following structure (according to Balibar): the concepts of the elements which combine to form modes of production are the pertinences of historical analysis which proceeds through 'the differential analysis of forms'. '... we do not really find the same 'concrete' elements when we move from one variant to the next. Nor is their particularity defined by a mere place, but rather as an effect of the structure, differing every time, ie an effect of the combination which constitutes the mode of production. ' (op cit p. 241)

I shall discuss the structure of Lenin's theoretical work in so far as this problematic generates the possibility of analysis of specific conjunctures within a complex process of transition, as variations of an

invariant structure. For this possibility exists only on certain strict conditions: that the problematic is one in which the elements which are themselves part of the process of transition change in their concrete forms (according to their combinations), so that we are neither dealing with an empiricism of the immediate, nor a formalist evolutionism (idealism), but always with a particular 'differential analysis of forms' on the ground of Marxist theory.

A further condition which is implied by these first statements of conditions is that the analysis is truly free of essentialism (expressive causality). I will deal with this question as it directly affects Lenin's conceptualisation of the structures of the political instance and their action (structural causality)7. This means that in Lenin the transitional process is a process that is not the expression of a subject, but a process without a subject: each level of the social formation has its own relatively autonomous determinations, its own effectivity. The political is not the epiphenomenon of the economic; neither the proletariat nor any class is the expressive cause of the process. The forces at the political level represent class interests in the struggle for state power: but these interests cannot be read directly from the manifest policies of these forces (there is no essential meaning in political slogans). The significance of policies (ie their class function) can only be understood in the specific political conjuncture of which they are a part. Leninism is a systematic differential analysis of political forms, ie an application of abstract Marxist theory.

These theoretical conclusions constitute the minimum

basis for the questions I will pose in this paper. These questions concern the further differentiation of levels (types of analysis) within Marxist-Leninist theory itself, and the question of how these differences are reflected philosophically. I will examine particularly Lenin's theoretical work as it was focused on the economic and political transition to socialism in Russia and will then be in a position to return to the relation between theory and politics in order to show what conditions must be met for theory to be the guide to action.

## The Levels of Marxist-Leninist Theory, and Lenin's Reflection

Lenin clearly indicates in his own reflective statements that his writing is structured into distinct types of theoretical analysis, but his reflection, although consistent in its terminology, is severely affected by a philosophical deficiency. His reflection exists in the framework of an extremely limited philosophical problematic, a reduced system of concepts. The consequence of this is the sliding of the definitions of these concepts according to changes of context. In his theoretical practice three 'levels' of theory are present, but his major philosophical terms are a single polar opposition (abstract/concrete). This results in a serious ambiguity or contradictory usage of an important term (abstract). This contradictory usage is also the site of a profound epistemological concept in Lenin's writings which is open however to misconception (in this case an empiricist historicism) if the structure of Lenin's theoretical problematic is not understood. The complementary danger is that Leninism is understood as an empiricist realpolitik, in which case Lenin's theoretical production is totally unintelligible.

In 1894 Lenin wrote the "application" (of Marx's theory) to Russia can be only the INVESTIGATION of Russian production relations and their evolution, EMPLOYING the established practices of the MATERIALIST method and of THEORETICAL political economy. (What the Friends of the People are, C. W. Vol 1 pp. 266-7). By 1899 he had completed his major study The Development of Capitalism in Russia in the Preface to which he drew the distinction between his examination of 'basic theoretical propositions of abstract political economy' and 'factual' analysis itself.

The terminology of this distinction is consistent:
'THEORETICAL work must be directed towards the concrete study of all forms of anatagonism in Russia, the study of their connections and successive development' (1894, CW vol 1 p. 296)

In 1899 he wrote 'in this case (<u>The Development of Capitalism in Russia</u>)... the abstract truths of theory play only the role of guiding principles, a means of analysing concrete data.' (CW Vol 4 p. 89)

These remarks all refer to the modes of analysis adopted by Lenin in his examination of the growth of the capitalist mode of production in Russia. This examination brought him into opposition with the Narodnik economists who thought this development impossible: there could not be a capitalist realisation of surplus-value in Russia, the village commune (the mir) would survive and would continue to fulfil human needs. Lenin showed the theoretical inadequacy of the former, and the utopian-empiricism of the latter. The

theoretical error lay in equating surplus-value with unequal exchange; specific forms of realisation could only be derived from the necessary correlative forms which constitute value: constant and variable capital, so the problem of realization is one involving the combination of these forms in set relations, a synchrony. As Marx had shown, unequal exchange itself could never be considered an independent form (see <u>Capital</u>, Vol 1, chapter 5), so Lenin's mode of proof is quite different from that of the Narodniks: instead of indicating the continued existence of the village commune, he discovers the abstract synchrony of combination in the capitalist mode of production and illustrates the elements that are present in the Russian social formation.



In the Preface to the second edition of <u>The Development of Capitalism in Russia</u>, written in 1907, Lenin gives the distinction between 'abstract' and 'concrete' a radically different treatment: with the peasant basis of the revolution (petty-bourgeois character of peasant production with antagonistic trends within it), that revolution 'is inevitably a bourgeois revolution. This Marxist proposition is absolutely irrefutable... It must always be applied to all the economic and political problems of the Russian Revolution.

'But one must know how to apply it. A concrete analysis of the status and interests of the different classes must serve as a means of defining the precise significance of this truth when applied to this or that problem. The opposite mode of reasoning is frequently met with among the Right-wing Social-Democrats

headed by Plekhanov, ie the endeavour to look for answers to concrete questions in the simple logical development of the general truth about the basic character of our revolution is a vulgarisation of Marxism and downright mockery of dialectical materialism. Of such people, who from the general truth of the character of this revolution deduce for example, the leading role of the 'bourgeoisie' in the revolution, or the need for the Socialists to support the liberals, Marx would very likely have repeated the words...'I have sown. dragon's teeth and harvested fleas." ' (CW vol 3 p32)

This statement introduces something new into the discussion: the application of Marxism to the Russian case produces (i) general theoretical propositions of the Russian Revolution ('general truths'); and (ii) the precise significance of these general propositions. In this instance there is an opposition: general truths/ their precise significance. Lenin talks of the application of the former to reach the latter. This is a decisive epistemological reflection, for the 'application' cannot take the form of a deduction of the latter from the former. The only means of reaching the level of precise significance is via concrete analysis. Lenin then demonstrates what he means by such an analysis: given the economic basis of the revolution there are two possible lines of development of capitalism and not one as would be assumed by deduction. So that '... either the retention, in the main, of landed proprietorship and of the chief supports of the old 'superstructure'; hence, the predominant role of the liberal-monarchist bourgeois and landlord, the rapid transition of the well-to-do peasantry to their side, the degradation of the peasant

masses, not only expropriated on a vast scale but enslaved, in addition, by one or other kind of Cadetproposed land redemption payments, and downtrodden and dulled by the dominance of reaction; the executors of such a bourgeois revolution will be politicians of a type approximating to the Octobrists. Or - the destruction of landlordism and of all the chief supports of the old 'superstructure'; the predominant role of the proletariat and the peasant masses, with the neutralising of the unstable or counter-revolutionary bourgeoisie; the speediest and freest development of the productive forces on a capitalist basis, under the best circumstances for the worker and peasant masses at all conceivable under commodity production; - hence the establishment of the most favourable conditions for the further accomplishment by the working class of its real and fundamental task of socialist reorganization. Of course infinitely diverse combinations of elements of this or that type of capitalist development are possible...' (CW vol 3 p. 33)

The possibility of two main lines of capitalist development cannot be deduced from the general specification of the class formation in Russia, since these possibilities exist under certain conditions. These conditions do not simply refer to the external developments of international capitalism, but refer more directly to the state of development of the forces involved in the process in Russia themselves, ie internal to the process. Lenin has therefore given a definite type of answer to what is meant by 'precise significance' in this case.

Lenin's usage of the term 'abstract', carries two distinct functions, one positive (as I have already indicated), the other negative. The positive significance refers to the existence of Marxism as an 'abstract' science. The following passage reveals the negative sense: 'Concrete political aims must be set in concrete circumstances. All things are relative... There is no such thing as abstract truth. Truth is always concrete.' (Two Tactics of Social Democracy CW Vol 9 p. 86)

Here Lenin again invokes the opposition abstract/concrete, but here "abstract' is equivalent to the false. The two usages can be summarised in the following way: A and B:

- A. theoretical truths abstract science (General truths) applications concrete analysis (Specific truths)
- B. absolute statements abstract (false) relative truths concrete (true)

This second usage of the term abstract can be seen as the practical concept at work in the following famous passage from Lenin's criticism of ultra-left extra-parliamentarism: '...every truth, if 'overdone' (as Dietzgen senior put it), if exaggerated, if carried beyond the limits of its actual applicability, can be reduced to absurdity, and is even bound to become an absurdity under these conditions.' (Left-wing Communism, CW Vol 31 p. 62).

In this passage Lenin claims that truths have determinate 'limits of applicability' ie they are related to specific conditions of existence, which are these

limits themselves. The use of the term 'applicability' permits us to say that there is a difference between the elaboration of the truth in general and its concrete significance. If the general is substituted at the level of the concrete this will produce a fatal abstraction. For both cases of these examples of the negative use of the term abstraction refers to political class struggle in particular conditions.

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But it would be a mistake to think that the extent of Lenin's philosophical reflection ended there, for there is another important aspect.

This time I will quote from writing in the year 1917, for in 1917 Lenin discovers something quite unexpected. '"Our theory is not a dogma, but a guide to action", Marx and Engels always said, rightly ridiculing the mere memorizing and repetition of 'formulas', that at best are capable only of marking out general tasks, which are necessarily modifiable by the concrete economic and political conditions of each particular period of the historical process....

'The revolutionary-democratic dictatorship of the proletariat and peasantry has already been realized, but in a highly original manner, and with a number of extremely important modifications...
'According to the old way of thinking, the rule of the bourgeoisie could and should be followed by the rule of the proletariat and the peasantry, by their dictatorship.

'In real life, however, things have already turned out

differently; there has been an extremely original, novel and unprecedented interlacing of one with the other....' (Letters on Tactics, First Letter. CW Vol 24'.43-46)

In this formulation there is a new term within the concrete/abstract opposition: 'modification'. Here we see Lenin's apparent historicism. The 'concrete' (which is linked to the notion of 'real life') modifies the 'general'. In the quotation that Lenin uses it appears that he is implying a dichotomy theory/rear life, (in this text Lenin uses a number of other oppositions: reality/theories of the general; life is green/theory is grey.)

It is clear however that Lenin is not talking about an empiricist relation between abstract and concrete, or a positivist abstraction. What occurs is described as a modification through the concrete. (Lenin is sometimes inconsistent for he sometimes describes the modification of 'general tasks', of 'theory', of 'fundamental principles of Communism'. 8)

The process to which Lenin refers takes place at exactly the same point in the relation between levels of analysis as his earlier criticism of Plekhanov. Previously he referred to the process as 'defining the precise significance' of general truths, it is now 'modification'. Lenin's use of the term modification relates to a new object, for which he provides a precise concept: 'concretely things have worked out differently: they are more original, more peculiar, more variegated than anyone could have expected.' (First Letter). This modification is therefore produced

within Lenin's theoretical problematic: it is the concepof DUAL POWER. The precise specification of this concept is easily lost if it is divorced from Lenin's problematic, for it does not refer to a revolutionary situation in which there are simply two competing powers (cf Trotsky's Chapter XI, History of the Russian Revolution where the concept is reduced in this way). For Lenin Dual Power came to an end in July 1917, and he sought to avoid another situation of Dual Power later in the year. It was the existence of Dual Power which forced Lenin to transform the tactics of the Bolsheviks from one of insurrection under the slogan: 'Democratic Dictatorship of the Proletariat and Peasantry!' to one of peaceful development of the revolution under the slogan: 'All Power to the Soviets!' These tactics were transformed again after July with the end of Dual Power when Lenin thought the slogan had become incorrect. This modification is no minor event: it is of fundamental political significance.

\*

Yet there is something else implied in all the foregoing discussion: a theoretical knowledge of the elements of the political superstructure and the evolution of political forms as a transformative process of the superstructure. State and Revolution, written in 1917, is Lenin's major attempt to state this clearly, but it is implied in much of Lenin's work before that date. The 'heresy' of which Lenin was always accused by the Mensheviks was precisely that he divorced the two elements: the political revolution as a process

of transformation of the superstructures, and the social forms which would carry out that process. He argued that the democratic revolution could be led by the proletariat and peasantry. It was at this level of analysis that strategic positions were defined. The perspectives which Lenin called the general tasks were specified in July 1905: 'The proletariat must carry the democratic revolution to completion, allying to itself the mass of the peasantry in order to crush the autocracy's resistence by force and paralyse the bourgeoisie's instability. The proletariat must accomplish the socialist revolution. allying to itself the mass of the semi-proletarian elements of the population, so as to crush the bourgeoisie's resistence by force and paralyse the instability of the peasantry and the petty-bourgeoisie. ' (Two Tactics of Social Democracy, CW vol 9 p. 100). These general tasks I shall call the strategic level of Lenin's theory. The level at which modifications occur which alter the tactics of the vanguard I shall call the tactical level of the theory. It is at this level that the analysis amounts to theoretically governed analysis of specific conjunctures: Dual Power (February-July 1917) is such a conjuncture.

The following is a summary of the levels of the complex structure of Lenin's theory as I have reflected it so far:

 an abstract theoretical level of political economy, and a theory of the elements of the political superstructure, which have made possible a level of general propositions concerning the Russian social formation:

- an application of these general propositions to produce their precise significance. Strategic level: general tasks;
- the state of the existence of the 'precise significance' at any given moment in the structure of its modification. Tactical level: specific tasks.

This will throw some light on the reasons why Lenin can claim that on the one hand: 'Things have turned out just as we said they would. The course taken by the revolution has confirmed the correctness of our reasoning. First with the 'whole' of the peasants against the monarchy, against the landowners, against medievalism (and to that extent the revolution remains bourgeois, bourgeois-democratic). Then, with the poor peasants, with the semi-proletarians, with all the exploited, against capitalism, including rural rich, the kulaks, the profiteers, and to that extent the revolution becomes a socialist one.' (Renegade Kautsky, 1918, CW Vol 28, 300)

And this can be seen clearly to refer to the strategic level of the theory. While on the other hand: 'The Bolshevik slogans and ideas on the whole have been confirmed by history; but concretely things have worked out differently....''The Soviet of Workers' and Soldier's Deputies" - there you have the "revolutionary-democratic dictatorship of the proletariat and peasantry" already accomplished in reality. This formula is already antiquated. Events have moved it from the realm of formulas into the real of reality, clothed it with flesh and bone, concretized it, and thereby modified it. ' (First Letter, April 1917 CW Vol 24

pp. 44-45)

This relates quite specifically to the tactical level. I shall take these as immediate indications of the different levels: strategic and tactical.

## 1905: TWO TACTICS OF SOCIAL DEMOCRACY IN THE DEMOCRATIC REVOLUTION

"...a new situation has been created by the revolution that has started in Russia ie, the complete, resolute and open rupture between the overwhelming majority of the people and tsarist government.... The superstructure is cracking at every joint, is yielding to pressure...." (CW Vol 9 p. 22 & p. 128) (1905).

This 'new situation' forced a crisis on the Russian Social Democrats, a struggle in the end between two opposed tactical positions. One called for armed insurrection, the other for work to prepare the social-psychological conditions for socialism; Bolshevism and Menshevism respectively. Lenin's analysis of this split is all that concerns us here. He makes two fundamental points: first, a critique of the basis of the theoretical differences; second, a reflection on the class and political basis of the differences.

These two questions belong together because the point at issue is the connection of a theoretically produced political position and Marxist deviations. These two tactics reflect, Lenin argues, old controversies which recurrently divided Russian Marxists into two wings: 'the moralizing wings and the militant wings of the old days of 'legal Marxism', and the economic and political wings of the period of the nascent mass

movement...we have the very same controversy before us now, only under different circumstances and in a different form.'

The division reflects the corresponding positions: the revolutionary proletarian wing and the opportunistintellectualist wing. We have already seen what Lenin's criticisms of Plekhanov were in 1907. These criticisms develop into a full scale attack on a theoretical error which has direct political implications. This error is evolutionism which, in a powerful demonstration, is shown to be connected with an inevitable liberalism in political position. What is at stake is the concept of history: "... to see it as a straight line moving slowly and steadily upwards: first...the turn of the liberal big bourgeoisie...; then of the revolutionary petty-bourgeoisie...; and finally of the proletariat..., one must be a virtuoso of philistinism to take this as one's plan of action in a revolutionary epoch. ' (CW vol 8 p. 299)

The evolutionist theory produces a periodisation which reflects directly and simply the forces implicated in the revolution in a 'straight line', ie as a linear movement in which the processes at the political level are directly parallel with those at the economic. Development is even. The political results in the period of the bourgeois-democratic revolution are therefore inevitable: the proletariat must support the bourgeoisie for this class is conceived as an expressive force, the class which naturally expresses the democratic revolution. In effect the Mencheviks were literally incapable of producing specification of tactics. The Economists were in the same position

and some recognised the fact: 'A tactics plan contradicts the fundamental spirit of Marxism' (cited by Lenin in What is to be Done?)

All evolutionism reduces analysis to a formal operation: it possesses only pseudo-tactics. The emasculation of the political tactics of a party through evolutionism thus results in a disastrous void between the theoretical identification of forces and the changing relations between them.

In contrast Lenin's position is a radical anti-evolutionism since there is a possibility of a decisive victory over tsarism if the proletariat acts with maximum insurrectionary force and leads the revolution in alliance with the revolutionary peasantry. Lenin's slogan for this period is therefore: The Revolutionary Democratic Dictatorship of the Proletariat and Peasantry! This will not inaugurate the socialist revolution since the class character of the peasantry as a mass is predominantly petty-bourgeois. The combined force in the revolution is a class alliance which is itself severely uneven. This uneveness is given very great importance by Lenin for it is transformations within this alliance during the revolutionary process that determine the possibility of the transition to socialism.

### DEMOCRATIC REVOLUTION AND SOCIALIST REVOLUTION 1905 and 1917

What is fundamental to Leninism, therefore, is that it conceives the double revolution (level of strategy) can occur under different conditions: external and internal, which thereby produce qualitatively different relations between the elements of the processes themselves.

The knowledge of the relation of forces is never given by an identification of the existence of those forces alone. The analysis of a conjuncture can never proceed by deduction from abstract forms, although they are essential to the problematic in which the conjuncture is conceptualised as a political object. Only recognition of this makes the differences between 1905 and 1917 theoretically intelligible. Lenin is therefore able to discover the discontinuities between the conjunctures produced. It is the knowledge of these changes which enables tactical changes to be effected at this level to meet new requirements. Lenin indicates these changes unmistakably by calling them the "turning points" of the revolution. I will limit the discussion to 1917.

The first transformation is the February Revolution itself. It gave rise to the next "heresy" (if we regard 1905 through Menshevik eyes) which Lenin formulated in the April Theses (1917). The following turning points are the July Days, and the developing crisis at the end of September. All of these turning points were met by a change in either tactic or slogan. The September turning point is doubly significant because Lenin undoubtedly makes a major reconsideration of his political position.

The February Revolution brought a new conjuncture:
'The highly remarkable feature of our revolution is that it has brought about a <u>dual power...the interlocking</u> of two dictatorships: the dictatorship of the bourgeoisie ... and the dictatorship of the proletariat and peasantry ... There is not the slightest doubt that such an "interlocking" <u>cannot</u> last long. Two powers <u>cannot exist</u> in such a state... The dual power expresses a transitional

phase in the revolution's development.' (CW Vol 24, p. 60-1)

Dual power came to an end in the July Days, and Lenin's response to this turning point (when undivided rule passed into the hands of the bourgeoisie) was an immediate withdrawal of the slogan 'All Power to the Soviets', for at this stage Lenin equated the slogan with a peaceful development of the revolution: 'The unstable conditions of state power has come to an end. At the decisive point, power has passed into the hands of the counter-revolution...the slogan (All Power to the Soviets) has patently ceased to be correct... A peaceful course of development has become impossible.'

The reason why this slogan was no longer correct was that it:

'might be construed as a 'simple' appeal for the transfer of power to the present Soviets, and to say that, to appeal to it, would mean deceiving the people' (CW Vol 25 p. 190)

In the period between July and the end of September there was one brief moment when Lenin thought a peaceful development again a possibility: September 1-3; he offered what he called a 'compromise' - "our return to the pre-July demand of all power to the Soviets and a government of S. R. s and Mensheviks responsible to the Soviets.' (CW Vol 25 p. 306)

Within three days this possibility, (which had arisen as a consequence of the defeat of the Kornilov revolt) had gone.

Until the end of September Lenin maintained that the

slogan 'All power to the Soviets' was incorrect. The reassessment came in an article called <u>One of the Fundamental Questions of the Revolution</u> (Sept 27) in which he divorced the slogan from the level of tactics. The slogan was from then combined with Bolshevik preparation for insurrection (ie it is <u>no longer</u> a slogan of peaceful development.) 'A 'Cabinet of the parties of the Soviet majority' means a change of individual ministers, with the entire old government apparatus left intact...' Power to the Soviets' means... removing this apparatus and substituting for it a new, popular one...' (CW Vol 25 p. 368)

This is the transformation which makes the following passage clear:

'There were periods, there were moments during the six months of the revolution when this slogan did <u>not</u> mean insurrection... now, at least since the middle of September, this slogan for us too has become <u>equivalent</u> to a call for insurrection.' (CW Vol 26 p. 185)

These changes of tactic culminate in the seizure of power by the Bolshevik insurrection in October 1917.

This revolution is a continuation of the bourgeois-democratic revolution, and is not the introduction of socialism as a system of production, but a new stage in the transition to socialism in Russia. (This is discussed by Lenin in many places, for a concise statement see The Report to the Third All-Russia Congress of Soviets, Jan 1918)

I have tried to demonstrate that Lenin gives us (a) three distinct conjunctures between February and October; and (b) both of these revolutions (February and October) occur within the bourgeois-democratic stage of the

double revolution; (c) these articulations of the strategic and tactical levels focus on the critical question of state power.

The succession of conjunctures are displacements of the relation of forces around state power. The first conjuncture I have considered is that produced by the February Revolution: dual power. Lenin's concept contains three elements: the theory of class dictatorship, theory of the state, and theory of forms of government. The dual power is a combination of two class dictatorships, two types of state, but with a government which represents only one of the classes. (It obviously does not mean 'equal power': the unevenness means that the class struggle is a struggle for dominant representation at the level of government: this is the meaning of the Bolshevik slogan as a peaceful tactic.)

The ending of dual power is the ending of the possibility of dominant independent proletarian representation of the soviets by a peaceful transition. The soviets thus become accomplices of bourgeois political rule, and cease to be an "independent" force: Lenin warns of the dangers of fetishizing the Soviets. When the Kornilov revolt threatens the Kerensky Government, Lenin indicates a new form of Bolshevik struggle: 'It would be wrong to think that we have moved farther away from the task of the proletariat winning power. No. We have come very close to it, not directly, but from the side. At the moment we must campaign not so much directly against Kerensky, as indirectly against him, namely, by demanding a more and more active, truly revolutionary war against Kornilov.' (CW Vol 25 p. 286-9)

This form is maintained during the revival of the Soviets which inaugurates a new conjuncture. But Lenin does not call for a return to another conjuncture of dual power; on the contrary, he is concerned to avoid a new dual power for the following reasons: 'In 1905, our Soviets existed only in embryo... Clearly, under the conditions of that time, their comprehensive development was out of the question. It is still out of the question in the 1917 revolution, for a few months is an extremely short period and - this is most important - the Socialist-Revolutionary and Menchevik leaders have prostituted the Soviets, have reduced their role to that of a talking shop.... The Soviets will be able to develop properly, to display their potentialities and capabilities to the full only by taking over full state power, for otherwise they will have nothing to do.... "Dual Power" means paralysis for the Soviets'. (CW Vol 26 p. 104)

The dual power <u>impasse</u> was to be avoided by an insurrectionary seizure of power by the Bolsheviks which would thus free the Soviets for full development: 'an uprising... is now <u>the only way</u> to realize the slogan 'All power to the Soviets!' '(CW vol 26 p. 200). The October Revolution was therefore a displacement of both the bourgeois government and state machine, and an occupation of the position of state power by the Bolsheviks and Soviets representing the revolutionary dictatorship of the proletariat and peasantry (the bourgeois-democratic class alliance.)

#### Political conjuncture and Political Level

These political conjunctures depend as theoretical objects upon a theoretical problematic which identifies

not only the possibility of two different paths of capitalist development, but also on the decisive role of the state power in determining the outcome: the political class struggle is the key to which of the paths will be followed. <sup>9</sup> The analysis of political conjunctures is based on a concept of the political instance free from reductionism (essentialism), and empiricism. I will indicate some fundamental characteristics of Lenin's theory, which are prerequisites for the analysis of political conjunctures.

Much of the theory of the political class struggle is in a descriptive and metaphorical form as Althusser has shown. 10 I am not going to attempt to set out the elements of a theory of the state. What is important for the purposes of this essay is to show precisely how Lenin avoids the errors of empiricism and essentialism. In order to approach this question however it is necessary to illustrate the metaphorical form of the Marxist theory of the state. Some of the images are well known: the idea of political "superstructures" and state "machine", for example (and it is important to notice that Lenin retained these images.) Lenin talked of politics being 'concentrated economics'; Engels said that the state 'arose... in the midst of the conflict of ... classes'; Marx talked of the 'abyss' between classes in France in 1848, and the state appearing 'above' classes. For Marxist theory, as is well known, the political instance is not present in all social formations: it appears only in class society. The danger with this formulation is that the political is merely an essential reflection or expression of economic class forces. 11 In that case there would be no possibility of conjunctural analysis since all politics would be read in the transparency of the immediate. Another spatial image will indicate why this is not true for Lenin (although it does not prove it without further extension.)

This image concerns the positions of the elements at the political level. What defines them is not their inherent nature, or origin, but their function in the totality of political relations. Their position in the totality determines their role. But this totality is not a configuration or gestalt of atomic elements, in which a transformation or switch occurs leaving the elements unchanged. I have already cited evidence for this: the meaning of the slogan<sup>12</sup> which was put forward by the 'old Bolsheviks' in 1917, the position of the soviets in the different conjunctures in 1917. We may speak of the action of the structure to indicate this double function, 13

To take these points a little further. Essentialism works by the following mechanism: it reduces a concept from its position in a theoretical problematic to a 'quality' or 'spirit' which is then attached to an empirically existent instance, which then in turn simply is said to be an 'expression' of it. There are endless examples of this process: it can be seen in particular to affect the elements of the political instance. But it also affects concepts like mode of production and their specifications: especially the concepts capitalism and socialism. It reduces classes (bourgeoisie and proletariat) to spiritual entities, or expressive subjects.

At the political level the concepts which suffer most in this respect are perhaps 'power', 'democracy' and

'bureaucracy'. For Lenin they are never essential qualities. In the case of 'state power', the concepts directly refers to the transformation of the social force which occupies the role of the state at the political level Occupation of this position is seized and defended. It refers therefore to the position of dominance of one set of repressive apparatuses: a combination of civil and military organizations under, or fused with, political organization and legal-ideological sanction.

This position of dominance is always occupied by a political force (set of apparatuses) which - as a function of its dominance - sets determinate limits to the representation of class forces in each nation state, ie it is always a repressive state. Lenin is quite consistent: proletarian and bourgeois democracy are types of state apparatuses. And there can be no internal passage forward through an extension of the bourgeois state to socialism: the apparatus is a power (there is no attached quality of power) the structure of which determines limits to its own action: the bourgeois state apparatus cannot be utilized for the construction of socialism. This is re-established by Lenin in State and Revolution. Thus each type of state apparatus is a class dictatorship (although it can be in the form of revolutionary democracy.) But this dictatorship cannot be read in the name of the state; it can only be found in its political practice.

#### Overdertermination

Conjunctures are to be understood as particular stages in complex processes that occur in a structure of contradictions within and between definite social formations. The multiplicity of contradictions (which are not reducible to one another) develop unevenly: they do not develop by a process of one-to-one correspondence at different levels. The action of these contradictions on each other can be thought as a process of overdetermination. <sup>14</sup>

This concepts enables us to show the basic political function of the Leninist political practice: the demarcation of political positions for the independent action of forces. This is not found solely in the practice of drawing a line between friend and enemies, between opposite aspects of a contradiction, which is a fundamental prerequisite of precision in strategy. It must also be a practice of drawing a line between friends who form an alliance for a temporary and limited objective. Political struggles do not present themselves in simple oppositions: the structure of class interests are formed within a complexity of contradictory development. Against the Mensheviks and Narodniks, Lenin argued: 'It is quite absurd to think that a bourgeois revolution does not at all express proletarian interests ... ' (CW vol 9 p. 49) Which lines are drawn in these alliances decisively affects the outcome of the process: a class which is unable to retain its strategic independence will be unable to retain its tactical independence and, in Lenin's words, 'will have its hands tied'. Class alliances are therefore instances of overdetermination.

These demarcations cannot be defined on the tactical level without clearly elaborated strategic objectives, they cannot arise as an effect of the conjuncture itself. They are drawn on the basis of a knowledge (of the limitations of the particular sets of forces) produced

by a strategic analysis. This function of political practice, basic to Leninism, can only arise on the basis of scientific theory: the demarcation itself combines this with the class position of the proletariat; the unity of theoretical and political practice, though neither is the totality of either practice. It is the task of the vanguard to draw these lines of demarcation in each conjuncture (for each conjuncture changes the place and function of each of the elements which form the dominance structure of contradictions in the process.)

#### Final Comments

Lenin's concept of Dual Power is an object at the level of tactical analysis, a specific conjuncture. This conjuncture and the other conjunctures in 1905-7 and 1917 are theoretical-political objects produced within a definite theoretical problematic at a level of analysis unique to Marxism-Leninism. But this level is a level of analysis. The conjunctures were not deduced from other levels of theory or read in the immediacy of each situation. Abstract theoretical forms are an essential element of the analysis: they provide an essential type of theoretical knowledge. The theoretical objects produced at that level must be articulated with objects produced at other levels: a differential analysis of forms. In Russia, Dual Power is a theoretical object produced in a problematic of a double revolutionary process occuring in the unity of a single revolutionary period.

'... the entire theoretical analysis made by the Marxists long before the period we are now passing through (1905) as well as all the practical observations of the development of revolutionary events, show that, from the standpoint of objective conditions, there are two possible outcomes to the revolution in Russia. The transformation of the economic and political system along bourgeois-democratic lines is inevitable and inescapable. No power on earth can prevent such a transformation, but the combined action of the existing forces which are affecting it may result in either of two things. may bring about either of two forms of that transformation. Either 1) matters will end in the 'revolution's decisive victory over tsarism', or 2) the forces will be inadequate for a decisive victory, and matters will end in a deal between tsarism and the most 'inconsistent' and most 'self-seeking' elements of the bourgeoisie. By and large, all the infinite variety of details and combinations, which no one is able to foresee, lead to one outcome or the other. '(CW vol 9 p. 55)

#### A decisive distinction.

- two roads of capitalist development: two types of bourgeois revolution: two distinct revolutionary alliances;
- a 'double' revolution, bourgeois and proletarian, where the proletariat can lead a bourgeois democratic revolution and a socialist revolution in the same revolutionary period.

The conjuncture of dual power was the interlocking of the two forms of the bourgeois revolution, a stage in the first of a double revolution.

#### NOTES

 $1\,$  '...Historical and dialectical materialism together

for the first time make possible a scientific political practice on the basis of the unification of the concrete situation with the strategic class positions of the proletariat.' Ben Brewster, 'Althusser and Bachelard', Theoretical Practice, 3+4, 1971, p34.

2 eg Lukacs, <u>Lenin</u>, a remarkable attempt to treat Lenin theoretically, but which cannot approach the meaning of concrete but through this idea. The influence is clear, if in a degenerated form, in I Meszaros' <u>Marx's Theory of Alienation</u> which implies Lenin is simply 'instrumental' (p. 21).

3 Althusser, For Marx, p. 177.

4 See my article, 'Althusser in English', <u>Theoretical</u> Practice No 1, 1971.

5 Althusser, For Marx pp. 182-192.

6 Althusser, For Marx pp. 175-182 for political conjuncture, Lenin and Philosophy for theoretical conjuncture, and A. Cutler, 'Concept of Epistemological Break', in Theoretical Practice No 3+4, pp. 72-80. I am also indebted to the whole issue 9-10 of Cahiers M-L "Vive le Leninisme', Paris 1966.

7 Althusser, Reading Capital part 1.

8 See <u>First Letter on Tactics</u>, 1917, (CW Vol 24 pp. 43-54) and Leftwing Communism, 1920, (CW Vol 31)

9 This displacement (seizure of state power) is not equivalent to the displacement of the dominant instance in the social formation discussed by Balibar in Reading Capital.

10 'Ideology and Ideological State Apparatuses', in Lenin and Philosophy and Other Essays.

11 See A. Cutler, 'Fascism and Political Theory', Theoretical Practice No:2, pp. 5-15.

12 'The person who now speaks only of a 'revolutionary-

democratic dictatorship of proletariat and peasantry, is behind the times, consequently, he has in effect <u>gone</u> <u>over</u> to the petty-bourgeoisie...' (First Letter on Tactics 1917)

13 See J A Miller, 'The Action of the Structure', translation of this article from Department of Sociological Studies, University of Sheffield.

14 L Althusser, For Marx, pp. 87-116.

#### CORRECTIONS

MATERIALIST MATHEMATICS T.P. 3/4

page 84 (1) line 4

insert: which after philosophy

page 92 (2) 3 lines from bottom

to read: A closed instance of B...

page 92 (2) 3 lines from bottom

to read: B' = T

page 93 (1) line 13

delete all

page 93 (1) line 17

to read: D-E

Page 94 (2)

insert new line 5: I leave 1, which is elementary, and

 $\underline{3}$  to the reader

page 95 (2) bottom line.

after 'system' insert: /New Paragraph/

These two demonstrations suggest a precise distinction, between a purely logical formal system (in which all axioms are logical) and a mathematical system.....
page 100 note 16
p. 105

# Marx's Notes on Adolph Wagner: An Introduction

by ATHAR HUSSAIN

Marx's marginal notes on Wagner's Lehrbuch der politischen Ökonomie constitute one of his last texts. In his introduction to the French paperback edition of Capital, 1 Althusser singles out this text for special mention: 'It reveals irrefutably the direction in which Marx's thoughts tended: no longer the shadow of a trace of Feuerbachian humanist or Hegelian influence. ' Thus, for Althusser, these Notes are important because they specify the epistemological break that detaches science from ideology. They constitute a record of Marx's reading of Wagner: in particular of Marx's own ideological reading of Capital. What is the theoretical status of the reading of a reading? This question has precedence over the more obvious one of why Althusser attributes such theoretical importance to a polemic directed against an obscure 19th century German economist (referred to as a 'born confuser' and 'vir obscurus' by Marx)? While the first question seeks to determine the conditions governing the production of these Notes (that is what the specification of the theoretical status of a text amounts to), the second

merely specifies the character of the text on the basis of some of its formulations without seeking to determine the condtions of its production. What is at issue in both questions is the specification of the <u>practice</u> of reading, be it Wagner's or Marx's. Althusser has defined a practice as the determinate transformation of the object of that practice. In <u>Reading Capital</u> Part I he formulates the theory of the practice of reading in his discussion of Marx's practice of reading. <sup>2</sup> The questions posed above make it necessary to recall some of these arguments.

The theory of the practice of reading, if it is to be adequate, has to be based on a specific conceptualization of the practice whose end-product the text is. A text, a written discourse, is the end-product of a 'discursive practice, '3 which may be either ideological or scientific. The appellations 'ideological' and 'scientific' are based on the relation between the discourse and the real relations. Discursive practice is distinguished from other practices (eg, economic and political practice) in that it is a 'process' in thought, which implies that the object of discursive practice is a 'thought-object' distinct from the real object, which exists independently of thought (the first basic principle of materialism). 5 Spinoza aptly formulates the difference between the thought-object and the real object: 'For a circle is one thing, and the idea of one another; for the idea of a circle is not something having a circumference and a centre, as is a circle, nor is the idea of a body the body itself. '6 Discursive practice, like other practices, is governed by specific conditions and laws (this is an immediate corollary of the defini-

tion of practice). The totality of the conditions governing a discursive practice, eg, the object of the discourse. the system of concepts and the theory deployed in the discourse, is referred to as the 'problematic' of the discourse. <sup>7</sup> The problematic is to discursive practice what forces and relations of production are to the production of goods (economic practice). The main consequence of this characterization of the discursive work as a discursive practice, note, is that it destroys all the variants of the anthropology of creation - the discourse is not the creation of a subject, or for that matter the result of any kind of insight, whether commonplace or exceptional. It is ideology as an instance of the social formation that constitutes subjects<sup>8</sup> and the assignment of texts to specific individuals as subjects is an ideological theory of the history of discursive practices. Further consequences of the characterization of discursive practice are as follows: discursive practice, including ideological discursive practice, never works on an empirically given object but on the thoughtobjects, which are effects of the problematic. All 'theories of knowledge,' by implicitly or explicitly positing a given object of knowledge, eg, the real object in its immediacy and expressiveness, posit an imaginary relation between the discourse and its object, and in consequence are ideological.

A reading which regards the text as a product of discursive practice and seeks to discover the conditions of its production is called by Althusser a 'symptomatic reading'. A symptomatic reading, in contradistinction to a simple reading, is not restricted to drawing up an inventory of the results and conclusions of the text

on the one hand, and the absences in it on the other, but also seeks to discover the conditions of its existence. An ideological reading or mis-reading is always a simple reading, and one of its preconditions is the assumption of an identity of the problematic of the text and of that governing the reading. Consequently, an ideological reading of a scientific discourse always presupposes a prior transformation of the latter into an ideological discourse. To state this particular point in the form of a thesis: the transformation of the scientific discourse into an ideological one is the precondition of the ideological critique of the scientific discourse. This transformation can, of course, take many different specific forms.

The object of this introduction is to demonstrate that Marx's reading of Wagner's Lehrbuch is a symptomatic reading, and that in consequence this text cannot be reduced to a mere polemic. In these Notes, Marx demonstrates that Wagner's reading of Capital takes the form of the suppression of conceptual distinctions and the transformation of concepts into free words, free in the sense that they can be replaced by other words. This transformation, like the rest of Wagner's Lehrbuch, is an effect of a specific problematic, the problematic of Philosophical Anthropology. The theoretical importance of this text derives from the fact that the problematic of Philosophical Anthropology is not confined to Wagner's Lehrbuch but, as will be demonstrated in this introduction, also governs more recent works, including those of certain revisionist economists. In these Notes, Marx not only read Wagner, but also reflects on his own problematic, which thus

also makes these Notes nothing less than a reflection of the problematic governing <u>Capital</u>. This is the theoretical justification for Althusser's comment that these notes reveal irrefutably the direction in which Marx's thoughts tended.

Wagner's discussion of Capital centres around the question of the theory of value. Before coming on to the specific effects of his ideological transformation of Marx's discourse, we should make one very general point. Wagner's comment that Marx's theory of value is 'the cornerstone of his socialist system' assigns a teleology to the 'theory of value' and thereby denies its autonomy as scientific practice, autonomy in the sense of being governed by the laws specific to that practice. Marx's retort: 'As I have never set up a "socialist system" this is a fantasy of Wagner, Schäffle and tutti quanti', is his affirmation of the autonomy of 'historical materialism'. It is not subjugated to any ideology, not even to a revolutionary ideology. In the Preface to A Contribution to the Critique of Political Economy, Marx affirmed this autonomy of scientific practice in the following words: 'At the entrance to science, as at the entrance to hell, the demand must be made,

Qui si convien lasciare ogni sospetto; ogni viltà convien che qui sia morta: '9

Wagner, and as we shall see, he is not the only one, regards labour as the 'common social substance of exchange-value.' Marx points out that exchange-value is the necessary mode of expression (<u>Darstelungs-weise</u>) of value, and the concept of value is different from the notion of exchange-value, which is

invested in the commercial practice of the exchange of commodities. The difference between the two is the difference between 'what is represented' and the 'mode of representation of what is represented'. Marx goes on to specify the order of the discourse in Capital: 'The progress of our investigation will bring us back to exchange-value as the necessary mode of expression or phenomenal form of value, which, however, we have for the present to consider independently of this form.' The 'order of the discourse', as Marx points out in the 1857 Introduction, 10 is distinct from the order of concrete historical events. This difference is a corollary of the fact that discursive practice is a process in thought and the thought-object is different from the real object. The difference in order of the two series implies that in general there is no 'bi-univocal' correspondence (ie, one-one and on-to)11 between the terms of the two series. This particular difference reveals the error in the historicist reading of Capital according to which the discussion of the concept of value precedes the analysis of the determination of prices of production (ie, exchange-values denominated in terms of money which in general diverge from values), because prices in the initial stage of capitalism are equal to values while in the later stages they are equal to prices of production. 12 The statement by Marx quoted above is based on a theoretically specified relation between value and exchange-value and cannot be construed to specify the order of concrete historical events.

The statement that exchange-value is 'the necessary mode of expression or phenomenal form of value' is crucial to the specification of the difference between

Marx and the classical economists. Exchange-value is the necessary mode of expression of value only under a specific mode of production, ie, one characterized by generalized commodity production. The theoretical connection between value, exchange-value and generalized commodity production is as follows: the generalized commodity production specifies the 'social space', ie, the capitalist mode of production, in which value is represented in the form of exchange-value. 13 Throughout the first chapter of Capital Volume One, the terms 'value-form' and 'exchange-value' are used interchangeably, while the term 'natural form' is used to denote 'use-value'. Wagner overlooks the theoretical connection between the concepts of 'value', 'exchangevalue' and 'commodities'. Marx therefore has to remind him that 'for me' (in the first chapter of Capital Volume One), 'Neither "value" nor "exchange-value" are subjects but commodities. '

Nearly all critiques of <u>Capital</u> by bourgeois economists from Böhm-Bawerk to Joan Robinson<sup>14</sup> have been based on the assumption that the first chapter of <u>Capital</u> is devoted to the quantitative determination of exchange-value. This particular assumption enables these critics to replace the question asked in the text by another question: what determines the exchange-value of commodities? Marx comments on the effects of the problematic governing bourgeois political economy: 'The few economists, among whom is S. Bailey, who have occupied themselves with the analysis of form of value' (exchange-value) 'have been unable to arrive at any result, first, because they confuse the form of value with value itself; and second, because, under

the coarse influence of the practical bourgeois they exclusively give their attention to the quantitative aspect of the question.' (p. 49 n)15 The coarse influence of the practical bourgeois that Marx is referring to is the object invested in the commercial practice of exchange, ie, the quantitative magnitude of exchangevalue. Marx points out in these Notes that 'apart from this, as every promoter, swindler etc., knows, there is certainly a formation of exchange-value in present day commerce, which has nothing to do with the formation of value.'

The difference between Marx and Ricardo, which Wagner overlooks, is specified by Marx in Capital Volume One when he writes: 'It is one of the chief failings of classical economy that it has never succeeded, by means of its analysis of commodities, and, in particular, of their value, in discovering that form under which value becomes exchange-value. Even Adam Smith and Ricardo, the best representatives of the school. treat the form of value as a thing of no importance, as having no connection with the inherent nature of commodities. The reason for this is not solely because their attention is entirely absorbed in the analysis of the magnitude of value. It lies deeper. The value-form of the product of labour is not only the most abstract, but is also the most universal form taken by the product in bourgeois production, and stamps that production as a particular species of social production, and thereby gives it its special historical character. If then we treat this mode of production as one eternally fixed by nature for every society, we necessarily overlook that which is the differentia specifica of the value-form.

and consequently of the commodity form and capital form, etc.' (Vol. I, pp. 80-81).

Ricardo asked the question, what determines the magnitude of value, and provided the answer to it, the value of a commodity is equal to the labour embodied in it. Marx asks a different question, what is the social structure (referred to as 'that form' in the above quotation) in which the value of goods is represented in the form of exchange value? Of course, the statement in the text quoted above is slightly ambiguous, for value does not become exchange-value, but is represented in exchange-value, but this ambiguity is easily removed by referring to other passages from these Notes. Neither Ricardo nor any other bourgeois economist, classical or non-classical, asked the second question. Marx goes on to account for the absence of the second question in the following terms: 'If then we treat this mode of production as one eternally fixed by nature for every society, we necessarily overlook that which is the differentia specifica of the value-form'. What does the statement beginning 'treat this mode of production' (the capitalist mode of production) refer to? Obviously not to the simple fact known from historical chronicles that capitalism has not always existed. In fact, Adam Smith gave a detailed account of the changes in the organization of production in his discussion of the division of labour. The oversight of Ricardo et al. cannot be corrected by a simple injection of 'time perspective' or by providing that ambiguous 'historical angle' to which Dobb refers. 16 The oversight of Ricardo et al. is the oversight of their problematic; the 'treatment of this mode of production as one

eternally fixed by nature' is a metaphoric (and hence ambiguous) reference to the problematic governing the discourse of Adam Smith and Ricardo. The main characteristic of that problematic is that it is directly or indirectly determined by the commercial and economic practices specific to the capitalist mode of production. The main effects of that determination, which are specified throughout <u>Capital</u>, are as follows: (i) exclusive concentration on the quantitative magnitude of exchange-value;

of exchange-value;
(ii) the equation of 'surplus labour' with profit - a category which is specific to the capitalist mode of production (Ricardo's 'corn rate of profit,' dearly loved by Cambridge economists like Sraffa, Joan Robinson, Dobb and tutti quanti, is an effect of this equation);<sup>17</sup>
(iii) the failure to distinguish between the value of

labour and the value of labour-power.

The reason why Ricardo and bourgeois political economy do not ask the second question can be discovered by determining the theoretical requirements for answering it. The specification of the social structure in which exchange-value is the 'mode of expression of value' requires the concept of the 'mode of production' and the concepts required to specify the pertinent difference of a particular 'mode of production' vis-à-vis others. Marx's counter-question, ie, the second question above, signifies the change of problematic. The object of the science of history is no longer conceived as a process with a subject, but as a process without a subject. This second question is a question of a specific problematic and it is also a 'non-question' of the problematic governing Ricardo's discourse; the absence of the

question is the symptom of the problematic. It is this concept of a process without a subject that Marx owes to Hegel. Althusser points out that in Chapter one of <u>Capital</u> Volume One, Ricardo provides the Generality I, the object of the theoretical labour, while Hegel's 'process without a subject' is used as Generality II, ie, the means of transformation, to produce Generality III, ie, historical knowledge.

I have given no demonstration of the assertion that Ricardo's problematic is that of a process without a subject. This demonstration would have to be based on a wider question which I cannot answer here: Is an ideological discourse necessarily governed by the problematic of a process with a subject? Ricardo's exclusive concern with the first question has the necessary consequence, as Marx points out in these Notes. that he can find no connection between his theory of value and the nature of money. Ricardo does not see that money need not be a commodity for generalized commodity production and money (including paper money) as a universal equivalent to be the effects of one and the same social structure, ie, the capitalist mode of production. Ricardo confined his discussion of money to specie and regarded the value of coin as being equal to the value of the labour embodied in it. In this instance at least, two distinct features of the mode of production are reduced to expressions of labour, the activity of a subject, whereas for Marx the value form and the money form are distinct effects of the mode of generalized commodity production.

Wagner derives exchange-value and use-value from the concept of value. The so-called concept of value

is derived by Wagner from 'Man's' natural drive to evaluate (schatzen) things of the external world qua goods, ie, use-values. Wagner goes on to specify the mode of his derivation: 'One starts from the need and the economic nature of man, reaches the concept of the good, and links this to the concept of value. ' Marx characterizes this mode of derivation as follows: 'Now one can, assuming one feels the "natural drive" of a professor, derive the concept of value in general as follows: endow "the things of the external world" with the attribute "goods" and also "endow them with value" by name. ' Marx goes on to point out that, 'But insofar as "attributing value" to the things of the external world is here only another form of words for the expression, endowing them with the attribute "goods", the "goods" themselves are absolutely not attributed "value" as a determination different from their "being goods" as Wagner would like to pretend. '

In other words, Wagner has set himself the task of excluding "use-value" from science. He manages this by a play on words. He derives the term value from the notion of goods, ie, use-values, and then substitutes the term value for use-value. Wagner's reading transforms the two distinct concepts of the scientific discourse of <a href="Capital">Capital</a> - value and use-value - into two words that are interchangeable with each other. What is the means of this transformation (or alternatively, what is the problematic that governs Wagner's reading of <a href="Capital">Capital</a>)? Marx specifies it as follows: 'What lies in the murky background to the bombastic phrases is simply the immortal discovery that in all conditions man must eat, drink, etc. (one

can go no further: clothe himself, have knives and forks or beds and housing, for this is not the case in all conditions); in short, that he must in all conditions either find external things for the satisfaction of his needs pre-existing in nature and take possession of them, or make them for himself from what does pre-exist in nature; in this his actual procedure he thus constantly relates in fact to certain external things as "use-values", ie, he constantly treats them as objects for his use; hence use-value is for Rodbertus a "logical" concept; therefore since man must also breathe, 'breath' is a "logical" concept, but for heaven's sake not a "physiological" one'.

In fact, Wagner's problematic is nothing but the problematic of Philosophical Anthropology, ie, the Feuerbachian-humanist problematic of the early Marx. <sup>18</sup> The characteristic features of this problematic can be schematically enumerated as follows:

- (i) History is a process with the subject 'Man'.
- (ii) The subject 'Man', his species-being in the terminology of Feuerbach and the early Marx, is endowed with certain attributes, eg, he consumes, produces, creates, etc. These attributes, alternatively referred to as the predicates of the subject, constitute the essence of Man. The relation of the subject to its essence can vary within the problematic of Philosophical Anthropology between idealism of the essence and empiricism of the subject on the one hand, and idealism of the subject and empiricism of the essence on the other.
- (iii) The banal notion of alienation signifies the relation between the subject, the essence and the alien object.

Alienation signifies the embodiment of the essence into the alien object and the reversal of the relationship between subject and objects, subject and predicates. The following are the immediate effects of the problematic in economic theory:

- a) Consumption is always the consumption by the speciesbeing 'Man' and not consumption by the supports (Träger) of the relations of production.
- b) Production is always a relation between Man and nature and not a relation between communal labour (or collective labour) and nature.

The problematic of Philosophical Anthropology, as I have already pointed out, is not, however, restricted to Wagner's Lehrbuch. Wagner emphasizes the anthropology of consumption, while others focus on the anthropology of production (the homo faber etc.); but in either case, the same subject 'Man' appears under a different mask determined by the variant of the problematic. This same problematic even appears in Maurice Dobb's introduction to the new English translation of A Contribution to the Critique of Political Economy, where it is particularly pernicious because of the trade-mark under which it is marketed - ie, as an introduction to Marx by a Marxist economist. Dobb specifies Marx's problematic as follows: 'It is sometimes said that, whereas for Hegel the dialectic as a principle and structural pattern of development started from abstract Being as Mind or "Spirit", for Marx the dialectic of development started from Nature, and from Man as initially an integral part of Nature. But while part of Nature and subject to the determination of its laws. Man as a conscious being was at the same time

capable of struggling with and against Nautre – of subordinating it and ultimately transforming it for his own purposes.  $^{19}$ 

Further specific effects of the problematic of Philosophical Anthropology need to be pointed out. In the beginning of these Notes, Marx points out that 'Wagner does not distinguish between the concrete character of each kind of labour and the expenditure of labour power common to all these concrete kinds of labour.' If production is treated as the generic activity of 'Man' to satisfy his 'generic needs', then the determinate historical conditions in which labour, ie, specific kinds of labour, is performed become invisible. The distinction between concrete labour and abstract social labour rests on the following two constituents of the conceptualization of the process of production:

- (i) production is always production of a specific good;
- (ii) production qua production always takes place under determinate historical conditions.

These two aspects of the process of production are aptly specified in the  $\underline{1857\ Introduction}$ : 'Just as there is no production in general' (production always takes place under determinate historical conditions), 'so also there is no general production' (production is always a production of specific products).  $\underline{20}$ 

The concept of concrete labour refers to the fact (a fact which is not an empirical given but a construct of the general theory of modes of production) that labour is employed in the production of a specific product, while the concept of abstract social labour refers to the fact that labour is performed under specific historical conditions (or as Marx puts it in these Notes, 'the process

of making a thing has a social character').

The distinction between abstract social labour and concrete labour is the unseen of the problematic of Philosophical Anthropology, since that problematic, by putting 'Man' in perpetual communion with Nature, suppresses the theoretical preconditions for specifying the determinate historical conditions in which production takes place. Faced with the patent presence of the verbal distinction in Capital, more careful readers than Wagner within this same anthropological problematic reduce it to a relation of 'alienation': labour power being a commodity in the capitalist mode of production, the concrete labour of human beings is 'fetishized' in the labour market into the alien form of abstract social labour. But this interpolation of 'reified' forms between 'Man' and Nature does not alter the misrecognition of the place of the relation between abstract social labour and concrete labours in the theory of the mode of production expounded in Capital. 21

The problematic of Philosophical Anthropology also enables Wagner to import universal ethical standards into his discourse. On the basis of such standards ('Thou shalt not steal', etc.), Wagner equates the extraction of surplus-value under the capitalist mode of production with robbery. Such importations of ethical standards into political economy are not confined to Wagner. Joan Robinson, in An Essay on Marxian Economics, writes: 'Marx's method of treating profit as unpaid labour and the whole apparatus of constant and variable capital and the rate of exploitation keep insistently before the mind of the reader a picture of

the capitalist process as a system of piracy, preying upon the very life of the workers. His terminology derives its force from the moral indignation with which it is saturated.  $^{\prime 22}$ 

Wagner is an apologist for capitalism, Joan Robinson a critic of it, but their respective readings of the concepts of variable and constant capital and the mode of extraction of surplus value in the capitalist mode of production are exactly the same. In these Notes, Marx makes the following comment on Wagner's reading: 'Now in my presentation profit on capital is in fact also not "only a deduction or 'theft' from the labourer". On the contrary, I represent the capitalist as the necessary functionary of capitalist production, and indicate at length that he does not only "deduct" or "rob" but enforces the production of surplus-value and thus first helps to create what is to be deducted; I further indicate in detail that even if in commodity exchange only equivalents are exchanged, the capitalist - as soon as he has paid the labourer the real value of his labour power - quite rightfully, ie, by the right corresponding to this mode of production, obtains surplus-value. ' Note that what is at issue in Marx's comment is not the 'inhuman' effects of the extraction of surplus-value, ie, of exploitation under the capitalist mode of production (eg, the lengthening of the working day, disregard for the physical safety of the workers, etc.), but the right of expropriation corresponding to the capitalist mode of production, a right which receives superstructural representation in legal property rights.

While specifying and criticizing Wagner's anthro-

pological problematic, Marx also reveals the problematic governing <u>Capital</u> itself. Numerous comments interspersed throughout these Notes are unmistakable symptoms of Marx's problematic. To cite a few examples:

'According to Herr Wagner, use-value and exchange-value should be derived d'abord from the concept of value, not as with me from a concrete entity the commodity (konkretum der Ware).' (As we shall soon see, this 'konkretum der Ware' is not the simple empirical presence of the commodity but the historical condition of existence of commodities.) 'Man, if this means the category 'Man' then in general he has no needs.'

'Hence our vir obscurus, who has not even noticed that my analytic method, which does not start from man but from the economically given period of society, has nothing in common with the German professorial concept-linking method.'

'The labour process, as purposeful activity for the provision of use-values etc. "is equally common to all its" (human life's) "forms of society" and "independent of each of the same". Firstly the individual does not confront the word "use-value", but concrete use-values, and which of these "confront" (gegenüberstehen) him (for these people everything "stands" (steht), everything pertains to status (Stand)), depends completely on the stage of the social process of production, and hence always corresponds to "a social organization"."

These last three quotations irrefutably point to a complete break with all the variants of Philosophical Anthropology. 'Man in general has no needs,' implies

the break with the anthropology of consumption; there are no 'generic needs' of the 'species-being' Man. Needs of concrete individuals are always needs in a determinate historical totality. Further on Marx points out that 'an individual's need for the title of Professor or Privy Counsellor, or for a decoration, is possible only in a quite specific "social organization".'

However, these Notes do not merely give a symptomatic indication of the theoretical terrain of Capital; they go on to specify the order of the discourse and the theoretical function of specific concepts. The startingpoint of economic discourse is indicated in a descriptive form at the beginning of Capital: 'The wealth of those societies in which the capitalist mode of production prevails presents itself as "an immense accumulation of commodities," its unit being a single commodity. Our investigation must therefore begin with the analysis of a commodity.' The Notes on Wagner, however, specify the beginning of economic discourse in the following terms: 'What I start from is the simplest social form in which the labour product is represented in contemporary society, and this is the "commodity". ' The descriptive formulation of Capital has been replaced by a formulation based on the fundamental concepts of the general theory of modes of production. To elaborate: the labour-product, ie, the end-product of economic practice, is represented in a 'social form' because, as I have pointed out above, there is no 'production in general' and production always takes place under determinate historical conditions. The representation of the labour-product in a social form is the effect of the determinate historical conditions in which production takes place. The term 'contemporary society' here does not signify society in its immediate 'actuality' but the abstract concept of the existing society or social formation. Elsewhere in these Notes, Marx specifies this: 'If one is concerned with analysing the commodity - the simplest concrete entity - all the considerations that have nothing to do with the immediate object of analysis have to be put aside.'

Thus the 'konkretum der Ware' referred to above denotes the determinate historical conditions in which the labour product is represented as a commodity.

Marx's statement in these Notes ('De prime abord I do not start from 'concepts' and hence do not start from the 'concept of value''), does not counterpose thought constructs or 'concepts' to 'real facts', but counterposes the 'concepts' specific to the problematic of Philosophical Anthropology to the concepts of 'Historical Materialism'. Marx does not start from the concept of 'value', because he had discarded the problematic of Philosophical Anthropology. He starts from the 'concepts' that underlie the statement: 'What I start from is the simplest social form in which the labour-product is represented in contemporary society.'

Later in the same passage, Marx specifies that while analysing the commodity in the form in which it appears he finds that it is on the one hand a 'use-value' and on the other hand a bearer of 'exchange-value'. Marx is not content with the dual representation of the commodity, but goes on to specify that exchange-value is only a 'phenomenal form' (Erscheinungsform), an independent mode of representation (selbständige

Darstellungsweise) of value. As I pointed out above, it is only under a specific mode of production that exchange is the mode of representation of 'value'. Hence Marx's statement that exchange-value is a historical 'concept', ie, the concept 'pertinent to' a specific mode of production. The specification of the relation between exchange-value and value leads Marx to modify his representation of the commodity: 'I say specifically... "When, at the beginning of this chapter, we said, in common parlance, that a commodity is both a use-value and an exchange-value, we were, accurately speaking, wrong. A commodity is a usevalue or object of utility, and a 'value' ". ' The commodity is represented as a two-fold thing because the mode of representation of value is distinct from the natural form of the commodity, ie, the form qua usevalue. It should be pointed out that the mode of representation of value (exchange-value) is distinct from value. Hence some of the ambiguous sentences in Capital which bourgeois commentators on Marx rely so heavily on have to be modified accordingly, for example, the following sentence from Chapter 3 of Volume One which is quoted by Robinson: 'Price is the money-name of the labour realised in a commodity' (p. 101). 23

The 'value' of a commodity, as Marx points out in these Notes, expresses in a historically developed form something which also exists in every other historical form of society, but in different forms, namely the social character of labour, insofar as the latter exists as the expenditure of 'social' labour power. The substance of value, which, claims Marx in these

Notes, Rodbertus, like Ricardo, does not understand. is the 'common character of the labour process'. What is it that gives the labour process a 'common character'? It is the 'relation' between production and consumption, and the concept of that 'relation' in Marx is the 'mode of distribution' of the labour product. If the 'mode of distribution' (which can take different forms, depending on the mode of production) is such that the producer of a good and the consumer of that good are not identical (identitas indiscernibilium), then the labour employed in the production of goods has the common character referred to above. In the illustration Marx cites in these Notes, the primitive community is described as the common organism of the labour powers of its members because of the combination of the mode of production with a mode of distribution such that the producer and the consumer of a good are not identical. The capitalist mode of production has a mode of distribution specific to it which is distribution by means of the exchange of equivalents. A substantial part of the much mis-read section of Chapter 1 on 'The Fetishism of Commodities' is concerned with the elaboration of the mode of distribution of commodities, but the discussion there is conducted in terms of 'inter-personal' relations, terms which provide ample scope for the misrecognition of the object of analysis. The Notes on Wagner, however, are completely free of the misleading formulations of the substance of value to be found in Chapter 1 of Capital. To give an example, the substance of value is specified in Capital as follows: 'Betrachten wir nun das Residuum der Arbeitsprodukte. Es ist nichts von ihnen übriggeblieben als dieselbe gespenstige

Gegenständlichkeit, eine blosse Gallerte unterschiedloser menschlicher Arbeit, d. h. der Verausgabung menschlicher Arbeitskraft ohne Rücksicht auf die Form ihrer Verausgabung. '24 ('Let us now consider the residue of the labour-product. Nothing remains but this phantomnlike objectivity, a mere gelatinous mass of indistinguishable labour, ie, of human labour power expended regardless of the form of its expenditure. 'p. 38 - retranslated). The substance of value is abstract social labour abstract because it is labour power expended regardless of the form of its expenditure, social because of the common character of the labour process in the sense referred to above. As Marx argues in Capital, 'Magnitude of value expresses a relation of social production, it expresses the connection that necessarily exists between a certain article and the portion of the total labour-time of society required to produce it' (p. 102).

The value of a good (not necessarily of a commodity, since the concept of value is not specific to the capitalist mode of production) represents the expenditure of social labour power because the labour-process has the 'common character' we have discussed. The law of value is thus the law of the distribution of the social labour force into different branches of production. In other words, the law of value specifies the relation between abstract social labour and concrete labour; Marx defines concrete labour on the basis of the branch of production in which the labour is employed. He defines the law of value in <u>Capital</u> in the following terms: 'The different spheres of production, it is true, constantly tend to an equilibrium: for, on the one hand, while each producer of a commodity

is bound to produce a use-value, to satisfy a particular social want, and while the extent of these wants differ quantitatively, still there exists an inner relation which settles their proportion into a regular system, and that system is one of spontaneous growth; and, on the other hand, the law of value of commodities ultimately determines how much of its disposable working time society can expend on each particular class of commodities'. (Vol. I, p. 356)

The distribution of the social labour force into the various branches of production in the capitalist mode of production is determined by the following:

- (i) the mode of consumption specific to the mode of production;
- (ii) the rate of exploitation, ie, the necessary and surplus portions of social labour time;
- (iii) the forces of production, which determine the composition of the means of production in each branch of production the 'inner relation which settles their proportion into a regular system' referred to by Marx is the detailed matrix of the production of commodites by means of the commodities of Department I, ie, those that constitute constant capital, and labour; (iv) and the form of reproduction.

Each of these factors determines the distribution of the social labour force between Departments I and II, and between the branches of production constituting those Departments. The law of value expresses the 'overdetermination' of the distribution of the labour force into different branches of production, assuming that labour is paid the full value of its labour power (Marx sees this assumption as a scientifically necessarily pro-

cedure, as he remarks in these Notes, whereas Schäffle saw it as 'generous' and others, eg, Samuelson and Joan Robinson, have believed that Marx subscribed to the so-called 'theory of immiseration'). The factors listed above in a general form determine the distribution of the social labour force in the capitalist mode of production and are specific to that mode. Hence Marx's exclamation in these Notes, 'What a dreadful thing for the "social state" (ie, the future socialist society which Schäffle kindly constructed for Marx), 'to violate the laws of value of the capitalist (bourgeois) state.'

Thus it comes as no surprise that Marx affirms in these Notes that 'price formation makes absolutely no difference to the determination of value. 'The connection between the law of value and the formation of prices can be formulated as follows. In Volume Three, the 'prices of production', ie, the set of prices that equalize the rate of profit in all branches of production, assuming a given rate of exploitation, are determined on the assumption that the social labour force is distributed such that each branch of production produces no more nor less than the amount demanded of the good in question, qua means of production or consumption. 'Prices of production' are thus determined by the 'rate of exploitation' and the forces of production, which, as we have seen, define the 'matrix' of the production of commodities. 'Prices of production' cannot be realised if there is an imbalance between branches of production, ie, any branch of production producing more or less than the amount demanded of that particular good. The precondition for the realisation of 'prices of production'

obtain if and only if the social labour force is distributed in such a way that there is a balance between different branches of production. The relation of interdependence between the distribution of the social labour-force into different branches of production and the quantitative composition of those branches of production is clear once it is taken into account that each product is the product of a series of concrete labours.

Hence there is no inconsistency between the analyses of Volumes One and Three of Capital, despite the allegations of Böhm-Bawerk and tutti quanti. As these Notes make clear, the analyses of Volume One are based on abstract labour, labour as the expenditure of labour power irrespectively of the useful way in which it is expended. In consequence the analysis of the process of production in Volume One does not refer to any specific branch of production, despite all the concrete illustrations. The problem of the determination of prices, as a theoretical problem, arises only when a distinction is made between different branches of production. This is the justification for the assumption that price is equal to value, an assumption which is removed in Volume Three, where the determination of prices is posed as a theoretical problem. This assumption and its subsequent removal do not represent any contradiction but instead 'the order of presentation' of the discourse of Capital.

In the Notes on Wagner, Marx suggests the answer to the following important question: Why is value represented in a 'social form' distinct from the natural form of the labour product, ie, its form qua use-value? Qua product of social labour one good

is indistinguishable from another, the distinction between goods being based on their respective attributes qua means of consumption or production, or in short qua their use-values. As Marx points out: 'If he (Rodbertus) had further investigated value, he would have found further that in it the thing, the "usevalue", counts as a mere objectification of human labour, as an expenditure of equal human labour power, and hence that this content is represented as an objective character of the thing, as a (character) which is materially fitting for itself, although this objectivity does not appear in its natural form (but this makes a special value-form necessary). ' Marx had already answered this question by his use of illustrations in Chapter 1 of Capital Volume One: 'In the production of the coat, human labour power, in the shape of tailoring, must have been actually expended. Human labour is therefore accumulated in it. In this aspect the coat is a depository, but though worn to a thread, it does not let this fact show through. ' (p. 51).

The independent value-form or, in other words, the representation (Darstellung) of value is not specific to the capitalist mode of production; it is the necessary effect of the 'common character of the labour process'. The specification of the mode of representation (Darstellungsweise) proper to each different mode of production (including the socialist mode of production) remains an unfinished theoretical task for historical materialism.

I hope that, notwithstanding the sketchiness of some of these arguments, of which I am well aware, I have succeeded in demonstrating the theoretical importance

of the Notes on Wagner. The specific points of importance can be listed schematically as follows:

- (i) an irrefutable proof of the epistemological break with all variants of Philosophical Anthropology;
- (ii) an unmistakeable absence of Hegelian modes of expression in discussing the concept of value (this last point is of particular importance, for in <u>Capital</u> itself, as Marx wrote in his Afterword to the Second German edition (1873), 'I... openly avowed myself to be the pupil of that mighty thinker (Hegel) and even here and there, in the chapter on the theory of value, <u>coquetted</u> with the modes of expression peculiar to him'); (iii) valuable indications as to the 'order of discourse'
- in <u>Capital</u>; and
  (iv) a specification of the theoretical function of the

concept of 'value' and of the nature of the relation between 'the formation of value' and 'the formation of prices'.

#### NOTES

- 1 Louis Althusser: 'Preface to <u>Capital</u> Volume One,' in <u>Lenin and Philosophy and Other Essays</u>, NLB (London 1971), p. 99.
- 2 Louis Althusser and Etienne Balibar: <u>Reading Capital</u>, NLB (London 1970), Part One, Section 8.
- 3 I have used 'discursive practice' rather than 'theoretical practice' here since it is ambiguous to classify ideological discourses as theory. The term 'discursive practice' is employed by Michel Foucault in his

L'archéologie du savoir, Gallimard (Paris 1969).

4 The term 'process' denotes 'a development considered in the totality of its real conditions,' as specified by Marx in the French edition of <u>Capital</u> Volume One. See Althusser's reference to this in the essay 'Lenin before Hegel' in <u>Lenin and Philosophy and Other Essays</u>, op. cit., p. 117.

- 5 See Ben Brewster's exposition of 'Materialism' in Seven Days, 22 December 1971.
- 6 Spinoza: Ethics, etc., Everyman's Library (London 1967), p. 236.
- 7 Strictly speaking, the object of discourse, the theory and concepts deployed therein are not the conditions but the effects of the conditions determining the production of discourse. But since a discursive practice is characterized by 'metonymic causality', i.e., the structure exists in its effects, it is correct to look for these conditions in their effects since the two are inseparable from one another. For a discussion of 'metonymic causality' see Louis Althusser and Etienne Balibar: Reading Capital, op. cit., p. 188.
- 8 Ideology has no history and constitutes individuals as concrete subjects. See 'Ideology and Ideological State Apparatuses,' in <u>Lenin and Philosophy</u>, op. cit., pp. 149-70.
- A Contribution to the Critique of Political Economy, Lawrence and Wishart (London 1971), p. 23. The verse can be translated as follows: 'Here must all distrust be abandoned, all cowardice must here be dead,' Dante Alighieri: The Divine Comedy, Inferno III, 14-15.

  10 '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, the relation of succession is determined by their mutual relations 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. ' (1857 Introduction, in A Contribution..., op. cit., p. 213). Note that the emphasis is on the presentation of economic categories in the sequence determined by the mutual relation of those categories in modern bourgeois society. The discussion of value precedes the analysis of the formation of exchange-values or prices of production because of the theoretical relation postulated. Exchange-value is a mode of representation (Darstellungsweise) of value. Analysis of the 'order of the discourse' might seem trite or pedantic. So-called 'history of ideas' fails to ask questions about the order of discourse because it implicitly or explicitly subscribes to the empiricist theory of knowledge, according to which the distinction between the order of the discourse and the order of concrete events is not a pertinent one. But once the thought object is distinguished from the real object, this distinction between 'the two sequences' becomes a crucial one. logic and is defined as follows: Given two series, say

11 Bi-univocal correspondence is a term of mathematical logic and is defined as follows: Given two series, say A and B, a correspondence <u>f</u> that assigns an element of B to an element of A, written as f: A B, is (i) one-one if each element of A is assigned a unique element of B, and (ii) on-to if to each element of B there corresponds an element of A. Or, expressed more simply, if for each element of A there is a similar element of B, and vice versa, there is a bi-univocal correspondence between A and B.

12 This interpretation was unfortunately lent weight by a remark of Engels's in the Supplement to Capital Volume Three that 'the Marxian law of value holds generally... 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' (Vol. III, p. 876). For a more detailed critique of this passage, and of historicist interpretations which rely on it, see Jacques Rancière: 'Le concept de critique et la critique de l'économie politique des Manuscrits de 1844 au Capital, 'in Louis Althusser, Jacques Rancière and Pierre Macherey: Lire le Capital Tome I, François Maspero (Paris 1965), pp. 170-181 (to be published in translation in a later issue of Theoretical Practice). By 'historicists' here, I mean those whose discourse is governed by the problematic of a 'process with a subject'. The main effects of a historicist problematic are as follows: (i) History. regardless of its specific forms, is always governed by the same organizing principle. For example, history is the history of the struggle of 'Man' with nature, or the history of 'challenges' and responses. (ii) Given the presence of a single organizing principle, the historicist problematic suppresses the concepts of the pertinent distinction between one social formation and another, as a necessary effect. The absence of these concepts of pertinent difference in the historicist discourse is represented in the equivalence of 'historical' and 'physical' time. (iii) the historicist problematic is always blended with either empiricism or idealism. The political effects of the historicist problematic take the form of 'reductionism', e.g., economism or ultraleft adventurism. There are many different variants of

the problematic. In Spinoza's words, the historicist problematic is infinite in its kind.

13 See Jacques Rancière: 'The Concept of Critique and the Critique of Political Economy', in <u>Theoretical Practice</u> Number two, April 1971, pp. 37-47.

14 Eugen von Böhm-Bawerk was an Austrian economist of the marginalist school. His book Karl Marx and the Close of his System (1896) is based on the alleged contradiction between the analyses of Volumes One and Three (see below). Most bourgeois commentators still regard Böhm-Bawerk's critique as a definitive refutation of Marx. See Eugen von Böhm-Bawerk: Karl Marx and the Close of his System, ed. P. M. Sweezy, Augustus M. Kelly (New York 1966) - this translation includes Hilferding's reply to the critique. For Joan Robinson, see her book An Essay on Marxian Economics, Macmillan (London 1967).

15 Page references to the English edition of <u>Capital</u> refer to the edition published in Moscow from 1961-2, and to Volume One unless otherwise stated.

16 In his introduction to A Contribution..., Dobb writes, 'The historical perspective from which he (Marx) surveyed the emergent "bourgeois" (capitalist) society of his day at once sets the distinctive focus and emphasis of his economic theory as well as its boundaries (both focus and boundaries which differentiate it sharply from the increasingly narrowed theories of "market equilibria" that were to characterize accepted economic theory at the end of the century and in the present century)' (op. cit., p. 6).

17 The corn rate of profit implies the following: since corn is produced by means of corn and labour, the 'surplus-labour' extracted in terms of corn can be ex-

pressed in physical terms. However, the extraction of 'surplus-labour' does not imply the category of profit, since the extraction of 'surplus-labour' is a common feature of a number of modes of production, while profit is a category specific to the capitalist mode of production. Sraffa's reliance on the 'corn rate of profit' leads him to account for the 'emergence of profit' in terms of the emergence of surplus, defined in physical terms. What is at issue here is not the use of the 'corn rate of profit' as an illustrative device. which can be justified, but the theoretical treatment of 'surplus-value', 'profit', 'rent', etc. The corn rate of profit is to the Cambridge Ricardians what Robinson Crusoe has been to bourgeois economists in general. On the corn rate of profit, see Piero Sraffa: Production of Commodities by Means of Commodities, C. U. P. (Cambridge 1963), especially Appendix D; Maurice Dobb: 'The Sraffa System and the Critique of the Neo-Classical Theory of Distribution, 'De Economist, No.4. 1970, pp. 347-62; and Joan Robinson, op. cit., Preface to the Second Edition.

18 For a detailed specification of the problematic governing the 1844 Manuscripts, see Jacques Rancière, op.cit., <u>Theoretical Practice</u> Number one, January 1971, pp. 35-52.

19 Maurice Dobb: 'Introduction' to A Contribution..., op. cit., p. 7.

20 A Contribution..., op. cit., pp. 196-7.

21 I am forced here to link with Adolph Wagner the name of as serious a Marxist scholar and theoretician as Lucio Colletti: 'In the production of commodities,...where social labour is presented as <u>equal</u> or <u>abstract</u> labour, the latter is not merely calculated irrespective of the

individual and concrete labours, but also acquires a distinct existence independent of them... This <u>abstraction</u> of labour from the concrete labouring subject, this acquisition of its independence from man, culminates in the form of the modern wage labourer...etc.' Ideologia e Società, Laterza (Bari 1970), p. 114 n. 93. 22 Joan Robinson, op. cit., p. 22. 23 Ibid., p. 14. Joan Robinson reads in Capital what

she wants to read rather that what is there to be read.

On the page following the one from which this quotation is taken, Marx goes on: 'Magnitude of value expresses a relation of social production, it expresses the connection that necessarily exists between a certain article and the portion of the total labour-time of society required to produce it... The possibility, therefore, of quantitative incongruity between price and magnitude of value, or the deviation of the former from the latter, is inherent in the price-form itself' (p. 102). Robinson never asks how on earth the sentence 'price is the money name of the labour realised in a commodity' implies that price is determined by the magnitude of value. (It should be pointed out that these quotations - the one cited by Joan Robinson and the two cited in this footnote - appear in two different paragraphs in the English edition, but in a single one in the German edition: i.e., they constitute part of the same argument. See Das Kapital in Marx-Engels: Werke, Bd. 23, pp. 116-7.)

24 Das Kapital, op. cit., p. 53.

## Appendix Engels on 'Value'

The proposition that 'the category of value is not specific to the capitalist mode of production' is in conflict with the following paragraph from Engels's Anti-Duhring:

'From the moment when society enters into possession of the means of production and uses them in direct association for production, the labour of each individual, however varied its specifically useful character may be, becomes at the start and directly social labour. The quantity of social labour contained in a product need not then be established in a roundabout way; daily experience shows in a direct way how much of it is required on the average. Society can simply calculate how many hours of labour are contained in a steam-enginge, a bushel of wheat of the last harvest, or a hundred square yards of cloth of a certain quality. It could therefore never occur to it still to express (auszudrücken) the quantities of labour put into the products, quantities which it will then know directly and in their absolute amounts (die sie alsdann direkt und absolut kennt), in a third product, in a measure which, besides, is only relative, fluctuating, inadequate, though formerly unavoidable for lack of a better, rather than express them in their natural, adequate and absolute measure, TIME. Just as little as it would

occur to chemical science still to express atomic weights in a roundabout way, relatively, by means of the hydrogen atom, if it were able to express them absolutely, in their adequate measure, namely in actual weights, in billionths or quadrillionths of a gramme. Hence, on the assumptions we made above, society will not assign values to products. It will not express the simple fact that the hundred square yards of cloth have required for their production, say, a thousand hours of labour in the oblique and meaningless way, stating that they have the VALUE of a thousand hours of labour. It is true that even then it will still be necessary for society to know (wissen) how much labour each article of consumption requires for its production. It will have to arrange its plan of production in accordance with its means of production, which include, in particular, its labour-power. The useful effects of the various articles of consumption, compared with one another and with the quantities of labour required for their production, will in the end determine the plan. People will be able to manage very simply, without the intervention of muchvaunted "value", '1

In the passages underlined above, Engels opposes the 'expression' of value to the 'knowledge' of value. This opposition is tenable only if value is necessarily expressed in terms of something different from value, in Hegelian terminology, if the 'phenomenal form of value' is different from 'value'. Value is then the essence and the expression of value its phenomenal form. Engels accepts this Hegelian interpretation, as can be seen from his statement that socialist society 'will not express the simple fact that (a) hundred square yards of cloth have required for their production, say, a

thousand hours of labour in the oblique and meaningless way, stating that they have the value of a thousand hours of labour. 'Value is expressed in its phenomenal form. and if the structure of the mode of production is such that value is unmasked or known, then there is no expression of value. However, the opposition between the expression and the knowledge of value need not be interpreted in terms of the Hegelian opposition of essence and phenomenon. Given certain transformations of Engels's formulations, it can be re-interpreted in terms of the distinction between value and its mode of representation (Darstellungsweise) in a specific mode of production, the distinction made by Marx in Capital and repeatedly emphasized in the Marginal Notes. The basis for this distinction is as follows: the category of value is common to all modes of production, but each mode of production expresses value in a manner specific to that particular mode. The mode of representation of value specific to a mode of production is to be determined by the pertinent characteristics of the latter. To elaborate vis-à-vis the socialist mode of production: the category of value does not disappear from that mode, since, to quote Engels, !it will still be necessary for society to know (wissen) how much labour each article of consumption requires for its production'. The category of value is pertinent to the socialist mode of production as it is to all other modes of production because:

(i) labour is a factor of production in all modes of production - 'whatever the social form of production labourers and means of production remain factors of it' (Capital Volume Two, p. 36); and

(ii) the socialist mode of production, like all other

modes, is characterized by the social division of labour (it needs to be emphasized that the social division of labour is not specific to the capitalist mode of production<sup>2</sup> - see the passage from <u>Capital</u> Volume One, pp. 77-8 cited below).

Though the category of value is pertinent to all modes of production, its mode of representation varies from one mode of production to another. Therefore the transition from capitalism to socialism implies a change in the 'mode of representation of value'. The above discussion poses the following problem: what is the status of Engels's claim that 'people (under socialism) will be able to manage everything very simply, without the intervention of much-vaunted "value" !? The muchvaunted "value" ' in this sentence cannot be 'value' in the sense of Capital and the Marginal Notes, since even under socialism according to Engels, it will be necessary to know the labour content of products. We are left with the following two alternatives: either to interpret 'much-vaunted ''value'' ' as the 'mode of representation of value' specific to the capitalist mode of production, or to regard the whole paragraph from Anti-Duhring as contradictory. Whichever alternative we take, it is impossible to argue that the category of value disappears under socialism without grave inconsistencies and contradictions. To elaborate: if the first alternative is accepted, then the assertion that the category of value disappears under socialism is equivalent to effacing the distinction between value and the 'mode of representation of value'. Marx criticises Wagner precisely for overlooking this distinction. If the second alternative is accepted, then

Engels's comments in the cited paragraph cannot be taken as a rigorous scientific formulation, but only as a polemical intervention in an ideological struggle whose value can only be assessed in relation to the terms of that struggle.

In fact, therefore, the term 'much-vaunted "value" ' in the paragraph from Anti-Duhring cited above can only be read rigorously to refer to the mode of representation of value under capitalism, i.e., to exchange-value. This claim, that exchange-value, or alternatively prices, disappear under socialism is only acceptable if it can be demonstrated on the basis of the pertinent characteristics of the socialist mode of production. The passage from Anti-Duhring is based on a particular specification of the socialist mode of production ('the assumptions we made above'). The elements of that specification can be listed schematically as follows:

- (i) the means of production are in social possession;
- (ii) the labour of each individual is immediately and directly social labour;
- (iii) it is necessary to know the 'value' of the production but not to express it;
- (iv) knowledge of the 'value' of the product, or the social labour contained in it, is invested in daily experience; and
- (v) the allocation of the social labour force into different branches of production is determined by the 'useful effects of the various articles of consumption'. 3

These characterizations are not without their ambiguities. For example, the knowledge of the value of the product cannot be invested in daily experience if the

social division of labour extends beyond the confines of a unit of production (as it must for production to be genuinely socialized), for then the value of the product cannot be calculated at the level of the unit of production. To illustrate: if steel and machines are produced in different units of production and steel enters into the production of machines and vice versa. then neither the value of the steel nor the value of the machines can be determined at the level of their respective units of production. Similarly, if the social division of labour extends beyond the confines of a unit of production, then the labour of each individual cannot be said to be directly and immediately social since the labour embodied in the product is not performed in one place. In that case, the knowledge of the value of the product cannot be invested in 'daily experience' but must rather be the result of a specific practice, i.e., that of social planning.

It is interesting to note that Engels's characterization of socialism in the paragraph cited above is similar to Marx's characterization of a form of 'primitive communism':

'For an example of labour in common or directly associated labour, we have no occasion to go back to the spontaneously developed form which we find on the threshold of the history of all civilized races. We have one close at hand in the patriarchal industries of a peasant family, that produces corn, cattle, yarn, linen, and clothing for home use. These different articles are, as regards the family, so many products of its labour, but as between themselves they are not commodities. The different kinds of labour, such as tillage, cattle

tending, spinning, weaving and making clothes, which result in the various products, are in themselves, and such as they are, direct social functions, because functions of the family, which, just as much as a society based on the production of commodities, possesses a spontaneously developed system of division of labour. The distribution of the work within the family, and the regulation of the labour time of the several members, depend as well upon differences of age and sex as upon natural conditions varying with the seasons. The labour power of each individual, by its very nature, operates in this case merely as a definite portion of the whole labour power of the family, and therefore, the measure of the expenditure of individual labour power by its duration, appears here by its very nature as a social character of their labour. '4

Thus Engels's characterization of socialism in the paragraph from Anti-Duhring above cannot be taken as a rigorous specification of the pertinent characteristics of the socialist mode of production. This is not an indictment of Engels, since Anti-Duhring, despite the important elaborations of specific theoretical points it contains, is a polemical text. The same is true of a passage in a letter from Engels to Kautsky (September 20th 1884) in which Engels attacks Kautsky for arguing that 'present value', i.e., the expression of value under capitalism, 'is that of commodity production, but with the abolition of commodity production, value too "changes", that is value in itself remains, only its form changes. 'On the contrary, says Engels, 'in fact economic value is one of the categories belonging to

commodity production and vanishes with it (s. Duhring, pp. 252. 62), <sup>5</sup> just as it did not exist before it' (Werke, Bd. 36). The context here is a polemic between Kautsky and Schramm about Rodbertus. Kautsky had attacked Rodbertus's conception of 'capital in itself' (i.e., means of production) which only assumes the form of capital (in Marx's sense) precisely under capitalism. Schramm had retorted that Marx had a similar concept of 'value in itself' which in its development produced the historically specific form of 'exchange value', i.e., that Marx himself had applied what the Marginal Notes call the 'German professorial concept-linking method'. Hence Engels's insistence on attacking the concept of 'value in itself'. Duhring, Rodbertus and Wagner all attempted to found their notions of 'value in general' on an individual (a Robinson Crusoe) or the species-being 'Man' confronting nature, not on the social character of labour in any mode of production, i.e., wherever there are 'men'. Engels's attack is ideologically justified, but his 'bending of the stick' has since given weight to false readings of the theory of value, some of which have been of considerable political importance.

The concept of value poses no problem if the following sentence from the Marginal Notes is taken absolutely to the letter: 'Herr Rodbertus takes his measure of the quantity of value from Ricardo; but no more than Ricardo has he investigated or understood the substance of value itself: for example, the 'common' character of the (labour process) in the primitive community as the common organism

of the correlative labour powers and hence that of their labour, i.e., of the expenditure of those powers.'

The above discussion has evaded an important question: what is the mode of representation of value in the socialist mode of production? Engels's comment that under socialism it will be necessary to know the value of the product but unnecessary to express it can only be regarded as an index of this problem, not as a solution to it. This is, of course, a problem which has been discussed by Marxist economists of all shades and deviations since the 1920's, the problem of the survival and operation of the law of value under socialism, and the most famous proponent of the disappearance thesis was Preobrazhensky. It is a question which requires a detailed answer which I cannot attempt here; but I can indicate the criteria for the identification of an adequate answer to it as follows:

- (i) correct specification of the concept of 'value';
- (ii) specification of the mode of representation of value on the basis of the structure of the mode of production (the relation of value to its mode of representation, whatever that may be, cannot be regarded as a relation between 'essence' and 'phenomenon' in the Hegelian sense); and
- (iii) recognition of the law of value as the law of the distribution of the social labour force into different branches of production under determinate historical conditions by means of the mechanism specific to those historical conditions.

NOTES

- 1 Anti-Duhring Part III, Socialism, Chapter IV, Distribution (Moscow 1959), pp. 426-7.
- 2 By social division of labour here I do not of course mean the division of mental and manual labour sometimes referred to as the 'social' as opposed to the 'technical' division of labour, i.e., the class division in the capitalist mode of production, but rather the necessarily social character of the total labour process of a society.
- 3 For a detailed discussion of this point, see Charles Bettelheim: <u>Calcul économique et formes de propriété</u>, François Maspero (Paris 1970), Chapter 3.
- 4 Capital Volume One (Moscow 1961), pp. 77-8.
- 5 This page reference is to the first edition of Anti-Duhring (1878) to which I have been unable to refer, but knowing that it was 274 pages in length, it must be to the chapter on distribution under socialism containing the paragraph cited above.

## Marginal Notes on Adolph Wagner's 'Lehrbuch der politischen Ökonomie'

by KARL MARX

1. Herr Wagner's conception the 'socio-legal conception' (p. 2). In this he sees himself as in 'harmony with Rodbertus, <sup>2</sup> Lange <sup>3</sup> and Schäffle' (p. 2). For the 'main founding points' he refers to Rodbertus and Schäffle. Herr Wagner himself says of piracy as 'illegal provision' by whole nations that it is only theft if 'a true jus gentium <sup>5</sup> is accepted as in force' (p. 18, n. 3).

Above all he investigates the 'conditions of economic communal life' / Gemeinleben 7 6 and 'defines the sphere of the economic freedom of the individual according to these conditions' (p. 2).

'The "instinct for satisfaction" ... does not and should not act as a <u>pure force of nature</u>, but like every human instinct, is rather under the guidance of reason and conscience. Every action that stems from it is also an <u>accountable</u> action and is always subject to a <u>moral judgement</u>, which is, however (!), itself exposed to historical change' (p. 9).

Within 'labour' (p. 9, para. 2), Herr Wagner does not distinguish between the concrete character of each kind of labour and the expenditure of labour power common to all these concrete kinds of labour (p. 9, 10).

'Even the mere administration of property<sup>7</sup> for the purposes of obtaining revenue always necessitates activities which fall within the concept of labour, and the same is true of the deployment of the income aimed at for the satisfaction of need' (p. 10, n. 6).

According to W/agner, 'social categories' are historico-legal categories (n. 6, p. 13).

'In particular, natural monopolies of the situation, and this especially under urban' (natural monopoly the situation in the City of London!) 'conditions, then, further, under the influence of the climate for the agricultural production of whole countries, natural monopolies of the specific fertility of the land, e.g., in the case of particularly good vineyards, and also among different nations, e.g., in the case of the sale of tropical products to countries in the temperate zone' /' In addition there are 8 the export duties on the products of a kind of natural monopoly which are imposed in many countries (Southern Europe, tropical countries) in the sure assumption that they can be forced on the foreign consumers' (n. 11, p. 15). If Herr Wagner derives the export duties of Southern European countries from this, that shows he knows

nothing about the 'history' of these duties - 'mean that at any rate partially naturally free goods become purely economic goods and their acquisition extremely profitable' (p. 15).

The zone of <u>regulated</u> exchange (<u>sale</u>) of goods is their <u>market</u> (p. 21).

As economic goods: 'relations to persons and things (res incorporales) whose objective exclusiveness depends upon an abstraction: a) from wholly free commerce: the cases of clientele, the reputation of the firm, and so on, where remunerative connections with other men which have been elaborated through human activity can ultimately be relinquished and acquired; b) on the grounds of certain legal limitations on commerce: exclusive occupational rights, real equity, privileges, monopolies, patents, etc.' (p. 22, 23).

Herr Wagner subsumes '<u>services</u>' under '<u>economic goods</u>' (p. 23, n. 2 and p. 28). What really underlies this is his desire to represent Privy Counsellor Wagner as a 'productive labourer'; for, he says,

'The reply prejudges one's estimation of all those classes which perform professional personal services, i. e., the classes of servants, of members of the liberal professions and hence also of the State. Only if services are also reckoned as economic goods are these latter classes productive in the economic sense' (p. 24).

What follows is very characteristic of the manner of thought of W/agner/ and company:

Rau9 had remarked: it depends on the 'definition of

property and thus of economic goods' whether 'services too are part of the latter or not.' Hence Wagner: 'such a definition' of 'property' must be 'adopted as to include services in economic goods' (p. 28).

But 'the <u>decisive reason</u> is the fact that the <u>means</u> of <u>satisfaction</u> could not possibly consist only of material goods, because <u>needs</u> are not related <u>merely to the latter</u>, but also to personal <u>services</u> (especially also to State services such as the protection fo the law)' (p. 28).

#### Property / Vermögen 7:

- 1. 'purely economically... the stock of economic goods on hand at a point in time as the real funds for the satisfaction of needs' is 'property in itself,' 'the parts of the total or national property.'
- 2. 'As a historico-legal concept... the stock of economic goods in the possession or respectively the Property of a person,' 'possession of property' (p. 32). The latter a 'historically and legally relative concept of Property. Property / Eigentum only gives certain powers of disposal and certain powers of exclusion vis-à-vis others. The extent of these powers changes' / i. e., historically / (p. 34). 'All property in the second sense is individual property, the property of a physical or juridical person' (l. c.).

#### Public property:

'particularly the property of <u>compulsory communal</u> <u>economies</u> / Zwangsgemeinwirtschaften, i.e., especially <u>State</u>, <u>municipal</u> and <u>parish property</u>. This property / is 7 intended for <u>general use</u> (e.g.,

roads, rivers, etc.) and... Property in them is ascribed to the State, etc., as the legal representative of the totality (nation, local inhabitants, etc.), or it is true State and parish property, i.e., administrative property, which contributes to the performance of State functions, and financial property, which is used by the State for the acquisition of income as a means toward the performance of its functions' (p. 35).

Capital, <u>capitale</u>, a translation of kephálaion, Ly which is implied the advancing of a sum of money in exchange for <u>interest</u> (tókos). In the middle ages <u>capitale</u>, <u>caput pecuniae</u> emerged as the main thing, the essential, the original (p. 37). In Germany the word used was Hauptgeld (p. 37).

'Capital, the root of earnings, productive stock of goods: a stock of mobile means of gain.' On the other hand, 'a stock of utility: a quantity of mobile utilities brought together in any connection' (p. 38, n. 2).

Circulating and static capital (p. 38, 2(a) and 2(b)).

<u>Value</u>. According to Herr Wagner, Marx's theory of value is 'the cornerstone of his socialist system' (p. 45). As I have never set up a 'socialist system' this is a fantasy of Wagner, Schäffle and tutti quanti.

Further: Marx

'finds the <u>common social substance</u> of what he alone here considers as <u>exchange-value</u> in <u>labour</u>, and the <u>quantity of exchange-value</u> in socially necessary labour-time' etc.

Nowhere do I speak of 'the common social substance of exchange-value,' but rather say that the exchange-values (exchange-value cannot exist without at least 2 of them) represent something common to them which is quite independent 'of their use-values' \( \subseteq \). e., in this context, of their natural form \( \subseteq \), namely, 'value'. Thus it says: 'Therefore the common substance that is represented in the exchange relationship or exchange-value of commodities is their value. The progress of our investigation will bring us back to exchange-value as the necessary mode of expression or phenomenal form of value, which, however, we have for the present to consider independently of this form' (p. 13). \( \frac{10}{2} \)

Thus I do not say that the 'common social substance of exchange-value' is 'labour'; and as I treat the <u>value form</u>, i.e., the development of exchange-value, at length in a special section, it would be remarkable if I were to reduce this 'form' to a 'common social substance', labour. Herr Wagner also forgets that for me neither 'value' nor 'exchange-value' are subjects, but the commodity.

#### Further:

'This' (Marx's) 'theory is however not so much a general theory of value as a <u>theory of costs</u>, linked to Ricardo' (l. c.).

Herr Wagner /could/ have got to know the difference between myself and Ricardo both from 'Kapital' and from Sieber's book (if he knew Russian). In fact Ricardo was concerned with labour only as a measure of the amount of value, and for that reason found no connection between his theory of value and the nature of money.

If Herr Wagner says that this is not 'a general theory of

value', he is in his own sense quite right, for he understands by a general theory of value the musing over the word 'value' which also enables him to remain in the traditional German professorial confusion of usevalue' and 'value', since they both have the word 'value' in common. But when he goes on to say that this is a 'theory of costs', this either leads to a tautology: commodities, insofar as they are values, only represent something social, labour, and in other words, insofar as the amount of value of a commodity is, as I say, determined by the amount of labour time contained in it, etc., thus by the normal quantity of labour that the production of an object costs, etc.; and Herr Wagner proves the contrary, by affirming that this theory of value etc. is not 'the general' one, as it is not Herr Wagner's view of a 'general theory of value'. Or else he says something false: Ricardo (following Smith) confuses value and cost of production; in 'Zur Kritik der Politischen Oekonomie' and likewise in notes to 'Kapital' I have already expressly referred to the fact that values and prices of production (which merely express the costs of production in money) do not coincide. Why not? I have not told Herr Wagner.

Moreover, I 'proceed' 'arbitrarily' when I 'reduce these costs to the labour performed in the narrowest sense. This always 'presupposes a demonstration which has not yet been given, that the production process is possible without any mediation of the activity of <u>private capitalists</u> in forming and deploying capital' (b. 45).

Instead of burdening me with such future proofs, Herr Wagner should on the contrary first have shown that a process of social production, not to speak of production processes in general, did not exist in the very numerous communities that existed before the appearance of private capitalists (ancient Indian community, South Slav family community, etc.). Otherwise Wagner could only say: the exploitation of the labouring class by the capitalist class, in short, the character of capitalist production, as Marx presents it, is correct, but he errs insofar as he portrays this economy as transitory, while Aristotle on the contrary erred in portraying the slave economy as not transitory.

'So long as such a proof is <u>not</u> provided' /alias so long as the capitalist economy exists/, 'profit on capital /Kapitalgewinn/ is in fact also a "constitutive" element of value' /here the cloven hoof or the ass's ears come into the open/, 'not as in the socialist conception only a deduction or "theft" from the labourer. ' (p. 45, 46).

What a 'deduction from the labourer' is, a deduction of his skin, etc., is not explained. Now in my presentation profit on capital is in fact also not 'only a deduction or 'theft' from the labourer.' On the contrary, I represent the capitalist as a necessary functionary of capitalist production, and indicate at length that he does not only 'deduct' or 'rob' but enforces the production of surplus-value and thus first helps to create what is to be deducted; I further indicate in detail that even if in commodity exchange only equivalents are exchanged, the capitalist – as soon as he has paid the labourer the real value of his labour-power – quite legally, i. e., by the law /Recht/ corresponding to this mode of production, obtains surplus-value. But all this does not make 'profit

on capital' into a 'constitutive' element of value, but only proves that in the value, which is not 'constituted' by the labour of the capitalist, something remains that he can 'legally' appropriate, i.e., without violating the law corresponding to commodity exchange.

'This theory too one-sidedly considers only this one value-determining moment'  $\sqrt{1}$ . Tautology. The theory is false, for Wagner has a 'general theory of value', which does not mean that his own 'value' is therefore determined by 'use-value', as is proved by his professorial salary; 2. Herr Wagner substitutes for value the momentary 'market-price', or the commodity price that deviates from the value, which is something very different from value, 'the costs, not the other moment, usefulness, utility, demand'  $\sqrt{i}$ .e., it does not confound 'value' and use-value, so desirable for such a born confuser as Wagner.

'Not only does it not conform to the formation of exchange-value in presentday commerce'

/he means price formation, which makes absolutely no difference to the determination of value: apart from this, as every promoter, swindler, etc., knows, there is certainly a formation of exchange-value in presentday commerce, which has nothing to do with the formation of value, but keeps a sharp look-out for 'formed' values; besides, I assume, e.g., in the determination of the value of labour-power, that its value is really paid, which is not in fact the case. Herr Schäffle in 'Kapitalismus' etc. 12 thinks this is 'generous' or something like that. He should have seen it only as a scientifically necessary procedure/,

'but also as Schäffle in the "Quintessenz" and

especially in "Sozialen Körper" <sup>14</sup> brilliantly and quite conclusively (!) proves, neither does it conform to the conditions without which Marx's hypothetical social state is inconceivable.'

Thus the social state that Herr Schäffle was so kind as to 'conceive' for me is transformed into 'Marx's social State' (not the 'social State' attributed to Marx in Schäffle's hypothesis).

'This can be shown with particular force in the case of grain and the like, whose exchange-value would necessarily have to be regulated otherwise than simply according to costs, even under a system of "social taxes", because of the influence of variable harvests combined with a fairly stable demand.'

So many words, so much nonsense. Firstly I have never spoken of 'social taxes', and am concerned in my investigation of value with bourgeous relations, not with the application of the theory of value to a 'social State' which I have never constructed, but which Herr Schäffle has constructed for me. Secondly: when the price of corn rises because of harvest failure, on the one hand its value rises, since a given amount of labour is realised in a smaller product; on the other, its selling price rises even more. What has this got to do with my theory of value? The higher that corn<sup>15</sup> is sold above its value, just so much will other commodities, whether in the natural form or in the money form, be sold below their values, and this will be true even if their own money price does not fall. The sum of values remains the same, even if the expression of this whole sum of values in money has increased, and therefore the sum of 'exchangevalue' according to Herr Wagner has risen. This is the case if we assume that the fall in price of the sum of the

other commodities does not cover the over-valued price (excess price) of corn. But in this case the exchangevalue of money has fallen pro tanto below its value; the sum-total value of all commodities remains not only the same, but remains the same even in its money expression, if money is included with commodities. Further: the extra price increase of corn above the increase in its value due to harvest failure will in any case be smaller in the 'social State' than with today's corn profiteers. But then the 'social State' will from the first so organize production that the yearly grain supply depends only minimally on changes in the weather, and the scale of production - the supply and the use component therein - will be rationally regulated. Finally, granted that Schäffle's fantasies about 'social taxes' were realised, what would they prove for or against my theory of value? As little as the coercive measures imposed because of lack of provisions on a ship or in a siege or during the French Revolution, etc., which in no way affect value; and what a dreadful thing for the 'social State' to violate the laws of value of the 'capitalist (bourgeois) State' and thus also the theory of value! This is nothing but childish twaddle! 7

The same Wagner quotes complacently from Rau:

'To avoid misunderstandings, it is necessary to make quite clear what is meant by 'value' tout court, and it is in conformity with German usage to choose use-value' (p. 46).

Derivation of the concept of value (p. 46sqq.).

According to Herr Wagner, <u>use-value</u> and exchange-value should be derived d'abord from the concept of

value, not as with me from a concrete entity the commodity / Konkretum der Ware7, and it is interesting to pursue this scholasticism in its newest 'foundation'.

'It is a <u>natural</u> drive of man to bring the <u>relation</u> in which internal and external <u>goods</u> stand vis-à-vis his <u>needs</u> to a <u>distinct consciousness</u> and <u>understanding</u>. This is achieved by the estimation (<u>evaluation</u>) / Schätzung (Wertschätzung) / in which <u>value</u> is attributed to the goods, or respectively, the things of the external world, and this value itself is <u>measured</u>' (p. 46), and on p. 12: 'All means toward the satisfaction of needs are called goods.'

Thus if we replace the word 'goods' in the first sentence by its Wagnerian conceptual content, this first sentence of the passage quoted reads:

'It is a <u>natural drive of ''Man''</u> to bring the <u>relation</u> in which the internal and external' means toward the satisfaction of his needs 'stand <u>vis-à-vis his needs</u> to a <u>distinct consciousness</u> and <u>understanding</u>'. This sentence can be somewhat simplified by dropping the 'internal needs' etc., as Herr Wagner himself does 'respectively' in the immediately following sentence.

'Man'? If this means the category 'Man', then in general he has 'no' needs; if the man who confronts nature in isolation, then he has to be conceived as a non-gregarious animal; if a man already present in some form of society – and this Herr Wagner presupposes, for his 'Man' possesses if not a university education then at any rate language – then the

determinate character of this social man should have been set out at the beginning, i.e., the determinate character of the community / Gemeinwesen in which he lives, for here production, that is, the process of making a living already has a social character.

But for a professorial schoolmaster, the relations of men to nature are not initially <u>practical</u>, i.e., relations established by deeds, but <u>theoretical</u>, and 2 relations of this kind are already dove-tailed in the first sentence.

First: in the next sentence, the 'external means toward the satisfaction of his needs' or 'external goods' change into 'things of the external world,' and hence the first dove-tailed relation has the following form: Man stands in a relation to things of the external world as means toward the satisfaction of his needs. But in no sense do men begin by 'standing in this theoretical relation to things of the external world'. They begin, like every animal, by eating, drinking, etc., i.e., not by 'standing' in a relation, but by actively responding, by mastering certain things of the external world by deeds, and thus satisfying their needs. (I.e., they begin with production.) By the repetition of this process, the fact that these things have the property of 'satisfying their needs' is imprinted on their brains, men, like animals, also learn 'theoretically' to distinguish between the external things which serve to satisfy their needs and all the others. At a certain level of development, at which both their needs and the activities by which they are satisfied have expanded and evolved, they reach the stage of linguistic baptism for the whole class of these things distinguished from the rest of the external world experientially. This stage arises necessarily, in that in the production

process - i.e., in the process of appropriation of these things - they find themselves in permanent active working intercourse with each other and with these things, and soon have to fight for these things in a struggle with others. But this linguistic designation simply expresses as an image / Vorstellung / what repeated confirmation has made an experience, namely that certain external things serve to satisfy the needs of men already living in a certain social context /language makes this a necessary presupposition. Men only attach a special (generic) name to these things because they already know that they serve toward the satisfaction of their needs, because by relatively frequently repeated activity they seek to gain possession of these things and also to keep them in their possession; they often call them 'good' / Gut 7 or something of the sort, which expresses the fact that they need these things practically, that these things are useful to them, and that they give the thing this utility as something intrinsic to it, though it would hardly occur to a sheep that it was one of its 'useful' properties to be humanly edible.

Hence: men in fact begin by appropriating certain things of the external world as the means toward the satisfaction of their own needs, etc., etc.; later they come to designate them linguistically too as what they are for them in practical experience, namely, as means toward the satisfaction of their needs, as things which 'satisfy' them. If one calls this situation, the fact that men do not only treat such things practically as means toward the satisfaction of their needs but also designate them in their imaginations / Vorstellung and later in language, as their needs, i.e., as things 'satisfying'

them themselves /so long as a man's need is not satisfied, he is dissatisfied as to his needs, i.e., with himself/, if 'in conformity with German usage' one calls this 'attributing a value' to them, then one has proved that the general concept 'value' arises from men's attitude to the pre-existing things in the external world which satisfy their needs, and along with this, that this is the generic concept / Gattungsbegriff/ of 'value' and all other kinds of value, e.g., the chemical value of the elements /valency/, are only varieties of it. 16

It is 'the natural drive' of a German professor of economics to derive the economic category 'value' from a 'concept', and he achieves this by rebaptizing what is called 'use-value' vulgo in political economy as 'value' tout court, 'in conformity with German usage'. And once 'value' tout court has been discovered, it also serves without further ado to derive 'use-value' from 'value tout court.' All one has to do is to set the fragment 'use', which one had dropped, back in front of 'value'.

In fact it is Rau (see p. 88)<sup>17</sup> who tells us straight out that 'it is necessary' (for the German professorial schoolmaster) 'to make quite clear what is meant by value tout court' and who naively adds 'and it is in conformity with German usage to choose use-value for this purpose'. /In chemistry the chemical value /valency/ of an element is the name for the number according to which its atom can combine with the atoms of other elements. But the compound weight of the atom, too, is called the equivalence /Aquivalenz, Gleichwert/ of different elements, etc., etc. Therefore one must first define the concept 'value tout court', etc., etc.

If man relates to things as 'means toward the satisfaction of his needs,' he relates to them as 'goods', teste Wagner. He endows them with the attribute 'good'; the content of this operation is in no way altered by the fact that Herr Wagner rebaptizes this 'attributing value'. His own rotten consciousness comes directly 'to understanding' in the immediately following sentence:

'This is achieved by the <u>evaluation</u> /Schätzung (Wertschätzung) in which <u>value</u> is attributed to the goods, or respectively the things of the external world, and value itself is <u>measured</u>.'

I do not want to waste any words on the point that Herr Wagner derives value from evaluation (he himself adds the parenthesis Wertschätzung to the word Schätzung in order to bring the matter 'to a distinct consciousness and understanding'). 'Man' has a 'natural drive' to do this, to 'evaluate' goods as 'values', and this allows Herr Wagner to derive the 'concept of value in general' as he had promised. Not in vain does Wagner smuggle the word 'goods' 'respectively' into the things of the external world'. He starts from the idea that Man 'relates' to the 'things of the external world' which are means toward the satisfaction of his needs, as 'goods'. He thus values these things precisely because he relates to them as 'goods'. And we have had earlier paraphrases of this 'evaluation', among them particularly the following:

'Man is in permanent contact with the external world around him as a needy being and knows that in that external world lie many of the conditions of his life and happiness' (p. 8).

But this means no more than that he 'values the things of the external world' insofar as they satisfy his 'needy being', are means toward the satisfaction of his needs, and that hence, as we saw above, that he relates to them as 'goods'.

Now one can, assuming one feels the 'natural drives' of a professor, derive the concept of value in general as follows: endow 'the things of the external world' with the attribute 'goods', and also 'endow them with value' by name. One could also have said: Insofar as Man relates to the things of the external world which satisfy his needs as 'goods', he prizes them and therefore attributes a 'price' to them, thus delivering ready cut to the professor germanicus the derivation of the concept of 'price tout court' by the mode of procedure of 'Man'. Everything the professor cannot do himself he lets 'Man' do, but in fact this 'Man' is nothing but professorial man, who thinks he has conceived the world when he has arranged it under abstract rubrics. But insofar as 'attributing value' to the things of the external world is here only another form of words for the expression endowing them with the attribute 'goods', the 'goods' themselves are absolutely not attributed 'value' as a determination different from their 'being goods', as Wagner would like to pretend. The word 'value' is just substituted for the word 'goods'. /As we can see, the word 'price' could also be substituted. The word 'wealth' /Schatz could be substituted, too: for in that 'Man' stamps certain 'things of the external world' as 'goods', he 'values' /schatzt/ them and relates to them as to a 'wealth' / Schatz /. Thus we can see how the three economic categories value, price and wealth could be conjured at one stroke out of

'the natural drive of man' by Herr Wagner to provide the professor with his wooden-headed conceptual (imaginary) world. But Herr Wagner has the obscure instinct to escape his labyrinth of tautologies and sneak in a 'further something' and a 'something further'. Hence the phrase 'value is attributed to the goods, or respectively, to the things of the external world'. Insofar as Herr Wagner has called stamping 'things of the external world' as goods, i.e., ditto labelling and fixing the same (in the imagination) as means toward the satisfaction of human needs: 'attributing value to things', he has as little justification for calling this attributing value to the 'goods' themselves as for saying attributing value to the 'value' of the things in the external world. But the salto mortale is achieved in the word 'value is attributed to the goods, or respectively, to the things of the external world. Wagner ought to have said: stamping certain things of the external world as 'goods' can also be called: 'attributing value' to those things, and this is the Wagnerian derivation of the 'concept of value' tout court or in general. The content is not altered by this alteration of the verbal expression. It is still simply labelling and fixing in the imagination the things of the external world which are means toward the satisfaction of human needs; in fact, therefore, only the knowledge and recognition of certain things of the external world as means toward the satisfaction of the needs of 'Man' (who, however, in fact suffers as such from 'conceptual need').

But Herr Wagner wants to make us, or himself, believe that, instead of having given 2 names to the same content, he has rather advanced from the definition 'good' to a further developed and different <u>definition</u> 'value', and this happens simply because he substitutes the word 'goods' 'respectively' for 'the things of the external world, 'a process which is made even more 'obscure' by the fact that he substitutes 'things of the external world' 'respectively' for 'goods'. His own confusion thus attains to the certain effect of making his readers confused. He could also have inverted this fine 'derivation' as follows: In that Man differentiates and thereby distinguishes the things of the external world which are means toward the satisfaction of his needs as such means toward the satisfaction of his needs from the other things of the external world, he reckons their worth, attributes value to them or gives them the attribute 'value'; this may also be expressed as follows: he endows them with the attribute 'good' as a distinguishing feature, or esteems or values them as 'good'. Thereby the 'values' or respectively the things of the external world are attributed the concept 'good'. Thus the concept 'good' in general has been 'derived' from the concept 'value'. In all such derivations / Ableitungen / it is only a matter of a diversion /Ableitung/from a task which one is not in a position to solve.

But in the same breath, Herr Wagner moves quickly on from the 'value' of the goods to the 'measurement' of that value.

The content remains absolutely the same, except that the word value in general has been smuggled in. It could be said: In that man stamps certain things of the external world which, etc, as 'goods', he gradually comes to compare these 'goods' with one another and to bring them into a certain rank order according to the hierarchy of his needs, i.e., if one wants to use the term, to 'measure'

them. At all costs Wagner has to avoid speaking here of the development of their <u>quantitative extent</u>, for this would remind the reader too vividly of how little this has to do with what would otherwise be understood as '<u>value measurement</u>'.

Wagner could have proved that the distinction of (allusions to) the things of the external world which are means toward the satisfaction of human needs as 'goods' can also be called: 'attributing value' to those things. not just from 'German usage' like Rau, but: there is the Latin word dignitas = worth, rank /Würde, Würdigkeit, Rang/etc, which attributed to things also means 'value' Wert; dignitas is derived from dignus and the latter from dic, point out, show, auszeichnen, zeigen; dignus thus means pointed out; hence also digitus, the finger with which one points out a thing, alludes to it; Greek: de i knumi, dak-tulos (finger); Goth/iq: ga-tecta (dico); German: zeigen; and we could go on to only too many further 'derivations' given that deiknumior deiknuo (make visible, bring to the forefront. allude to) shares the basic stem dek (hold out, take) with dekhomai.7

Herr Wagner manages to cram all this banality, tautological muddle, hair-splitting and diversionary manoeuvring into the space of less than 7 lines.

No wonder this obscurantist (vir obscurus)<sup>18</sup> goes on from this feat with such self-esteem:

'The <u>concept of value</u> is much disputed and has generally been further obscured by the large numbers of only apparently profound investigations to which it has been subjected, but it is easy to unravel

/entwickeln// (indeed) rather to 'confuse' /verwickeln//
'if, as has been done here' /namely by Wagner/ 'one
starts from the need and the economic nature of man,
reaches the concept of the good, and links to this the
concept of value' (p. 46).

Here is the <u>conceptual</u> economy whose supposed <u>unravelling</u> leads, for the vir obscurus, to 'linking together' <u>/Anknup-fen</u>, and, so to speak, to a 'hanging' /Aufknupfen.

#### Further derivation of the concept of value:

Subjective and objective value. Subjectively, and in the most general sense the value of the good = importance that 'is attributed to the good in view of...its utility...not a property of the thing in itself, even if it does have the utility of something for a presupposition objectively as well' [thus has the 'objective' value as a presupposition] '... In the objective sense then, what is understood by "value", "values" is goods possessing value, where (!) good and value, goods and values become essentially identical concepts' (46, 47).

Once Wagner has simply appointed what is usually called 'use-value' as 'value in general', the 'concept of value' tout court, he can hardly fail to remember that 'the thus' (sic! sic!) 'derived' (!) 'value' is 'use-value'. Once he has first simply appointed 'use-value' as the 'concept of value' in general, as 'value tout court', he then discovers that he has only drivelled about 'use-value' and therefore has 'derived' if, for him drivel and derivation are 'essentially' identical operations of thought. But on this occasion we learn how subjective was Prof. Wagner's previous 'objective' conceptual confusion. In fact, he reveals a secret to us. Rodbertus had written a letter to

him, as can be read in the <u>Tubinger Zeitschrift</u><sup>19</sup> of 1878, in which he, Rodbertus, explains why there 'is only one kind of value', use-value.

'I' (Wagner) 'have attached myself to this conception, the significance of which I already emphasized in the first edition.'

On what Rodbertus says; Wagner says:

'This is absolutely correct and necessitates a change in the customary illogical "division" of "value" into use-value and exchange-value, as I had still proposed in para. 35 of the first edition (p. 48, p. 4).

and the very same Wagner ranges me among the people (p. 49, Note) according to whom 'use-value' should be completely 'excluded' 'from science'.

This is all 'drivel'. De prime abord I do not start from 'concepts' and hence do not start from the 'concept of value', and therefore do not have to 'divide' the latter in any way. What I start from is the simplest social form in which the labour product is represented in contemporary society, and this is the 'commodity'. I analyse this, and indeed, first in the form in which it appears. Here I find that on the one hand it is in its natural form a thing of use, alias a use-value, on the other hand a bearer of exchangevalue, and in this respect itself 'exchange-value'. Further analysis of the latter shows me that exchange-value is only a 'phenomenal form', an independent mode of representation of the value contained in the commodity, and then I proceed to analyse the latter. On this I say specifically, p. 36, 2. edn.: 'When, at the beginning of this chapter, we said, in common parlance, that a commodity is both a use-value and an exchange-value, we were, accurately speaking, wrong. A commodity is a use-value

or object of utility, and a "value". It is represented as this two-fold thing that it is, as soon as its value possesses a specific phenomenal form different from its natural form - viz., the form of exchange-value, etc. 20 Thus it is not I who divide 'value' into use-value and exchange-value as oppositions into which the abstraction 'value' divides itself, but the concrete social form /Gestalt/ of the labour product; a 'commodity' is on the one hand use-value and on the other 'value', not exchange-value, for the mere phenomenal form is not its true content.

Secondly: only a vir obscurus who has not understood a word of 'Kapital' can conclude: Because in a note to the first edition of 'Kapital'<sup>21</sup> Marx rejects all German professorial rubbish about 'use-value' in general and recommends readers who would like to know something about real use-value to read 'manuals dealing with merchandise' - therefore use-value has no role in his work. Naturally it does not have the role of its counterpart 'value', which has nothing in common with it except that the word 'value' comes into the term 'use-value'. He could just as well have said that I neglect 'exchange-value' because it is only a phenomenal form of value, but not 'value', since for me the 'value' of a commodity is neither its use-value nor its exchange-value.

If one is concerned with analysing the 'commodity' - the simplest concrete economic entity - all the connections that have nothing to do with the immediate object of the analysis have to be put aside. What there is to say about the commodity insofar as use-value is concerned, I have therefore said in a few lines, but on the other hand, I have emphasized the <u>characteristic form</u> in which use-value - the labour product - appears in this respect,

namely: 'A thing<sup>22</sup> can be useful, and the product of human labour, without being a commodity, Whoever satisfies his own need with his own product creates, indeed, use-value, but not commodities. In order to produce the latter, he must not only produce use-value, but also use-value for others, social use-value' (p. 15). 23 This the root of Rodbertus's 'social use-value'. Thereby use-value itself - as the use-value of a 'commodity' possesses a historically specific character. In the primitive community, in which for example provisions are produced in common and shared between the members of the community, the common product directly satisfies the living-needs of each member, each producer, and the social character of the product, the use-value, here consists of its communal (co-operative) character. Herr Rodbertus on the contrary changes the 'social usevalue' of the commodity into 'social use-value' tout court, and therefore drivels.7

It would also be pure drivel, as is clear from the above, to use the occasion of the analysis of the commodity – because it is represented on the one hand as a use-value or good, and on the other as 'value' – to 'link' it to all kinds of banal reflections about use-values or goods that do not form part of the world of commodities, such as 'State goods', 'parish goods', etc, as Wagner and the German professor in general do, or about the good, 'health', etc. Where the State is itself a capitalist producer, as in the exploitation of mines, forests, etc, its product is a 'commodity' and hence possesses the specific character of every other commodity.

On the other hand, the vir obscurus overlooks the fact that even in the analysis of the commodity I do not stop at the double manner in which it is represented, but immediately go on to say that in this double being of the commodity is represented the two-fold character of the labour whose product it is: useful labour, i.e. the concrete modes of the labours which create use-values. and abstract labour, labour as expenditure of labourpower, irrespective of whatever 'useful' way it is expended (on which my later representation of the production process depends); that in the development of the value form of the commodity, in the last instance of its money form and hence of money, the value of a commodity is represented in the use-value of the other, i.e., in the natural form of the other commodity; that surplus value itself is derived from a 'specific' use-value of labour-power exclusively pertaining to the latter, etc., etc., that thus for me use-value plays a far more important part than it has in economics hitherto, NB however, that it is only ever taken into account where this springs from the analysis of given economic constellations /Gestaltungen, not from arguing backwards and forwards about the concepts or words 'use-value' and 'value'.

For the same reason, definitions of 'capital' are not immediately linked to the analysis of the commodity, nor to that of its 'use-value', which would certainly be pure nonsense so long as we are still dealing with the analysis of the elements of the commodity.

But what annoys (shocks) Herr Wagner in my representation is the fact that I do not do him the favour of following the German-patriotic professorial 'drive' by confusing use-value and value. German society has emerged bit by bit, very much post festum, from the

feudal natural economy, or at least from its predominance, into the capitalist economy, but the professors still stand with one foot in the old mess, as is to be expected. From serfs of the landowners they have become serfs of the State, vulgo of the government. Hence our vir obscurus, who has not even noticed that my analytic method, which does not start from Man but from the economically given period of society, has nothing in common with the German-professorial concept-linking method ('mit Worten lässt sich trefflich streiten, mit Worten ein System bereiten'), 24 which is why he says:

'In harmony with the conception of Rodbertus and Schäffle, I put / first? the use-value character of all value and emphasize the estimation / Schätzung? of use-value all the more because the estimation of exchange-value is completely inapplicable to many of the most important economic goods' what forces him into these subterfuges? thus as a servant of the State he feels obliged to confound use-value and value!?, 'thus not to the State and its functions, nor to other collective economic relations' (p. 49, Note).

This recalls the old chemists before the science of chemistry: because household butter, which in everyday life is called simply butter (after Nordic custom), has a soft consistency, they called chlorides, butter of zinc, butter of antimony etc., butyrous humours, and thus clung, to speak like the vir obscurus, to the buttery character of all chlorides, zinc and antimony (compounds). The twaddle amounts to this: because certain goods, especially the State (a good!) and its 'functions' (especially the functions of its professors of political

economy) are <u>not</u> 'commodities', therefore the opposed characteristics contained in the 'commodities' themselves which also appear <u>expressly</u> in the <u>commodity form</u> of the product of labour must be confused with one another! It is hard to tell whether Wagner and company would gain more if their 'functions' were 'estimated' <u>geschätzt</u> according to their material 'content' <u>Gehalt</u>, or according to their '<u>receipts</u>' <u>Gehalt</u>, determined (by 'social taxes' as Wagner puts it), i.e., according to their <u>salaries</u>.

The only clear basis for this German nonsense is the fact that linguistically the words: value or worth /Wert or Würde/ were originally applied to the useful things themselves, which existed, even as 'labour products', long before they became commodities. But this has as much to do with the scientific defintion of commodity 'value' as the circumstance that the word salt was first applied by the ancients to cooking salt, and that therefore sugar, etc., have featured since Pliny as types of salt /indeed all colourless firm water-soluble substances with a characteristic taster, whence the chemical category 'salt' includes sugar, etc.

Given that the commodity is bought by the buyer not because it has value but because it is a 'use-value' and is used for determinate purposes, it is perfectly self-evident, 1. that use-values are 'estimated' /geschätzt/, i.e., their quality is investigated (just as their quantity is weighed, measured, etc.); 2. that if different kinds of commodity can be substituted for one another for the same useful application, this one or that one will be given the priority, etc.

In Gothic there is only one word for  $\underline{\text{value}}$  and  $\underline{\text{worth}}$ :

vairths, timé, timao-value/schatzen/, thatis, estimate; determine the price or value; tax; value/wurdigen/metaph/ysically/, evaluate/wertschatzen/, hold in honour, distinguish. Timé-evaluation/Schatzung/, hence: determination of value or price. estimation/Anschlag/, assessment Abschatzung/. Then: evalua/tion/Wertschätzung/, also value, price itself (Herodotus, Plato), a i timai-expenses in Demost/henes/. Then: evaluation/Wertschatzung/, honour, respect, position of honour, honourable office, etc. Rost's 'Griech/isch/-Deutsch/es/Lexikon'./

Value, Price (Schulze, Glossar) Gothic: vairths, adj. a x i o s, h i k a n o s;
Old Norse: verdhr, worthy, verdh, value, price; Anglo[Saxon]: veordh, vardh; Eng/lish]: worth, adj. and subst.
Wert and Wurde.

'Middle High German: wert, gen. werdes, adj. dignus and similarly pfennicwert.

-wert, gen. werdes, value, worth, nobility, aestimatio, commodity of a certain value, e.g., pfenwert, pennyworth.

-werde: meritum, aestimatio, dignitas, honourable condition.'

(Ziemann, 'Mittelh bch7d leutsches7 Worterbuch'.)25

Wert and Wurde Value and Worth are thus interdependent, in etymology and meaning. What hides things is the inorganic (false) mode of inflection of Wert that became normal in New High German: Werth, Werthes instead of

Werdes, for the Goth/ic/th gives the High German d, not th = t, and this is even the case in Middle High German (wert, gen. werdes, the same). By Middle High German rules, the final d of the word must become t, hence wert instead of werd, but genit. werdes.

But all this has as much or as little to do with the economic category 'value' as it does with the <u>chemical</u> <u>value /valency</u> of the chem. elements (atomicity) or with the chemical equivalents /Aquivalenten, Gleichwerten/ (compound weights of the chem. elements).

It should also be noted that even in this linguistic connection - if it follows of itself from the original identity of <u>Würde</u> and <u>Wert</u> as from the nature of the matter, that this word also applied to things, to products of labour in their natural form - it was later transferred without change directly to <u>prices</u>, i.e., value in its developed value form - i.e., exchange-value, which has no more to do with the question than the fact that the same word was used for worth in general, for an honourable function, etc. Thus linguistically there is here no difference between use-value and value.

We come now to the informant of the vir obscurus, to Rodbertus whose essay in the <u>Tubinger Zeitschrift</u> is to be examined. What vir obscurus quotes from Rodbertus is as follows:

#### In the text of p. 48:

'There is only one kind of value and that is use-value. This is either individual use-value or social use-value. The first confronts the individual and his needs without any reference to a social organization.'

This already nonsense (cf. 'Kapital' p. 171), where it says, however:26 that the labour process, as purposeful activity for the provision of use-values etc. 'is equally common to all its' (human life's) 'forms of society' and 'independent of each of the same'. Firstly the individual does not confront the word 'usevalue, 'but concrete use-values, and which of these 'confront' /gegenüberstehen/ him (for these people everything 'stands' Lsteht 7; everything pertains to 'status' \( \stand \), depends completely on the stage of the social process of production, and hence always corresponds to 'a social organization'. If all Rodbertus wants to say is the triviality that the use-value which really confronts an individual in an object of use confronts him as an individual use-value for that individual, then that is either a trivial tautology or false, for, not to speak of such things as rice, maize or wheat, or meat (which does not confront a Hindu as a means of nourishment), an individual's need for the title of professor or Privy Counsellor, or for a decoration, is possible only in a quite specific 'social organization'.7

'The second thing is the <u>use-value</u> possessed by a <u>social</u> organism made up of many individual organisms (or, respectively, individuals)' (p. 48, Text).

Fine German! Is this a matter of the 'use-value' of the 'social organism', or of a use-value in the possession of a 'social organism' (as for example land in the primitive community), or of the determinate 'social' form of use-value in a social organism, as for example where commodity production is dominant and the use-value that a producer provides must be 'use-

value for another' and in this sense 'social use-value'? Nothing can be expected from such shallowness.

So to the other thesis of our Wagner's Faust: 27

'Exchange-value is only the historical mantle and appendage of social use-value in a determinate historical period. When one puts an exchange-value in logical opposition to the use-value, a historical concept is put in logical opposition to a logical concept, which is not logical' (p. 48, Note 4). 'This is completely correct!' exults Wagnerus, ibidem.

Who is the 'one' who perpetrates this? That Rodbertus means me here, certain, for according to R. Meyer, 28 his famulus, he has written a 'big thick manuscript' against 'Kapital'. Who puts in logical opposition? Herr Rodbertus, for whom 'use-value' and 'exchange-value' are both by nature mere 'concepts'. In fact in every price currency every single sort of commodity perpetrates this illogical process by distinguishing itself as a good, a use-value, from the others, as cotton, yarn, iron, corn, etc., representing itself as a 'good' toto coelo qualitatively distinct from the others, but at the same time representing its price as something qualitatively the same, but quantitatively different of the same essence. It presents itself in its natural form for the one who makes use of it, and in the completely different value-form which it has in 'common' with all other commodities, as exchange-value. This involves a 'logical' opposition only for Rodbertus and kindred German professorial school-masters who start from the 'concept' of value, not from the 'social thing', the 'commodity', and let this concept divide of itself (into

two), and then argue with each other about which of the two mental phantoms is the true Jacob!

But what lies in the murky background to the bombastic phrases is simply the immortal discovery that in all conditions man must eat, drink, etc. Cone can go no further: clothe himself, have knives and forks or beds and housing, for this is not the case in all conditions7; in short, that he must in all conditions either find external things for the satisfaction of his needs pre-existing in nature and take possession of them, or make them for himself from what does preexist in nature; in this his actual procedure he thus constantly relates in fact to certain external things as 'use-values', i.e., he constantly treats them as objects for his use; hence use-value is for Rodbertus a 'logical' concept; therefore since man must also breathe, 'breath' is a 'logical' concept, but for heaven's sake not a 'physiological' one. But the full extent of Rodbertus's shallowness is revealed by his opposition between 'logical' and 'historical' concepts! He sees 'value' (the economic as opposed to the usevalue of the commodity) only in its phenomenal form, exchange-value. That latter only arises when at least some part of the labour product, the objects of use, function as 'commodities', but this did not happen from the beginning, but only in a certain period of social development, hence at a determinate stage of historical development. Exchange-value is therefore a 'historical' concept. If R/odbertus/ - I shall say later why he did not see it - had further analysed the exchange-value of commodities - for this exists only where commodities in the plural, different sorts of commodities,

occur - he would have found the 'value' behind this phenomenal form. If he had further investigated value, he would have found further that in it the thing, the 'usevalue', counts as a mere objectification of human labour, as an expenditure of equal human labour-power, and hence that this content is represented as an objective character of the thing, as a /character/ which is materially fitting for it itself, although this objectivity does not appear in its natural form /but this is what makes a special value-form necessary. He would thus have found that the 'value' of the commodity only expresses in a historically developed form something which also exists in every other historical form of society, but in other forms, namely the social character of labour, insofar as the latter exists as the expenditure of 'social' labour-power. 'The value' of the commodity is thus only a determinate historical form of something which exists in all forms of society, but so does 'social use-value', as he characterizes the 'use-value' of the commodity. Herr Rodbertus takes his measure of the quantity of value from Ricardo; but no more than Ricardo has he investigated or understood the substance of value itself: for example, the 'common' character of the /labour process/ in the primitive community as the common organism of the labourpowers of the members and thus that of their labour. i.e., the expenditure of these powers.

Any more on Wagner's twaddle superfluous on this occasion.

Measurement of the quantity of value. Herr Wagner incorporates me here, but finds to his annoyance that I have 'eliminated' the 'labour of capital formation'

(p. 58, n. 7).

'In commerce governed by organs of society the determination of tax values, respectively tax prices, must take place with due regard to this cost moment' /this is his name for the quantity of labour expended in production, etc.7, 'as was in principle the case in the earlier authoritative and industrial taxes, and would also have to be the case in any new tax system' he means a socialist one! ... 'But in free commerce the costs are not the exclusive grounds for the determination of exchangevalues and prices, nor could they be in any thinkable social situation. For independently of the costs there will always be oscillations of use-value and need<sup>29</sup> whose influence on exchange-value and price (contractual price and tax price) will and must modify the influence of costs, 'etc. (p. 58, 59). 'For the' /i.e., this! / 'sharp-sighted correction of the socialist theory of value... we are indebted to Schäffle' (!), who said 'Soc/ialer Körper' III, p. 278: 'No kind of social influence on demand and production can obviate the fact that all demands/will not/always remain qualitatively and quantitatively in equilibrium with productions. If this is the case, social cost-value quotients cannot serve as directly proportional to social use-value quotients' (p. 59, N. 9).

It is clear from W/agner/'s next sentence that this only amounts to the triviality of the rise and fall of the market price over or under the value, and to the presupposition that in 'Marx's social State' the theory of value he developed for bourgeois society is still in force:

'They' (the prices) 'will on occasion deviate more or less therefrom' from the costs, 'rising with the goods whose use-value has become greater and falling with those whose use-value has become smaller. Only in the long run will costs always be able to impose themselves again as the decisive regulator' etc. (p. 59).

<u>Law</u>. For the fantasy of the vir obscurus about the economically creative influence of <u>law</u> one sentence suffices, though the absurd viewpoint it contains pours out again and again:

'The individual economy has at its summit, as the organ of technical and economic activity in it... a <u>person</u> as legal and economic subject. This is again no purely economic phenomenon but simultaneously dependent on the pattern of the <u>law</u>. For the latter determines who counts as a person, and hence also who can stand at the summit of an economy' etc. (p. 65).

The essence of communications and transport (pp. 75-76) p. 80 (Note).

From p. 82: where the 'interchange /Wechsel in the (natural) component parts of the mass of goods' fof an economy, alias in Wagner's baptism an 'interchange of goods' /Güterwechsel, is described as Schäffle's 'social metabolism' /social Stoffwechsel - at least as a case of the latter; but I also applied the word to the 'natural' process of production as a metabolism between man and nature is borrowed from me, where the metabolism first appeared in the analysis of C-M-C and interruptions of the change of form

/Formwechsel/, were later also described as interruptions in the metabolism.

What Herr Wagner says further about the 'internal interchange' of the goods available in one branch of production (for him in one 'individual economy'), partly in relation to their use-value, partly in relation to their 'value', I also discuss in the analysis of the first phase of C-M-C, namely C-M, the example of the linen weaver ('Kapital', p. 85, 86/87), 30 where I conclude: 'The owners of commodities therefore find out that the same division of labour that turns them into independent private producers, also makes the social process of production and their relations in this process independent of them, and that the mutual independence of the individuals is supplemented by a system of omnilateral dependence' ('Kapital', p. 87). 31

Contracts for the commercial acquisition of goods. Here the obscurantist (vir obscurus) gets his and mine upside down. For him there is first law and then commerce; in reality it is the other way round: first there is commerce and then a legal order develops out of that. In my analysis of the circulation of commodities I have shown that in developed trading exchange the exchangers are tacitly recognized as equal persons and proprietors of the goods they are to exchange respectively; they do this as soon as they tender one another their goods and agree to mutual trade. This first factual relation arising by and in the exchange itself later obtains a legal form in the contract etc.; but this form neither creates its content, the exchange, nor the pre-existing mutual relation between the persons in it, but vice versa. For Wagner, on the contrary:

'This acquisition' of goods through commerce 'necessarily presupposes a determinate legal order, on the basis of which' (!) 'the exchange is carried out' etc. (p. 84).

<u>Credit.</u> Instead of giving the development of money as a <u>means of payment</u>, Wagner makes the circulation process, so long as it is carried out in the form where both equivalents do not confront one another simultaneously in C-M, directly into a '<u>credit transaction</u>' (p. 85 sq.), to which is 'linked' the fact that the latter is often bound up with 'interest' payment; 'trust' and making 'trust' a basis for 'credit' also serves this purpose.

On the juridical conception of property of <u>Puchta</u> 32 etc., according to which <u>debts</u> too are part of property as <u>a negative component</u> (p. 86, n. 8).

<u>Credit</u> is '<u>consumptive credit</u>' or '<u>productive credit</u>' (p. 86). The former<sup>33</sup> is dominant at lower cultural levels, the latter <sup>34</sup> at 'higher' ones.

On the <u>origins of debt</u> Origins of pauperism: fluctuating harvests, military service, competition from slaves in Ancient Rome. (Jhering, 3. edition, p. 234, II, 2. 'Geist des romischen Rechts'.) 35

According to Herr Wagner, 'consumptive credit' dominates at 'lower levels' among 'oppressed lower' classes and 'prodigal upper' classes. In fact: In England and America 'consumptive credit' generally dominant with the development of the deposit bank system!

'In particular... <u>productive credit</u> proves to be an economic factor of the national economy allowing

free competition and based on private Property in land and mobile capitals. It is linked to the possession of property, not to property, as a pure economic category' and is therefore only a 'historico-legal category' (!) (p. 87).

Dependence of the individual economy and of property on the influences of the external world, particularly the influence of the conjuncture in the national economy.

1. Changes in use-value: improve in a few cases through the passing of time as a condition of certain natural processes (wine, cigars, violins etc.).

'Worsen in the great <u>majority</u>...dissolve into their material components, <u>accidents</u> of all kinds.'
'<u>Change</u>' of exchange-value in the same direction is expressed by the '<u>rise in value</u>' or '<u>fall in value</u>' (p. 96, 97). <u>On leases</u> in Berlin see (p. 97, n. 2).

2. Changed human knowledge of the properties of goods; 'property increased' thereby in the positive case. Application of hard coal to iron smelting in England around 1620 as the removal of forests threatened the continuation of iron-working; chemical discoveries, like Jod's (utilization of iodine-bearing salt deposits). Phosphates as fertilizers. Anthracite as fuel. The materials for gas lighting, for photographs. The discovery of dyes and drugs. Guttapercha, india rubber. Plant ivory (from Phytelephas macrocarpa). Creosote. Paraffin-wax candles. The utilization of asphalt, of pine-needles (forest wool), of gas in blast furnaces, of coal-tar for the preparation of aniline, woollen rags, sawdust, etc. etc. In the negative case a reduction of the utility and hence of the value (as after the discovery of trichina in pork, poisons in dyes,

plants, etc.) (p. 97, 98). Discoveries of mining products in land, new useful properties in its products, discovery of new applications of the same increases the property of the landowner (p. 98).

#### 3. Conjuncture

The influence of all the external 'conditions' which 'essentially co-determine the provision of goods for commerce, their supply and demand'... and hence their 'exchange-value', including that 'of the already finished individual good... wholly or overwhelmingly independently' of the 'economic subject' or 'Proprietor respectively' (p. 98). Conjuncture is the 'decisive factor' in the 'system of free competition' (p. 99). The one - 'via the principle of private Property' - gains thereby 'what he has not earned', and thus the other 'forfeits', suffers 'economically underserved losses'.

On speculation (n. 10, p. 101). Rents (p. 102, n. 11). Coal and iron industry (p. 102, n. 12). Numerous changes in technique reduce the values of products of industry such as instruments of production (p. 102, 103).

In 'a national economy advancing in population and welfare...the favourable chances predominate, notwithstanding occasional local and temporary reverses and fluctuations, for landed Property, particularly for urban (big city) landed Property' (p. 102). 'Hence the conjuncture acts to the advantage especially of landed Proprietors' (p. 103). 'These, like most other gains in value due to conjuncture...only pure speculative gains' to which correspond 'speculative losses' (p. 103)

Ditto on the 'corn trade' (p. 103, n. 15).

Hence it must 'be openly recognized:...the economic situation of the individual or family' is 'essentially a product of the conjuncture' and the latter 'necessarily weakens the importance of personal economic responsibility' (p. [104,7 105).

Since therefore 'the contemporary organization of the national economy and the legal basis' (!) 'for it, and hence private Property in...land and capital' etc. 'amounts to a fundamentally inalterable arrangement', then, after a lot of rot, there is no way 'to fight... the causes' of the drawbacks that stem from it, as always, too, stagnation of sales, crises, discharge of labourers, wage reductions, etc., 'and therefore no way to fight this evil itself', whereas Herr Wagner intends to fight the 'symptoms', the 'consequences of the evil' by dealing with 'conjuctural gains' by 'taxes', and the 'losses', the 'economically undeserved' products of the conjuncture, by a 'rational... insurance system' (p. 105).

This, says our obscurantist, is the result if one regards the present day mode of production and its 'legal basis' as 'inalterable'; but his researches, more profound than socialism, directly attack the 'real thing'. Nous verrons, how?

The main individual moments that constitute the conjuncture.

1. Fluctuations in harvest yield of the main means of nutrition under the impact of the weather and political conditions such as disturbances in cultivation through war. Producers and consumers influenced thereby (p. 106). On grain-merchants: Tooke, 'History of

Prices'; for Greece: Böckh, 'Staatshaushalt der Athener', I, 1. para. 15; for Rome: Jhering, 'Geist'. p. 238. <sup>36</sup> Increased mortality of the lower strata of the population at the present day with every small rise in the price, 'certainly a proof of how little the average wage in the mass of the working class is higher than the amount absolutely necessary for life' (p. 106, n. 19), Improvements in the means of communication / at the same time', we are told in N. 20, 'the most important precondition for a price equalizing speculative corn trade', changed methods of cultivation /crop-rotating economy' via 'the cultivation of different products which are differentially favoured or disfavoured by different weather ?; therefore smaller fluctuations in grain prices within a shorter space of time compared 'with the middle ages and antiquity'. But fluctuations still very large, too. (See note 22, p. 107; the facts themselves.)

- 2. Changes in technique. New methods of production. Bessemer steel instead of iron, etc., p. 107 (and note 23). The introduction of machines in place of manual labour.
- 3. Changes in the means of communications and transport, which influence the spatial movement of men and goods: Hence especially... the value of land and of articles of lower specific value affected; whole branches of production forced into a difficult transition to other methods of organization (p. 107). And n. 24 ibid., rise in land values in the neighbourhood of good communications, through better sales for the products produced there; facilitation of the accumulation of population in cities, and hence an enormous rise in the value of urban land and in value in the neighbourhood of such places. Easier export from regions with hitherto cheap prices for grain

and other raw materials from agriculture and forestry. mining products, to areas with higher prices; hence a more difficult economic situation for all the elements of the population with fairly stable incomes of the former regions and on the contrary an improvement for the producers, especially the landowners, of the same. Inversely, the easier supply (import!) of grain and other materials of lower specific value. In the country of destination, favoured consumers, disfavoured producers; the necessity of transferring to other kinds of production, as in England from corn cultivation to cattle raising in the 40's because of the competition from cheap East European grain in Germany. Difficult situation for the German agrarian economy (now) because of the climate, also because of large recent rises in wages which cannot be shifted onto the products as easily as in the industrial economy, etc.7

- 4. <u>Changes in taste! fashions</u>, etc., often taking place quickly in a short time.
- 5. Political changes in the national and international trade area (war, revolution, etc.); extent to which reliance on this and suspicion of this become more and more important with the increasing division of labour, the expansion of international etc. commerce, the contribution of the credit factor, the monstrous dimensions of modern warfare, etc. (p. 108).
- 6. Changes in agricultural, industrial and trade policy. (Example: repeal of the British Corn Laws.)
- 7. Changes in the <u>spatial distribution</u> and <u>general</u> economic situation of the whole population, such as emigration from the countryside to the cities (p. 108, 109).
- 8. Changes in the soc/ial/and econ/omic/ situation of

individual strata of the population, for example by the concession of the freedom of coalition, etc. (p. 109). The French 5 billion n. 29 ib. 37

Costs in the individual economy. Within the 'value'producing 'labour' into which all costs can be dissolved, it is essential to include 'labour' in the true. broad sense according to which it 'embraces everything which is necessary for purposeful human activities in pursuit of a return, ' and therefore also 'the mental labour of the leader and the activity by which capital is formed and deployed' and 'for this reason' the 'profit on capital' /Kapitalgewinn/ which pays for this activity is also one of the 'constitutive elements of costs'. 'This conception is in contradiction with the socialist theory of value and costs' (p. 111). The obscurantist foists on me the idea that 'the surplus-value produced by the labourers alone improperly remains with the capitalist entrepreneurs' (n. 3, p. 114). In fact, I say the direct opposite: namely that at a certain point commodity production necessarily becomes 'capitalist' commodity production and that according to the law of value governing the latter, the 'surplus-value' is properly the capitalist's and not the labourers's. Instead of engaging in such sophistries, the Kathedersozialist38 character of the vir obscurus reveals itself in the following banality, that the

'unconditional opponents of the socialists' 'overlook those cases, which are nevertheless numerous, of <u>relations</u> of <u>exploitation</u>, in which the net returns are not <u>justly</u> (!) divided, the <u>individual economic</u> <u>production costs</u> of the enterprise are reduced too far to the disadvantage of the labourer (and also of the moneylending capitalists) and to the advantage of the provider of labour' (l. c. ).

The national income in England and France (p. 120,  $\chi - \varphi$ ).

#### The annual gross receipts of a nation:

- 1. The totality of the goods <u>newly</u> created in the year. The <u>home produced raw materials</u> to be added complete according to their value; the <u>objects made from such materials</u> and foreign produced ones in order to avoid a double record of raw products for the <u>sum of the rise in value aimed at in manufacturing labour; the raw materials and <u>semi-finished products</u> transferred in trade and <u>transported</u> for the <u>sum of the rise in value achieved therein.</u></u>
- 2. The import of money and commodities from abroad from the title to the revenues from home <u>claims</u> on <u>credit transactions</u> or <u>capital investments</u> by home citizens abroad.
- 3. The <u>freightage of the home merchant marine</u> in <u>external and carrying trade</u> really paid by the import of foreign goods.
- 4. Cash or commodities from abroad imported as remittances for foreigners residing in the country.
- 5. The import from free gifts, such as <u>long-term</u> tribute from abroad, <u>permanent immigration and hence</u> regular immigrant property.
- 6. Excess value of the import of money and commodities taking place in international trade, but then 1. exports abroad to be deducted.
- 7. The total value of the utilization of useful property (such as dwelling-houses, etc.) (p. 121, 122). To subtract for the net receipts, among other things, the 'export of goods as payment for freighting by foreign

merchant fleets' (p. 123). /It is not so simple: (home) production price + freight = selling price. If the country carried its own commodities in its own ships, foreign countries would pay the freighting costs, if the market price prevailing there, etc....7

'Among permanent tributes should be reckoned regular payments to foreign subjects abroad (bribes, as by Persia to the Greeks), salaries for foreign scholars under Louis XIV, and Peter's pence'39 (p. 123, n. 9).

Why not the subsidies which the German princes regularly draw from France and England?

See the naive kinds of division of private incomes which consist of 'State and Church functions' (p. 125, n. 14)

Individual and national-economic evaluation/Wertschätzung 7

Cournot called the destruction of part of a stock of commodities in order to sell the rest dearer, 'une véritable création de richesse dans le sens commercial du mot' (p. 127, n. 3)40, 'Rech/erches/ sur les principes mathém/atiques de la théorie des richesses. 1838.

Compare on the decline of private consumption stocks, or as Wagner calls it, private 'use capital' in our cultural period, to be precise, in Berlin, p. 128, n. 5, p. 128, n. 8 and 10; with it the too little money or specifically working capital in the production business itself, p. 130 and the same, n. 11.

Relatively greater importance of external trade today, p. 131, n. 13, p. 132, n. 3.

#### NOTES

1 Adolph Heinrich Gotthilf Wagner (1835-1917), German bourgeois economist and conservative politician, studied statistical mathematics and economics at Göttingen and Heidelberg, as a student of Rau (see note 9) among others, and later taught economics and political science at the Universities of Vienna (1858-65), Dorpat (1865-8) and Freiburg (1868-70). A founder member of the Verein für Sozialforschung (Society for Social Research) in 1872, he left it in 1877 to help (with Stöcker) found the Christian-Socialist Party in 1878. From 1882-5 he was a Conservative Party representative in the Prussian Abgeordetenhaus. He left the Christian-Socialist Party in 1896 to devote himself to academic work, but remained active in Evangelical-Socialist circles until his death. His main work consists of systematic text-books and studies in banking and taxation. His economic position was that of the Kathedersozialisten (see note 38): the evils of capitalism were to be off-set, and social peace guaranteed, by state intervention. Marx's notes were written in London between the second half of 1879 and November 1880 and are contained in his excerpt-books for the years 1879-1881. They refer to the second improved and expanded edition of Adolph Wagner's Allgemeine oder theoretische Volkswirtschaftslehre. Erste Theil. Grundlegung, Leipzig and Heidelberg 1879, the first volume of a Lehrbuch der politischen Ökonomie (Textbook in Political Economy). In Marx's notebook, the marginal notes are preceded by an index of 54 titles selected from Wagner's bibliographical specifications. The text we publish here is a complete translation of the complete version of the Notes printed

in the Marx-Engels Werke, Bd. XIX, pp. 355-383. 2 Johann Karl Rodbertus (1805-75), German economist and conservative politician, studied law at Gottingen and Berlin 1823-6, purchased Jagetzow estate in Pomerania 1834, member of the Pomeranian Landtag, theorist of 'state socialism'. For a more extended critique of his theoretical positions by Marx, see Theories of Surplus-Value, Part 2, Ch. 8 and Ch. 9 sections 4 and 10; also Engels: Preface to Capital Volume Two, English translation Moscow 1961, pp. 5-19. 3 Friedrich Alfred Lange (1828-75), German philosopher and political scientist, studied philosophy at Zürich and Bonn, later schoolteacher in Cologne and Duisburg, editor of various journals advocating social reforms, professor of philosophy at Marburg 1872, As well as various political-economic writings, Lange is famous for his History of Materialism (1886). 4 Albert Eberhard Friedrich Schaffle (1831-1903), German political economist and conservative politician, studied at Tubingen 1848, editor of Schwäbische Merkur 1850, member of Württemberg Second Chamber 1861-5 and of the Zollparlament 1868, became professor of economics at Vienna the same year and trade minister in the (Austrian) Hohenwart cabinet in 1871. Advocate of measures to ensure social peace between labour and capital.

5 'Law of peoples', i.e., international law.

6 () and / 7represent Marx's own brackets, round and square respectively. [ 7 are insertions by the Werke editors, or by the translator.

7 Vermogen. Wagner uses two terms here translated as 'property': Vermogen, translated as 'property' with a small p, meaning the wealth, means, fortune,

resources owned by the proprietor, and Eigentum, translated as 'Property' with a capital P, meaning the legal right of disposal over real wealth accorded to the proprietor. This couple should be clearly distinguished from Marx's opposition of Besitz (possession), meaning the real appropriation of nature, and Eigentum (property), meaning the right implied by the relations of production (i.e., not the legal right) to dispose of the results of this appropriation, i.e., the right of expropriation. See Etienne Balibar: 'The Fundamental Concepts of Historical Materialism' in Louis Althusser and Etienne Balibar: Reading Capital, NLB, London 1970, pp. 226-233.

8 Marx has miscopied Wagner's Belegfall bilden: 'constitute a test-case' as Beitrag bilden: 'constitute a contribution'.

9 Karl Heinrich Rau (1792-1870), German political economist, studied at Erlangen 1876, professor at Heidelberg 1822, member of Baden First Chamber, originally mercantilist, then a follower of Adam Smith, teacher of Wagner and author of the Lehrbuch der politischen Ökonomie on which Wagner's was based. 10 The page number refers to the second German edition of Das Kapital Volume One, Hamburg 1872. The passage, here re-translated, is on page 38 in Capital Volume One, translated Samuel Moore and Edward Aveling, Moscow 1961.

11 Nikolaj Ivanovich Ziber' (1844-88): Teoria Tsennosti i Kapitala D. Ricardo. V' Svyazi s' Nozdnejshimi dopolneniyami i raz'yasneniyami. Opyt' kritikoehkonomicheskago izsledovaniya (D. Ricardo's Theory of Value and Capital), Kiev 1871. Ziber' was a Russian political economist, professor at the University of Kiev, one of the earliest Russian popularizers of

Marx's theory. The book is discussed in the Afterword to the Second German edition of <u>Capital</u> Volume One, Moscow 1961, pp. 16-17.

12 A. E. F. Schäffle: <u>Kapitalismus und Sozialismus mit</u> besonderer Rücksicht auf Geschäfts- und Vermögensformen. Vorträge zur Versöhnung der Gegensätze von Lohnarbeit und Kapital, Tubingen 1870.

13 A. E. F. Schäffle: <u>Die Quintessenz des Sozialismus</u>, Gotha 1875 (1st edition anonymous, 15 more editions, the last in 1919).

14 A. E. F. Schäffle: Bau und Leben des sozialen Körpers. Enzyklopädischer Entwurf einer realen Anatomie,
Physiologie und Psychologie der menschlichen Gesellschaft mit besonderer Rücksicht auf die Volkswirtschaft als sozialen Stoffwechsel, four parts, Tübingen 1875-8.

15 Kornpreis, i.e., 'corn-price', in the manuscript.
16 Struck out in the manuscript: This 'deduction' is even finer in Wagner, because he deals with 'Man', not with 'Men'. Herr Wagner expresses this very simple 'deduction' as follows: 'It is a natural drive of man' (read: of the German professor of economics) 'the relation' in which things of the external world not only are means toward the satisfaction of human needs, but are linguistically acknowledged as such and therefore also serve /sentence incomplete/

17 The page number refers to K. H. Rau: <u>Lehrbuch der</u> <u>politischen Ökonomie</u>, Bd. I, <u>Grundsätze des Volkswirtschaftslehre</u>, Heidelberg 1826. The passage is quoted on page 41 of Wagner's book.

18 The German word translated as 'obscurantist' is <u>Dunkelmann</u>, literally 'dark man', i.e., vir obscurus.

19 <u>Zeitschrift für die gesammte Staatswissenschaft</u>, a liberal political-economic magazine appearing intermittently from 1844 to 1943 in Tübingen. Rodbertus's letter to Wagner appeared in Bd. 34 as a quotation in Wagner's article: 'Einiges von und über Rodbertus-Jagetzow'. Cf. Engels: Preface to Capital Volume Two, Moscow 1961, pp. 5-6.

20 <u>Capital</u> Volume One, Moscow 1961, p. 60 (re-translated).

21 The note Marx is referring to is in A Contribution to the Critique of Political Economy, English translation, London 1971, p. 28: 'Use-value as such, since it is independent of the determinate economic form, lies outside the sphere of investigation of political economy.' Note: 'That is why German compilers write con amore about use-values, calling them "goods". See for example the section on "goods" in Lorenz Stein: System der Staatswissenschaft, Bd. I. Useful information on "goods" may be found in "manuals dealing with merchandise".'

22 In the manuscript: Produkt, i.e., 'product'.

23 Capital Volume One, Moscow 1961, pp. 40-41.

24 'A terrific dispute is possible with words, a system can be prepared with words'.

25 Valentin Christian Friedrich Rost: <u>Griechisch-Deutsches Wörterbuch</u>. 1st edition, Göttingen 1818. Ernst Schutz: <u>Gothisches Glossar</u>, mit einer Vorrede von J. Grimm, Magdeburg 1848.

Adolf Ziemann: Mittelhochdeutsches Worterbuch zum Handgebrauch. Bibliothek der gesammten deutschen National-Literatur, Abt. III, Bd. I, Quedlinburg and Leipzig 1835.

26 Capital Volume One, Moscow 1961, pp. 183-4.

27 I. e., Rodbertus. In Goethe's <u>Faust</u>, the hero's servant is named Wagner. He is characterized by a

pedantic interest in the knowledge obtainable from books without Faust's concern to put such knowledge to practical use. His later academic career makes him more famous (among professors) than Faust himself. 28 Rudolf Hermann Meyer (1839-99), German socialconservative politician, amanuensis of Hermann Wagener, the feudal socialist politician and ideologist, later a close ally of Rodbertus's. Edited Berliner Revue 1870-74, then exiled for attack on Bismarck. Published a number of letters by Rodbertus claiming priority for Rodbertus over Marx in developing the theory of surplus-value. Nevertheless, Marx and Engels had a higher opinion of him than they did of the other state socialists and Kathedersozialisten referred to in these notes, mostly because of his book in Prussian corruption, Politische Gründer und die Corruption in Deutschland (Leipzig 1877). Engels wrote o Bernstein on February 27th, 1883: 'And Rudolph lever may flatter as much as he likes, the only thing we respect him for is his really useful 'Politische Grunder'. Of course, we never discussed really serious things with him, but only Bismarck and that sort of thing. But Meyer is at least an upstanding fellow, who knows how to show his teeth to the Noble Lords, and not a careerist like all the Kathedersozialisten' (Marx-Engels: Werke, Bd. 35, p. 444).

29 Marx miscopies Wagner's <u>Bedarf</u> - 'demand' - as <u>Hodlirfnis</u> - 'need'.

30 Capital, Volume One, Moscow 1961, pp. 105-7.

III (bid., pp. 107-8.

Georg Friedrich Puchta (1798-1846), German student of Roman institutions, taught by Hegel as a schoolboy

In Nuremburg, studied law at Erlangen University, pro-

fessor of Roman law at Dorpat 1823, member of Prussian State Council and Law Commission.

33 In the manuscript: dieser, i.e., 'latter'.

34 In the manuscript: jener, i.e., 'former'.

35 Rudolph von Jhering: Geist des römischen Rechts auf dem verschiedenen Stufen seiner Entwicklung (Sachund Quellenregister), Parts 1, 2, 3 section 1, Leipzig 1852-78.

36 Thomas Tooke: A History of Prices and of the State of the Circulation from 1792 to the present time, 6 vols., London 1838-57, the last two volumes with William Newmarch as co-author. August Böckh: Die Staatshaushaltung der Athener, Vier Bücher mit einundzwanzig Inschriften, 2 Bd. Berlin 1817.

pay Germany by the Treaty of Frankfurt, May 10th 1871, which ended the Franco-Prussian War of 1870-71.

38 Kathedersozialist: the name given to the German academics who, in the 1860's and 70's, advocated various forms of State 'socialism' from their university chairs (German: Katheder) as a solution to the 'social'

37 The indemnity of 5 billion francs France agreed to

problem'. They had a strong influence on the foundation of the Verein für Sozialforschung in 1872, though the latter became less political and more of an academic society as time went on.

39 A yearly contribution demanded of all Catholics by the Papacy (originally one silver penny per family to be paid on Saint Peter's day). Still an important source of finances for the Curia.

40 'A true creation of wealth in the commercial sense of the term'.

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#### EDITORS:

Ben Brewster, Antony Cutler, Michael Gane, Barry Hindess, Paul Hirst, Athar Hussain, John Taylor.

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