

A. Introduction

(1) PRODUCTION

Independent Individuals. Eighteenth-Century Ideas

The object before us, to begin with, *material production*.

Individuals producing in society—hence socially determined individual production—is, of course, the point of departure. The individual and isolated hunter and fisherman, with whom Smith and Ricardo begin, belongs among the unimaginative conceits of the eighteenth-century Robinsonades,¹ which in no way express merely a reaction against over-sophistication and a return to a misunderstood natural life, as cultural historians imagine. As little as Rousseau's *contrat social*, which brings naturally independent, autonomous subjects into relation and connection by contract, rests on such naturalism. This is the semblance, the merely aesthetic semblance, of the Robinsonades, great and small. It is, rather, the anticipation of "civil society," in preparation since the sixteenth century and making giant strides towards maturity in the eighteenth. In this society of free competition, the individual appears detached from the natural bonds etc. which in earlier historical periods make him the accessory of a definite and limited human conglomerate. Smith and Ricardo still stand with both feet on the shoulders of the eighteenth-century prophets, in whose imaginations this eighteenth-century individual—the product on one side of the dissolution of the feudal forms of society, on the other side of the new forces of production developed since the sixteenth century—appears as an ideal, whose existence they project into the past. Not as a historic result but as history's point of departure. As the Natural Individual appropriate to their notion of human nature, not arising historically, but posited by nature. This illusion has been common to each new epoch to this day. Stuart² avoided this simple-mindedness because as an aristocrat, and in antithesis to the eighteenth century, he had in some respects a more historical footing.

The more deeply we go back into history, the more does the individual, and hence also the producing individual, appear as dependent, as belonging to a greater whole: in a still quite natural way in

1. Utopias on the lines of Defoe's *Robinson Crusoe*.

2. Sir James Stuart (1712–80), "the rational exponent of the Monetary and Mercantile System" (Marx), an adherent of the Stuart cause who went into

exile in 1745 and pursued economic studies on the Continent. Author of *An Inquiry into the Principles of Political Economy* (London, 1767, 2 vols.; Dublin, 1770, 3 vols.—the edition used by Marx).

the family and in the family expanded into the clan [*Stamm*]; then later in the various forms of communal society arising out of the antitheses and fusions of the clans. Only in the eighteenth century, in "civil society," do the various forms of social connectedness confront the individual as a mere means towards his private purposes, as external necessity. But the epoch which produces this standpoint, that of the isolated individual, is also precisely that of the hitherto most developed social (from this standpoint, general) relations. The human being is in the most literal sense a ζῷον πολιτικόν,³ not merely a gregarious animal, but an animal which can individuate itself only in the midst of society. Production by an isolated individual outside society—a rare exception which may well occur when a civilized person in whom the social forces are already dynamically present is cast by accident into the wilderness—is as much of an absurdity as is the development of language without individuals living *together* and talking to each other. There is no point in dwelling on this any longer. The point could go entirely unmentioned if this twaddle, which had sense and reason for the eighteenth-century characters, had not been earnestly pulled back into the centre of the most modern economics by Bastiat,⁴ Carey,⁵ Proudhon etc. Of course it is a convenience for Proudhon et al. to be able to give a historico-philosophic account of the source of an economic relation, of whose historic origins he is ignorant, by inventing the myth that Adam or Prometheus stumbled on the idea ready-made, and then it was adopted, etc. Nothing is more dry and boring than the fantasies of a *locus communis*.⁶

Eternalization of historic relations of production.—Production and distribution in general.—Property

Whenever we speak of production, then, what is meant is always production at a definite stage of social development—production by social individuals. It might seem, therefore, that in order to talk about production at all we must either pursue the process of historic development through its different phases, or declare beforehand that we are dealing with a specific historic epoch such as e.g.

3. A political animal.

4. Frédéric Bastiat (1801–50), French economist, and "modern bagman of Free Trade" (Marx). A believer in *Laissez-faire* and the natural harmony of interests between labour and capital; a fierce opponent of socialism in theory and in practice (as deputy in the Constituent and Legislative assemblies of 1848 to 1851).

5. Henry Charles Carey (1793–1879), American economist, opponent of Ri-

cardian pessimism ("Carey, who does not understand Ricardo"—Marx), believed in state intervention to establish harmony between the interests of labour and of capital, and in the tendency of real wages to rise.

6. Of a commonplace (mind). Marx refers here to Bastiat's *Harmonies économiques* (Paris, 1851), pp. 16–19, and Carey's *Principles of Political Economy*, Pt. I (Philadelphia, 1837), pp. 7–8.

modern bourgeois production, which is indeed our particular theme. However, all epochs of production have certain common traits, common characteristics. *Production in general* is an abstraction, but a rational abstraction in so far as it really brings out and fixes the common element and thus saves us repetition. Still, this *general* category, this common element sifted out by comparison, is itself segmented many times over and splits into different determinations. Some determinations belong to all epochs, others only to a few. [Some] determinations will be shared by the most modern epoch and the most ancient. No production will be thinkable without them; however, even though the most developed languages have laws and characteristics in common with the least developed, nevertheless, just those things which determine their development, i.e. the elements which are not general and common, must be separated out from the determinations valid for production as such, so that in their unity—which arises already from the identity of the subject, humanity, and of the object, nature—their essential difference is not forgotten. The whole profundity of those modern economists who demonstrate the eternity and harmoniousness of the existing social relations lies in this forgetting. For example. No production possible without an instrument of production, even if this instrument is only the hand. No production without stored-up, past labour, even if it is only the facility gathered together and concentrated in the hand of the savage by repeated practice. Capital is, among other things, also an instrument of production, also objectified, past labour. Therefore capital is a general, eternal relation of nature; that is, if I leave out just the specific quality which alone makes “instrument of production” and “stored-up labour” into capital. The entire history of production relations thus appears to Carey, for example, as a malicious forgery perpetrated by governments.

If there is no production in general, then there is also no general production. Production is always a *particular* branch of production—e.g., agriculture, cattle-raising, manufactures etc.—or it is a *totality*. But political economy is not technology. The relation of the general characteristics of production at a given stage of social development to the particular forms of production to be developed elsewhere (later). Lastly, production also is not only a particular production. Rather, it is always a certain social body, a social subject, which is active in a greater or sparser totality of branches of production. Nor does the relationship between scientific presentation and the real movement belong here yet. Production in general. Particular branches of production. Totality of production.

It is the fashion to preface a work of economics with a general part—and precisely this part figures under the title “production”

(see for example J. S. Mill)⁷—treating of the *general preconditions* of all production. This general part consists or is alleged to consist of (1) the conditions without which production is not possible. I.e., in fact, to indicate nothing more than the essential moments of all production. But, as we will see, this reduces itself in fact to a few very simple characteristics, which are hammered out into flat tautologies; (2) the conditions which promote production to a greater or lesser degree, such as e.g. Adam Smith's progressive and stagnant state of society. While this is of value in his work as an insight, to elevate it to scientific significance would require investigations into the periodization of *degrees of productivity* in the development of individual peoples—an investigation which lies outside the proper boundaries of the theme, but, in so far as it does belong there, must be brought in as part of the development of competition, accumulation etc. In the usual formulation, the answer amounts to the general statement that an industrial people reaches the peak of its production at the moment when it arrives at its historical peak generally. In fact. The industrial peak of a people when its main concern is not yet gain, but rather to gain. Thus the Yankees over the English. Or, also, that e.g. certain races, locations, climates, natural conditions such as harbours, soil fertility etc. are more advantageous to production than others. This too amounts to the tautology that wealth is more easily created where its elements are subjectively and objectively present to a greater degree.

But none of all this is the economists' real concern in this general part. The aim is, rather, to present production—see e.g. Mill—as distinct from distribution etc., as encased in eternal natural laws independent of history, at which opportunity *bourgeois* relations are then quietly smuggled in as the inviolable natural laws on which society in the abstract is founded. This is the more or less conscious purpose of the whole proceeding. In distribution, by contrast, humanity has allegedly permitted itself to be considerably more arbitrary. Quite apart from this crude tearing-apart of production and distribution and of their real relationship, it must be apparent from the outset that, no matter how differently distribution may have been arranged in different stages of social development, it must be possible here also, just as with production, to single out common characteristics, and just as possible to confound or to extinguish all historic differences under *general human* laws. For example, the slave, the serf and the wage labourer all receive a quantity of food which makes it possible for them to exist as slaves,

7. John Stuart Mill (1806–73), English political theorist and economist; radical in politics, confusedly and eclectically Ricardian in economics. His

Principles of Political Economy (London, 1948), begin in Bk. I, Ch. 1, with the analysis of production.

as serfs, as wage labourers. The conqueror who lives from tribute, or the official who lives from taxes, or the landed proprietor and his rent, or the monk and his alms, or the Levite and his tithe, all receive a quota of social production, which is determined by other laws than that of the slave's, etc. The two main points which all economists cite under this rubric are: (1) property; (2) its protection by courts, police, etc. To this a very short answer may be given:

to 1. All production is appropriation of nature on the part of an individual within and through a specific form of society. In this sense it is a tautology to say that property (appropriation) is a precondition of production. But it is altogether ridiculous to leap from that to a specific form of property, e.g. private property. (Which further and equally presupposes an antithetical form, *non-property*.) History rather shows common property (e.g. in India, among the Slavs, the early Celts, etc.) to be the more original form, a form which long continues to play a significant role in the shape of communal property. The question whether wealth develops better in this or another form of property is still quite beside the point here. But that there can be no production and hence no society where some form of property does not exist is a tautology. An appropriation which does not make something into property is a *contradictio in subjecto*.

to 2. Protection of acquisitions etc. When these trivialities are reduced to their real content, they tell more than their preachers know. Namely that every form of production creates its own legal relations, form of government, etc. In bringing things which are organically related into an accidental relation, into a merely reflective connection, they display their crudity and lack of conceptual understanding. All the bourgeois economists are aware of is that production can be carried on better under the modern police than e.g. on the principle of might makes right. They forget only that this principle is also a legal relation, and that the right of the stronger prevails in their "constitutional republics" as well, only in another form.

When the social conditions corresponding to a specific stage of production are only just arising, or when they are already dying out, there are, naturally, disturbances in production, although to different degrees and with different effects.

To summarize: There are characteristics which all stages of production have in common, and which are established as general ones by the mind; but the so-called *general preconditions* of all production are nothing more than these abstract moments with which no real historical stage of production can be grasped.

which takes place within production itself belongs directly to production and essentially constitutes it. The same holds, secondly, for the exchange of products, in so far as that exchange is the means of finishing the product and making it fit for direct consumption. To that extent, the exchange is an act comprised within production itself. Thirdly, the so-called exchange between dealers and dealers is by its very organization entirely determined by production, as well as being itself a producing activity. Exchange appears as independent of and indifferent to production only in the final phase where the product is exchanged directly for consumption. But (1) there is no exchange without division of labour, whether the latter is spontaneous, natural, or already a product of historic development; (2) private exchange presupposes private production; (3) the intensity of exchange, as well as its extension and its manner, are determined by the development and structure of production. For example. Exchange between town and country; exchange in the country, in the town etc. Exchange in all its moments thus appears as either directly comprised in production or determined by it.

The conclusion we reach is not that production, distribution, exchange and consumption are identical, but that they all form the members of a totality, distinctions within a unity. Production predominates not only over itself, in the antithetical definition of production, but over the other moments as well. The process always returns to production to begin anew. That exchange and consumption cannot be predominant is self-evident. Likewise, distribution as distribution of products; while as distribution of the agents of production it is itself a moment of production. A definite production thus determines a definite consumption, distribution and exchange as well as *definite relations between these different moments*. Admittedly, however, *in its one-sided form*, production is itself determined by the other moments. For example if the market, i.e. the sphere of exchange, expands, then production grows in quantity and the divisions between its different branches become deeper. A change in distribution changes production, e.g. concentration of capital, different distribution of the population between town and country, etc. Finally, the needs of consumption determine production. Mutual interaction takes place between the different moments. This the case with every organic whole.

(3) THE METHOD OF POLITICAL ECONOMY

When we consider a given country politico-economically, we begin with its population, its distribution among classes, town, country, the coast, the different branches of production, export and

import, annual production and consumption, commodity prices etc.

It seems to be correct to begin with the real and the concrete, with the real precondition, thus to begin, in economics, with e.g. the population, which is the foundation and the subject of the entire social act of production. However, on closer examination this proves false. The population is an abstraction if I leave out, for example, the classes of which it is composed. These classes in turn are an empty phrase if I am not familiar with the elements on which they rest. E.g. wage labour, capital, etc. These latter in turn presuppose exchange, division of labour, prices, etc. For example, capital is nothing without wage labour, without value, money, price etc. Thus, if I were to begin with the population, this would be a chaotic conception [*Vorstellung*] of the whole, and I would then, by means of further determination, move analytically towards ever more simple concepts [*Begriff*], from the imagined concrete towards ever thinner abstractions until I had arrived at the simplest determinations. From there the journey would have to be retraced until I had finally arrived at the population again, but this time not as the chaotic conception of a whole, but as a rich totality of many determinations and relations. The former is the path historically followed by economics at the time of its origins. The economists of the seventeenth century, e.g., always begin with the living whole, with population, nation, state, several states, etc.; but they always conclude by discovering through analysis a small number of determinant, abstract, general relations such as division of labour, money, value, etc. As soon as these individual moments had been more or less firmly established and abstracted, there began the economic systems, which ascended from the simple relations, such as labour, division of labour, need, exchange value, to the level of the state, exchange between nations and the world market. The latter is obviously the scientifically correct method. The concrete is concrete because it is the concentration of many determinations, hence unity of the diverse. It appears in the process of thinking, therefore, as a process of concentration, as a result, not as a point of departure, even though it is the point of departure in reality and hence also the point of departure for observation [*Anschauung*] and conception. Along the first path the full conception was evaporated to yield an abstract determination; along the second, the abstract determinations lead towards a reproduction of the concrete by way of thought. In this way Hegel fell into the illusion of conceiving the real as the product of thought concentrating itself, probing its own depths, and unfolding itself out of itself, by itself, whereas the method of rising from the abstract to the concrete is only the way in which thought appropriates the concrete, reproduces it as the concrete in the mind. But this is by no means the process by which

the concrete itself comes into being. For example, the simplest economic category, say e.g. exchange value, presupposes population, moreover a population producing in specific relations; as well as a certain kind of family, or commune, or state, etc. It can never exist other than as an abstract, one-sided relation within an already given, concrete, living whole. As a category, by contrast, exchange value leads an antediluvian existence. Therefore, to the kind of consciousness—and this is characteristic of the philosophical consciousness—for which conceptual thinking is the real human being, and for which the conceptual world as such is thus the only reality, the movement of the categories appears as the real act of production—which only, unfortunately, receives a jolt from the outside—whose product is the world; and—but this is again a tautology—this is correct in so far as the concrete totality is a totality of thoughts, concrete in thought, in fact a product of thinking and comprehending; but not in any way a product of the concept which thinks and generates itself outside or above observation and conception; a product, rather, of the working-up of observation and conception into concepts. The totality as it appears in the head, as a totality of thoughts, is a product of a thinking head, which appropriates the world in the only way it can, a way different from the artistic, religious, practical and mental appropriation of this world. The real subject retains its autonomous existence outside the head just as before; namely as long as the head's conduct is merely speculative, merely theoretical. Hence, in the theoretical method, too, the subject, society, must always be kept in mind as the presupposition.

But do not these simpler categories also have an independent historical or natural existence predating the more concrete ones? That depends. Hegel, for example, correctly begins the *Philosophy of Right* with possession, this being the subject's simplest juridical relation. But there is no possession preceding the family or master-servant relations, which are far more concrete relations. However, it would be correct to say that there are families or clan groups which still merely *possess*, but have no *property*. The simple category therefore appears in relation to property as a relation of simple families or clan groups. In the higher society it appears as the simpler relation of a developed organization. But the concrete substratum of which possession is a relation is always presupposed. One can imagine an individual savage as possessing something. But in that case possession is not a juridical relation. It is incorrect that possession develops historically into the family. Possession, rather, always presupposes this "more concrete juridical category." There would still always remain this much, however, namely that the simple categories are the expressions of relations within which the less developed concrete may have already realized itself before having posited the

more many-sided connection or relation which is mentally expressed in the more concrete category; while the more developed concrete preserves the same category as a subordinate relation. Money may exist, and did exist historically, before capital existed, before banks existed, before wage labour existed, etc. Thus in this respect it may be said that the simpler category can express the dominant relations of a less developed whole, or else those subordinate relations of a more developed whole which already had a historic existence before this whole developed in the direction expressed by a more concrete category. To that extent the path of abstract thought, rising from the simple to the combined, would correspond to the real historical process.

It may be said on the other hand that there are very developed but nevertheless historically less mature forms of society, in which the highest forms of economy, e.g. cooperation, a developed division of labour, etc., are found, even though there is no kind of money, e.g. Peru. Among the Slav communities also, money and the exchange which determines it play little or no role within the individual communities, but only on their boundaries, in traffic with others; it is simply wrong to place exchange at the centre of communal society as the original, constituent element. It originally appears, rather, in the connection of the different communities with one another, not in the relations between the different members of a single community. Further, although money everywhere plays a role from very early on, it is nevertheless a predominant element, in antiquity, only within the confines of certain one-sidedly developed nations, trading nations. And even in the most advanced parts of the ancient world, among the Greeks and Romans, the full development of money, which is presupposed in modern bourgeois society, appears only in the period of their dissolution. This very simple category, then, makes a historic appearance in its full intensity only in the most developed conditions of society. By no means does it wade its way through all economic relations. For example, in the Roman Empire, at its highest point of development, the foundation remained taxes and payments in kind. The money system actually completely developed there only in the army. And it never took over the whole of labour. Thus, although the simpler category may have existed historically before the more concrete, it can achieve its full (intensive and extensive) development precisely in a combined form of society, while the more concrete category was more fully developed in a less developed form of society.

Labour seems a quite simple category. The conception of labour in this general form—as labour as such—is also immeasurably old. Nevertheless, when it is economically conceived in this simplicity, “labour” is as modern a category as are the relations which create

this simple abstraction. The Monetary System,⁷ for example, still locates wealth altogether objectively, as an external thing, in money. Compared with this standpoint, the commercial, or manufacture, system took a great step forward by locating the source of wealth not in the object but in a subjective activity—in commercial and manufacturing activity—even though it still always conceives this activity within narrow boundaries, as moneymaking. In contrast to this system, that of the Physiocrats posits a certain kind of labour—agriculture—as the creator of wealth, and the object itself no longer appears in a monetary disguise, but as the product in general, as the general result of labour. This product, as befits the narrowness of the activity, still always remains a naturally determined product—the product of agriculture, the product of the earth *par excellence*.

It was an immense step forward for Adam Smith to throw out every limiting specification of wealth-creating activity—not only manufacturing, or commercial or agricultural labour, but one as well as the others, labour in general. With the abstract universality of wealth-creating activity we now have the universality of the object defined as wealth, the product as such or again labour as such, but labour as past, objectified labour. How difficult and great was this transition may be seen from how Adam Smith himself from time to time still falls back into the Physiocratic system. Now, it might seem that all that had been achieved thereby was to discover the abstract expression for the simplest and most ancient relation in which human beings—in whatever form of society—play the role of producers. This is correct in one respect. Not in another. Indifference towards any specific kind of labour presupposes a very developed totality of real kinds of labour, of which no single one is any longer predominant. As a rule, the most general abstractions arise only in the midst of the richest possible concrete development, where one thing appears as common to many, to all. Then it ceases to be thinkable in a particular form alone. On the other side, this abstraction of labour as such is not merely the mental product of a concrete totality of labours. Indifference towards specific labours corresponds to a form of society in which individuals can with ease transfer from one labour to another, and where the specific kind is a matter of chance for them, hence of indifference. Not only the category, labour, but labour in reality has here become the means of

7. Marx considered that the Monetary System, as defined here, covered economists from the sixteenth century to the Physiocrats. However, within the Monetary System there arose what he calls here the "commercial, or manufacture system" but elsewhere the Mercantile System (known to economics textbooks

as Mercantilism). He distinguishes between the two systems later in this work, but his normal practice is to link them together, since "the Mercantile System is merely a variant of the Monetary System" (*A Contribution to the Critique of Political Economy* [London, 1971], p. 158).

creating wealth in general, and has ceased to be organically linked with particular individuals in any specific form. Such a state of affairs is at its most developed in the most modern form of existence of bourgeois society—in the United States. Here, then, for the first time, the point of departure of modern economics, namely the abstraction of the category “labour,” “labour as such,” labour pure and simple, becomes true in practice. The simplest abstraction, then, which modern economics places at the head of its discussions, and which expresses an immeasurably ancient relation valid in all forms of society, nevertheless achieves practical truth as an abstraction only as a category of the most modern society. One could say that this indifference towards particular kinds of labour, which is a historic product in the United States, appears e.g. among the Russians as a spontaneous inclination. But there is a devil of a difference between barbarians who are fit by nature to be used for anything, and civilized people who apply themselves to everything. And then in practice the Russian indifference to the specific character of labour corresponds to being embedded by tradition within a very specific kind of labour, from which only external influences can jar them loose.

This example of labour shows strikingly how even the most abstract categories, despite their validity—precisely because of their abstractness—for all epochs, are nevertheless, in the specific character of this abstraction, themselves likewise a product of historic relations, and possess their full validity only for and within these relations.

Bourgeois society is the most developed and the most complex historic organization of production. The categories which express its relations, the comprehension of its structure, thereby also allows insights into the structure and the relations of production of all the vanished social formations out of whose ruins and elements it built itself up, whose partly still unconquered remnants are carried along within it, whose mere nuances have developed explicit significance within it, etc. Human anatomy contains a key to the anatomy of the ape. The intimations of higher development among the subordinate animal species, however, can be understood only after the higher development is already known. The bourgeois economy thus supplies the key to the ancient, etc. But not at all in the manner of those economists who smudge over all historical differences and see bourgeois relations in all forms of society. One can understand tribute, tithe, etc., if one is acquainted with ground rent. But one must not identify them. Further, since bourgeois society is itself only a contradictory form of development, relations derived from earlier forms will often be found within it only in an entirely stunted form, or even travestied. For example, communal property.

Although it is true, therefore, that the categories of bourgeois economics possess a truth for all other forms of society, this is to be taken only with a grain of salt. They can contain them in a developed, or stunted, or caricatured form etc., but always with an essential difference. The so-called historical presentation of development is founded, as a rule, on the fact that the latest form regards the previous ones as steps leading up to itself, and, since it is only rarely and only under quite specific conditions able to criticize itself—leaving aside, of course, the historical periods which appear to themselves as times of decadence—it always conceives them one-sidedly. The Christian religion was able to be of assistance in reaching an objective understanding of earlier mythologies only when its own self-criticism had been accomplished to a certain degree, so to speak, *δυνάμει*.⁸ Likewise, bourgeois economics arrived at an understanding of feudal, ancient, oriental economics only after the self-criticism of bourgeois society had begun. In so far as the bourgeois economy did not mythologically identify itself altogether with the past, its critique of the previous economics, notably of feudalism, with which it was still engaged in direct struggle, resembled the critique which Christianity levelled against paganism, or also that of Protestantism against Catholicism.

In the succession of the economic categories, as in any other historical, social science, it must not be forgotten that their subject—here, modern bourgeois society—is always what is given, in the head as well as in reality, and that these categories therefore express the forms of being, the characteristics of existence, and often only individual sides of this specific society, this subject, and that therefore this society by no means begins only at the point where one can speak of it *as such*; this hold *for science as well*. This is to be kept in mind because it will shortly be decisive for the order and sequence of the categories. For example, nothing seems more natural than to begin with ground rent, with landed property, since this is bound up with the earth, the source of all production and of all being, and with the first form of production of all more or less settled societies—agriculture. But nothing would be more erroneous. In all forms of society there is one specific kind of production which predominates over the rest, whose relations thus assign rank and influence to the others. It is a general illumination which bathes all the other colours and modifies their particularity. It is a particular ether which determines the specific gravity of every being which has materialized within it. For example, with pastoral peoples (mere hunting and fishing peoples lie outside the point where real development begins). Certain forms of tillage occur among them, sporadic ones. Landed property is determined by this. It is held in

8. See p. 229, note 1.

common, and retains this form to a greater or lesser degree according to the greater or lesser degree of attachment displayed by these peoples to their tradition, e.g. the communal property of the Slavs. Among peoples with a settled agriculture—this settling already a great step—where this predominates, as in antiquity and in the feudal order, even industry, together with its organization and the forms of property corresponding to it, has a more or less landed-proprietary character: is either completely dependent on it, as among the earlier Romans, or, as in the Middle Ages, imitates, within the city and its relations, the organization of the land. In the Middle Ages, capital itself—apart from pure money-capital—in the form of the traditional artisans' tools etc., has this landed-proprietary character. In bourgeois society it is the opposite. Agriculture more and more becomes merely a branch of industry, and is entirely dominated by capital. Ground rent likewise. In all forms where landed property rules, the natural relation still predominant. In those where capital rules, the social, historically created element. Ground rent cannot be understood without capital. But capital can certainly be understood without ground rent. Capital is the all-dominating economic power of bourgeois society. It must form the starting-point as well as the finishing-point, and must be dealt with before landed property. After both have been examined in particular, their interrelation must be examined.

It would therefore be unfeasible and wrong to let the economic categories follow one another in the same sequence as that in which they were historically decisive. Their sequence is determined, rather, by their relation to one another in modern bourgeois society, which is precisely the opposite of that which seems to be their natural order or which corresponds to historical development. The point is not the historic position of the economic relations in the succession of different forms of society. Even less is it their sequence "in the idea" (Proudhon)⁹ (a muddy notion of historic movement). Rather, their order within modern bourgeois society.

The purity (abstract specificity) in which the trading peoples—Phoenicians, Carthaginians—appear in the old world is determined precisely by the predominance of the agricultural peoples. Capital, as trading-capital or as money-capital, appears in this abstraction precisely where capital is not yet the predominant element of societies. Lombards, Jews take up the same position towards the agricultural societies of the Middle Ages.

As a further example of the divergent positions which the same category can occupy in different social stages: one of the latest forms of bourgeois society, *joint-stock companies*. These also appear,

9. Pierre-Joseph Proudhon, *Système des contradictions économiques ou philosophie de la misère* (Paris, 1846), Vol. I, p. 146.

however, at its beginning, in the great, privileged monopoly trading companies.

The concept of national wealth creeps into the work of the economists of the seventeenth century—continuing partly with those of the eighteenth—in the form of the notion that wealth is created only to enrich the state, and that its power is proportionate to this wealth. This was the still unconsciously hypocritical form in which wealth and the production of wealth proclaimed themselves as the purpose of modern states, and regarded these states henceforth only as means for the production of wealth.

The order obviously has to be (1) the general, abstract determinants which obtain in more or less all forms of society, but in the above-explained sense. (2) The categories which make up the inner structure of bourgeois society and on which the fundamental classes rest. Capital, wage labour, landed property. Their interrelation. Town and country. The three great social classes. Exchange between them. Circulation. Credit system (private). (3) Concentration of bourgeois society in the form of the state. Viewed in relation to itself. The “unproductive” classes. Taxes. State debt. Public credit. The population. The colonies. Emigration. (4) The international relation of production. International division of labour. International exchange. Export and import. Rate of exchange. (5) The world market and crises.

(4) PRODUCTION. MEANS OF PRODUCTION AND RELATIONS OF PRODUCTION. RELATIONS OF PRODUCTION AND RELATIONS OF CIRCULATION. FORMS OF THE STATE AND FORMS OF CONSCIOUSNESS IN RELATION TO RELATIONS OF PRODUCTION AND CIRCULATION. LEGAL RELATIONS. FAMILY RELATIONS.

Notabene in regard to points to be mentioned here and not to be forgotten:

(1) *War* developed earlier than peace; the way in which certain economic relations such as wage labour, machinery etc. develop earlier, owing to war and in the armies etc., than in the interior of bourgeois society. The relation of productive force and relations of exchange also especially vivid in the army.

(2) *Relation of previous ideal historiography to the real. Namely of the so-called cultural histories, which are only histories of religions and of state. (On that occasion something can also be said about the various kinds of previous historiography. The so-called objective. Subjective (moral among others). The philosophical.)*

(3) *Secondary and tertiary matters; in general, derivative, inher-*

29): "For society, the difference between capital and product does not exist. This difference is entirely *subjective*, and related to individuals."¹ Thus he calls subjective precisely what is social; and he calls society a subjective abstraction. The difference between product and capital is exactly this, that the product expresses, as capital, a particular relation belonging to a historic form of society. This so-called contemplation from the standpoint of society means nothing more than the overlooking of the *differences* which express the *social relation* (relation of bourgeois society). Society does not consist of individuals, but expresses the sum of interrelations, the relations within which these individuals stand. As if someone were to say: Seen from the perspective of society, there are no slaves and no citizens: both are human beings. Rather, they are that outside society. To be a slave, to be a citizen, are social characteristics, relations between human beings A and B. Human being A, as such, is not a slave. He is a slave in and through society. What Mr Proudhon here says about capital and product means, for him, that from the viewpoint of society there is no difference between capitalists and workers; a difference which exists precisely only from the standpoint of society.)

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C. The Dynamics of Capitalism

Surplus value. Surplus labour time.—Bastiat on wages. Value of labour. How determined?—Self-realization is self-preservation of capital. Capitalist may not live merely from his labour etc. Conditions for the self-realization of capital. Surplus labour time etc.—To the extent that capital is productive (as creator of surplus labour etc.), this only historic-transitory.—The free blacks in Jamaica.—Wealth which has gained autonomy requires slave labour or wage labour (forced labour in both cases).

* * *

What the worker exchanges with capital is his labour itself (the capacity of disposing over it); he *divests himself of it* [*entäussert sie*]. What he obtains as price is the *value* of this divestiture [*Entäusserung*]. He exchanges value-positing activity for a pre-determined value, regardless of the result of his activity. Now how is its value determined? By the objectified labour contained in his commodity. This commodity exists in his vitality. In order to maintain this from one day to the next—we are not yet dealing with the working class, i.e. the replacement for wear and tear so that it can maintain itself as a class, since the worker here confronts capital as a worker, i.e. as a presupposed perennial subject [*Subjekt*], and

1. Bastiat et Proudhon, *Gratuité du crédit* (Paris, 1850), p. 250.

not yet as a mortal individual of the working species—he has to consume a certain quantity of food, to replace his used-up blood etc. He receives no more than an equivalent. Thus tomorrow, after the completed exchange—and only after he has formally completed the exchange does he execute it in the process of production—his labouring capacity exists in the same mode as before: he has received an exact equivalent, because the price which he has obtained leaves him in possession of the same exchange value he had before. Capital has paid him the amount of objectified labour contained in his vital forces. Capital has consumed it, and because it did not exist as a thing, but as the capacity of a living being, the worker can, owing to the *specific* nature of his commodity—the specific nature of the life process—resume the exchange anew. Since we are dealing here not with any *particularly* qualified labour but with labour in general, simple labour, we are here not yet concerned with the fact that there is more labour objectified in his immediate existence than is contained in his mere vitality—i.e. the labour time necessary to pay for the products necessary to maintain his vitality—namely the values he has consumed in order to produce a specific *labouring capacity*, a special *skill*—and the value of these shows itself in the costs necessary to produce a similar labouring skill.

If one day's work were necessary in order to keep one worker alive for one day, then capital would not exist, because the working day would then exchange for its own product, so that capital could not realize itself and hence could not maintain itself as capital. The self-preservation of capital is its self-realization. If capital also had to work in order to live, then it would not maintain itself as capital but as labour. Property in raw materials and instruments of labour would be merely *nominal*; economically they would belong to the worker as much as to the capitalist, since they would create *value* for the capitalist only in so far as he himself were a worker. He would relate to them therefore not as capital, but as simple material and means of labour, like the worker himself does in the production process. If, however, only half a working day is necessary in order to keep one worker alive one whole day, then the surplus value of the product is self-evident, because the capitalist has paid the price of only half a working day but has obtained a whole day objectified in the product; thus has exchanged *nothing* for the second half of the work day. The only thing which can make him into a capitalist is not exchange, but rather a process through which he obtains *objectified labour time*, i.e. *value*, without exchange. Half the working day costs capital *nothing*; it thus obtains a value for which it has given no equivalent. And the multiplication of values can take place only if a value in excess of the equivalent has been obtained, hence *created*.

Surplus value in general is value in excess of the equivalent. The equivalent, by definition, is only the identity of value with itself. Hence surplus value can never sprout out of the equivalent; nor can it do so originally out of circulation; it has to arise from the production process of capital itself. The matter can also be expressed in this way: if the worker needs only half a working day in order to live a whole day, then, in order to keep alive as a worker, he needs to work only half a day. The second half of the labour day is forced labour; surplus-labour. What appears as surplus value on capital's side appears identically on the worker's side as surplus labour in excess of his requirements as worker, hence in excess of his immediate requirements for keeping himself alive. The great historic quality of capital is to *create this surplus labour*, superfluous labour from the standpoint of mere use value, mere subsistence; and its historic destiny [*Bestimmung*] is fulfilled as soon as, on one side, there has been such a development of needs that surplus labour above and beyond necessity has itself become a general need arising out of individual needs themselves—and, on the other side, when the severe discipline of capital, acting on succeeding generations [*Geschlechter*], has developed general industriousness as the general property of the new species [*Geschlecht*—and, finally, when the development of the productive powers of labour, which capital incessantly whips onward with its unlimited mania for wealth, and of the sole conditions in which this mania can be realized, have flourished to the stage where the possession and preservation of general wealth require a lesser labour time of society as a whole, and where the labouring society relates scientifically to the process of its progressive reproduction, its reproduction in a constantly greater abundance; hence where labour in which a human being does what a thing could do has ceased. Accordingly, capital and labour relate to each other here like money and commodity; the former is the general form of wealth, the other only the substance destined for immediate consumption. Capital's ceaseless striving towards the general form of wealth drives labour beyond the limits of its natural paltriness [*Naturbedürftigkeit*], and thus creates the material elements for the development of the rich individuality which is as all-sided in its production as in its consumption, and whose labour also therefore appears no longer as labour, but as the full development of activity itself, in which natural necessity in its direct form has disappeared; because a historically created need has taken the place of the natural one. This is why *capital is productive; i.e. an essential relation for the development of the social productive forces*. It ceases to exist as such only where the development of these productive forces themselves encounters its barrier in capital itself.

The Times of November 1857 contains an utterly delightful cry

of outrage on the part of a West-Indian plantation owner. This advocate analyses with great moral indignation—as a plea for the re-introduction of Negro slavery—how the *Quashees* (the free blacks of Jamaica) content themselves with producing only what is strictly necessary for their own consumption, and, alongside this “use value,” regard loafing (indulgence and idleness) as the real luxury good; how they do not care a damn for the sugar and the fixed capital invested in the plantations, but rather observe the planters’ impending bankruptcy with an ironic grin of malicious pleasure, and even exploit their acquired Christianity as an embellishment for this mood of malicious glee and indolence.² They have ceased to be slaves, but not in order to become wage labourers, but, instead, self-sustaining peasants working for their own consumption. As far as they are concerned, capital does not exist as capital, because autonomous wealth as such can exist only either on the basis of *direct* forced labour, slavery, or *indirect* forced labour, *wage labour*. Wealth confronts direct forced labour not as capital, but rather as *relation of domination* [*Herrschaftsverhältnis*]; thus, the relation of domination is the only thing which is reproduced on this basis, for which wealth itself has value only as gratification, not as wealth itself, and which can therefore never create *general industriousness*. (We shall return to this relation of slavery and wage labour.)

D. The Development of Exchange and of Capital

Original accumulation of capital. (The real accumulation).—Once developed historically, capital itself creates the conditions of its existence (not as conditions for its arising, but as results of its being).—(Performance of personal services, as opposed to wage labour).—Inversion of the law of appropriation. Real alien relation [Fremdheit] of the worker to his product. Division of labour. Machinery etc.

Once production founded on capital is presupposed—money has become transformed into capital actually only at the *end of the first production* process, which resulted in its reproduction and in the new production of surplus capital I; surplus capital I, however, is itself *posited*, realized as surplus capital, only when it has produced surplus capital II, i.e. as soon as those presuppositions of money, while it is in the process of passing over into capital, which still lie outside the movement of *real* capital have vanished, and when capi-

2. *The Times*, London, Saturday, 21 November 1857, No. 22,844, p. 9. “Negroes and the Slave Trade. To the Editor of *The Times*. By Expertus.”

Marx’s English in this sentence has been changed to conform to modern usage.

cal to the worker, as *property* of a will alien to him, then capital is necessarily at the same time the *capitalist*, and the idea held by some socialists that we need capital but not the capitalists is altogether wrong. It is posited within the concept of capital that the objective conditions of labour—and these are its own product—take on a *personality* towards it, or, what is the same, that they are posited as the property of a personality alien to the worker. The concept of capital contains the capitalist. * * *

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F. Population, Overpopulation, and Malthus

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Malthus's theory, which incidentally was not his invention, but whose fame he appropriated through the clerical fanaticism with which he propounded it—actually only through the weight he placed on it—is significant in two respects: (1) because he gives brutal expression to the brutal viewpoint of capital; (2) because he *asserted* the fact of overpopulation in all forms of society. Proved it he has not, for there is nothing more uncritical than his motley compilations from historians and travellers' descriptions. His conception is altogether false and childish (1) because he regards *overpopulation* as being of *the same kind* in all the different historic phases of economic development; does not understand their specific difference, and hence stupidly reduces these very complicated and varying relations to a single relation, two equations, in which the natural reproduction of humanity appears on the one side, and the natural reproduction of edible plants (or means of subsistence) on the other, as two natural series, the former geometric and the latter arithmetic in progression. In this way he transforms the historically distinct relations into an abstract numerical relation, which he has fished purely out of thin air, and which rests neither on natural nor on historical laws. There is allegedly a natural difference between the reproduction of mankind and e.g. grain. This baboon thereby implies that the *increase of humanity* is a purely natural process, which requires *external restraints, checks*, to prevent it from proceeding in geometrical progression. This *geometrical reproduction* is the natural reproduction process of mankind. He would find in history that population proceeds in very different relations, and that overpopulation is likewise a historically determined relation, in no way determined by abstract numbers or by the absolute limit of the productivity of the necessities of life, but by limits posited rather by *specific conditions of production*. As well as restricted numerically. How small do the numbers which meant overpopulation for the Athenians appear to us! Secondly, restricted according to character. An overpopulation of

free Athenians who become transformed into colonists is significantly different from an overpopulation of workers who become transformed into workhouse inmates. Similarly the begging overpopulation which consumes the surplus produce of a monastery is different from that which forms in a factory. It is Malthus who abstracts from these specific historic laws of the movement of population, which are indeed the history of the nature of humanity, the *natural* laws, but natural laws of humanity only at a specific historic development, with a development of the forces of production determined by humanity's own process of history. Malthusian man, abstracted from historically determined man, exists only in his brain; hence also the geometric method of reproduction corresponding to this natural Malthusian man. Real history thus appears to him in such a way that the reproduction of his natural humanity is not an abstraction from the historic process of real reproduction, but just the contrary, that real reproduction is an application of the Malthusian theory. Hence the inherent conditions of population as well as of overpopulation at every stage of history appear to him as a series of *external checks* which has *prevented* the population from developing in the Malthusian form. The conditions in which mankind historically produces and reproduces itself appear as *barriers* to the reproduction of the Malthusian natural man, who is a Malthusian creature. On the other hand, the production of the necessities of life—as it is checked, determined by human action—appears as a *check* which it posits to itself. The ferns would cover the entire earth. Their reproduction would stop only where space for them ceased. They would obey no arithmetic proportion. It is hard to say where Malthus has discovered that the reproduction of voluntary natural products would stop for intrinsic reasons, without *external checks*. He transforms the immanent, historically changing limits of the human reproduction process into *outer barriers*; and the *outer barriers* to natural reproduction into *immanent limits* or *natural laws* of reproduction.

(2) He stupidly relates a specific quantity of people to a specific quantity of necessities.⁷ Ricardo immediately and correctly confronted him with the fact that the quantity of grain available is completely irrelevant to the worker if he has no *employment*; that it is therefore the means of employment and not of subsistence which put him into the category of surplus population.⁸ But this should be conceived more generally, and relates to the *social mediation* as such, through which the individual gains access to the means of his reproduction and creates them; hence it relates to the *conditions of production* and his relation to them. There was no barrier to the reproduction of the Athenian slave other than the producible neces-

7. T. R. Malthus, *An Inquiry into the Nature and Progress of Rent*, London, 1815, p. 7.

8. Ricardo, *On the Principles of Political Economy*, p. 493.

saries. And we never hear that there were *surplus slaves* in antiquity. The call for them increased, rather. There was, however, a surplus population of non-workers (in the immediate sense), who were not too many in relation to the necessities available, but who had lost the conditions under which they could appropriate them. The invention of surplus labourers, i.e. of propertyless people who work, belongs to the period of capital. The beggars who fastened themselves to the monasteries and helped them eat up their surplus product are in the same class as the feudal retainers, and this shows that the surplus produce could not be eaten up by the small number of its owners. It is only another form of the retainers of old, or of the menial servants of today. The overpopulation e.g. among hunting peoples, which shows itself in the warfare between the tribes, proves not that the earth could not support their small numbers, but rather that the condition of their reproduction required a great amount of territory for few people. Never a relation to a *non-existent* absolute mass of means of subsistence, but rather relation to the conditions of reproduction, of the production of these means, including likewise the *conditions of reproduction of human beings*, of the total population, of relative surplus population. This surplus purely relative: in no way related to the *means of subsistence* as such, but rather to the mode of producing them. Hence also only a *surplus* at this state of development.

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G. Capitalism, Machinery and Automation

The labour process.—Fixed capital. Means of labour. Machine.—Fixed capital. Transposition of powers of labour into powers of capital both in fixed and in circulating capital.—To what extent fixed capital (machine) creates value.—Lauderdale. Machine presupposes a mass of workers.

* * *

As long as the means of labour remains a means of labour in the proper sense of the term, such as it is directly, historically, adopted by capital and included in its realization process, it undergoes a merely formal modification, by appearing now as a means of labour not only in regard to its material side, but also at the same time as a particular mode of the presence of capital, determined by its total process—as *fixed capital*. But, once adopted into the production process of capital, the means of labour passes through different metamorphoses, whose culmination is the *machine*, or rather, an *automatic system of machinery* (system of machinery: the *automatic* one is merely its most complete, most adequate form, and alone transforms machinery into a system), set in motion by an

automaton, a moving power that moves itself; this automaton consisting of numerous mechanical and intellectual organs, so that the workers themselves are cast merely as its conscious linkages. In the machine, and even more in machinery as an automatic system, the use value, i.e. the material quality of the means of labour, is transformed into an existence adequate to fixed capital and to capital as such; and the form in which it was adopted into the production process of capital, the direct means of labour, is superseded by a form posited by capital itself and corresponding to it. In no way does the machine appear as the individual worker's means of labour. Its distinguishing characteristic is not in the least, as with the means of labour, to transmit the worker's activity to the object; this activity, rather, is posited in such a way that it merely transmits the machine's work, the machine's action, on to the raw material—supervises it and guards against interruptions. Not as with the instrument, which the worker animates and makes into his organ with his skill and strength, and whose handling therefore depends on his virtuosity. Rather, it is the machine which possesses skill and strength in place of the worker, is itself the virtuoso, with a soul of its own in the mechanical laws acting through it; and it consumes coal, oil etc. (*matières instrumentales*), just as the worker consumes food, to keep up its perpetual motion. The worker's activity, reduced to a mere abstraction of activity, is determined and regulated on all sides by the movement of the machinery, and not the opposite. The science which compels the inanimate limbs of the machinery, by their construction, to act purposefully, as an automaton, does not exist in the worker's consciousness, but rather acts upon him through the machine as an alien power, as the power of the machine itself. The appropriation of living labour by objectified labour—of the power or activity which creates value by value existing for-itself—which lies in the concept of capital, is posited, in production resting on machinery, as the character of the production process itself, including its material elements and its material motion. The production process has ceased to be a labour process in the sense of a process dominated by labour as its governing unity. Labour appears, rather, merely as a conscious organ, scattered among the individual living workers at numerous points of the mechanical system; subsumed under the total process of the machinery itself, as itself only a link of the system, whose unity exists not in the living workers, but rather in the living (active) machinery, which confronts his individual, insignificant doings as a mighty organism. In machinery, objectified labour confronts living labour within the labour process itself as the power which rules it; a power which, as the appropriation of living labour, is the form of capital. The transformation of the means of labour into machinery, and of living labour into a mere living accessory of this machinery, as the means of its action, also

posits the absorption of the labour process in its material character as a mere moment of the realization process of capital. The increase of the productive force of labour and the greatest possible negation of necessary labour is the necessary tendency of capital, as we have seen. The transformation of the means of labour into machinery is the realization of this tendency. In machinery, objectified labour materially confronts living labour as a ruling power and as an active subsumption of the latter under itself, not only by appropriating it, but in the real production process itself; the relation of capital as value which appropriates value-creating activity is, in fixed capital existing as machinery, posited at the same time as the relation of the use value of capital to the use value of labour capacity; further, the value objectified in machinery appears as a presupposition against which the value-creating power of the individual labour capacity is an infinitesimal, vanishing magnitude; the production in enormous mass quantities which is posited with machinery destroys every connection of the product with the direct need of the producer, and hence with direct use value; it is already posited in the form of the product's production and in the relations in which it is produced that it is produced only as a conveyor of value, and its use value only as condition to that end. In machinery, objectified labour itself appears not only in the form of product or of the product employed as means of labour, but in the form of the force of production itself. The development of the means of labour into machinery is not an accidental moment of capital, but is rather the historical reshaping of the traditional, inherited means of labour into a form adequate to capital. The accumulation of knowledge and of skill, of the general productive forces of the social brain, is thus absorbed into capital, as opposed to labour, and hence appears as an attribute of capital, and more specifically of *fixed capital*, in so far as it enters into the production process as a means of production proper. *Machinery* appears, then, as the most adequate form of *fixed capital*, and fixed capital, in so far as capital's relations with itself are concerned, appears as *the most adequate form of capital* as such. In another respect, however, in so far as fixed capital is condemned to an existence within the confines of a specific use value, it does not correspond to the concept of capital, which, as value, is indifferent to every specific form of use value, and can adopt or shed any of them as equivalent incarnations. In this respect, as regards capital's external relations, it is *circulating capital* which appears as the adequate form of capital, and not fixed capital.

Further, in so far as machinery develops with the accumulation of society's science, of productive force generally, general social labour presents itself not in labour but in capital. The productive force of society is measured in *fixed capital*, exists there in its objective form; and, inversely, the productive force of capital grows with this general progress, which capital appropriates free of charge. This

is not the place to go into the development of machinery in detail; rather only in its general aspect; in so far as the *means of labour*, as a physical thing, loses its direct form, becomes *fixed capital*, and confronts the worker physically as *capital*. In machinery, knowledge appears as alien, external to him; and living labour [as] subsumed under self-activating objectified labour. The worker appears as superfluous to the extent that his action is not determined by [capital's] requirements.

The full development of capital, therefore, takes place—or capital has posited the mode of production corresponding to it—only when the means of labour has not only taken the economic form of *fixed capital*, but has also been suspended in its immediate form, and when *fixed capital* appears as a machine within the production process, opposite labour; and the entire production process appears as not subsumed under the direct skilfulness of the worker, but rather as the technological application of science. [It is,] hence, the tendency of capital to give production a scientific character; direct labour [is] reduced to a mere moment of this process. As with the transformation of value into capital, so does it appear in the further development of capital, that it presupposes a certain given historical development of the productive forces on one side—science too [is] among these productive forces—and, on the other, drives and forces them further onwards.

Thus the quantitative extent and the effectiveness (intensity) to which capital is developed as fixed capital indicate the general degree to which capital is developed as capital, as power over living labour, and to which it has conquered the production process as such. Also, in the sense that it expresses the accumulation of objectified productive forces, and likewise of objectified labour. However, while capital gives itself its adequate form as use value within the production process only in the form of machinery and other material manifestations of fixed capital, such as railways etc. (to which we shall return later), this in no way means that this use value—machinery as such—is capital, or that its existence as machinery is identical with its existence as capital; any more than gold would cease to have use value as gold if it were no longer *money*. Machinery does not lose its use value as soon as it ceases to be capital. While machinery is the most appropriate form of the use value of fixed capital, it does not at all follow that therefore subsumption under the social relation of capital is the most appropriate and ultimate social relation of production for the application of machinery.

To the degree that labour time—the mere quantity of labour—is posited by capital as the sole determinant element, to that degree does direct labour and its quantity disappear as the determinant principle of production—of the creation of use values—and is reduced both quantitatively, to a smaller proportion, and qualita-

tively, as an, of course, indispensable but subordinate moment, compared to general scientific labour, technological application of natural sciences, on one side, and to the general productive force arising from social combination [*Gliederung*] in total production on the other side—a combination which appears as a natural fruit of social labour (although it is a historic product). Capital thus works towards its own dissolution as the form dominating production.

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Fixed capital and circulating capital as two particular kinds of capital. Fixed capital and continuity of the production process.—Machinery and living labour. (*Business of inventing*)

While, up to now, fixed capital and circulating capital appeared merely as different passing aspects of capital, they have now hardened into two particular modes of its existence, and fixed capital appears separately alongside circulating capital. They are now two particular kinds of capital. In so far as a capital is examined in a particular branch of production, it appears as divided into these two portions, or splits into these two kinds of capital in certain p[ro]portions.

The division within the production process, originally between means of labour and material of labour, and finally product of labour, now appears as circulating capital (the last two) and fixed capital [the first.]⁹ The split within capital as regards its merely physical aspect has now entered into its form itself, and appears as differentiating it.

From a viewpoint such as Lauderdale's etc., who would like to have capital as such, separately from labour, create *value* and hence also *surplus value* (or profit), fixed capital—namely that whose physical presence or use value is machinery—is the form which gives their superficial fallacies still the greatest semblance of validity. The answer to them, e.g. in *Labour Defended*, [is] that the road-builder may share [profits] with the road-user, but the "road" itself cannot do so.¹

Circulating capital—presupposing that it really passes through its different phases—brings about the decrease or increase, the brevity or length of circulation time, the easier or more troublesome completion of the different stages of circulation, a decrease of the surplus value which could be created in a given period of time without these interruptions—either *because the number of reproductions grows smaller*, or *because the quantity of capital continuously engaged in the production process is reduced*. In both cases this is not a reduction of the initial value, but rather a reduction of the rate of growth. From the moment, however, when fixed capital has

9. The manuscript has: ". . . now appears as circulating capital (the first two) and fixed capital."

1. Hodgskin, *Labour Defended*, p. 16.

developed to a certain extent—and this extent, as we indicated, is the measure of the development of large industry generally—hence fixed capital increases in proportion to the development of large industry's productive forces—it is itself the objectification of these productive forces, as presupposed product—from this instant on, every interruption of the production process acts as a direct reduction of capital itself, of its initial value. The value of fixed capital is reproduced only in so far as it is used up in the production process. Through disuse it loses its use value without its value passing on to the product. Hence, the greater the scale on which fixed capital develops, in the sense in which we regard it here, the more does the *continuity of the production process* or the constant flow of reproduction become an externally compelling condition for the mode of production founded on capital.

In machinery, the appropriation of living labour by capital achieves a direct reality in this respect as well: It is, firstly, the analysis and application of mechanical and chemical laws, arising directly out of science, which enables the machine to perform the same labour as that previously performed by the worker. However, the development of machinery along this path occurs only when large industry has already reached a higher stage, and all the sciences have been pressed into the service of capital; and when, secondly, the available machinery itself already provides great capabilities. Invention then becomes a business, and the application of science to direct production itself becomes a prospect which determines and solicits it. But this is not the road along which machinery, by and large, arose, and even less the road on which it progresses in detail. This road is, rather, dissection [*Analyse*]—through the division of labour, which gradually transforms the workers' operations into more and more mechanical ones, so that at a certain point a mechanism can step into their places. (*See under economy of power.*) Thus, the specific mode of working here appears directly as becoming transferred from the worker to capital in the form of the machine, and his own labour capacity devalued thereby. Hence the workers' struggle against machinery. What was the living worker's activity becomes the activity of the machine. Thus the appropriation of labour by capital confronts the worker in a coarsely sensuous form; capital absorbs labour into itself—"as though its body were by love possessed."²

Contradiction between the foundation of bourgeois production (value as measure) and its development. Machines etc.

The exchange of living labour for objectified labour—i.e. the positing of social labour in the form of the contradiction of capital and wage labour—is the ultimate development of the *value-relation* and

2. "Als häßt' es Lieb im Leibe," Goethe, *Faust*, Part 1, Act 5, Auerbach's Cellar in Leipzig.

of production resting on value. Its presupposition is—and remains—the mass of direct labour time, the quantity of labour employed, as the determinant factor in the production of wealth. But to the degree that large industry develops, the creation of real wealth comes to depend less on labour time and on the amount of labour employed than on the power of the agencies set in motion during labour time, whose “powerful effectiveness” is itself in turn out of all proportion to the direct labour time spent on their production, but depends rather on the general state of science and on the progress of technology, or the application of this science to production. (The development of this science, especially natural science, and all others with the latter, is itself in turn related to the development of material production.) Agriculture, e.g., becomes merely the application of the science of material metabolism, its regulation for the greatest advantage of the entire body of society. Real wealth manifests itself, rather—and large industry reveals this—in the monstrous disproportion between the labour time applied, and its product, as well as in the qualitative imbalance between labour, reduced to a pure abstraction, and the power of the production process it superintends. Labour no longer appears so much to be included within the production process; rather, the human being comes to relate more as watchman and regulator to the production process itself. (What holds for machinery holds likewise for the combination of human activities and the development of human intercourse.) No longer does the worker insert a modified natural thing [*Naturgegenstand*] as middle link between the object [*Objekt*] and himself; rather, he inserts the process of nature, transformed into an industrial process, as a means between himself and inorganic nature, mastering it. He steps to the side of the production process instead of being its chief actor. In this transformation, it is neither the direct human labour he himself performs, nor the time during which he works, but rather the appropriation of his own general productive power, his understanding of nature and his mastery over it by virtue of his presence as a social body—it is, in a word, the development of the social individual which appears as the great foundation-stone of production and of wealth. The theft of alien labour time, on which the present wealth is based, appears a miserable foundation in face of this new one, created by large-scale industry itself. As soon as labour in the direct form has ceased to be the great well-spring of wealth, labour time ceases and must cease to be its measure, and hence exchange value [must cease to be the measure] of use value. The *surplus labour of the mass* has ceased to be the condition for the development of general wealth, just as the *non-labour of the few*, for the development of the general powers of human head. With that, production based on exchange value breaks down, and the direct, material production

process is stripped of the form of penury and antithesis. The free development of individualities, and hence not the reduction of necessary labour time so as to posit surplus labour, but rather the general reduction of the necessary labour of society to a minimum, which then corresponds to the artistic, scientific etc. development of the individuals in the time set free, and with the means created, for all of them. Capital itself is the moving contradiction, [in] that it presses to reduce labour time to a minimum, while it posits labour time, on the other side, as sole measure and source of wealth. Hence it diminishes labour time in the necessary form so as to increase it in the superfluous form; hence posits the superfluous in growing measure as a condition—question of life or death—for the necessary. On the one side, then, it calls to life all the powers of science and of nature, as of social combination and of social intercourse, in order to make the creation of wealth independent (relatively) of the labour time employed on it. On the other side, it wants to use labour time as the measuring rod for the giant social forces thereby created, and to confine them within the limits required to maintain the already created value as value. Forces of production and social relations—two different sides of the development of the social individual—appear to capital as mere means, and are merely means for it to produce on its limited foundation. In fact, however, they are the material conditions to blow this foundation sky-high. “Truly wealthy a nation, when the working day is 6 rather than 12 hours. *Wealth* is not command over surplus labour time” (real wealth), “but rather, *disposable time* outside that needed in direct production, for every individual and the whole society.” (*The Source and Remedy etc.*, 1821, p. 6)

Nature builds no machines, no locomotives, railways, electric telegraphs, self-acting mules etc. These are products of human industry; natural material transformed into organs of the human will over nature, or of human participation in nature. They are *organs of the human brain, created by the human hand*; the power of knowledge, objectified. The development of fixed capital indicates to what degree general social knowledge has become a *direct force of production*, and to what degree, hence, the conditions of the process of social life itself have come under the control of the general intellect and been transformed in accordance with it. To what degree the powers of social production have been produced, not only in the form of knowledge, but also as immediate organs of social practice, of the real life process.

Significance of the development of fixed capital (*for the development of capital generally*). Relation between the creation of fixed capital and circulating capital. Disposable time. To create it, chief role of capital. Contradictory form of the same in capital.—Produc-

tivity of labour and production of fixed capital. (The Source and Remedy.)—*Use and consume: Economist. Durability of fixed capital*

The development of fixed capital indicates in still another respect the degree of development of wealth generally, or of capital. The aim of production oriented directly towards use value, as well as of that directly oriented towards exchange value, is the product itself, destined for consumption. The part of production which is oriented towards the production of fixed capital does not produce direct objects of individual gratification, nor direct exchange values; at least not directly realizable exchange values. Hence, only when a certain degree of productivity has already been reached—so that a part of production time is sufficient for immediate production—can an increasingly large part be applied to the production of the means of production. This requires that society be able to wait; that a large part of the wealth already created can be withdrawn both from immediate consumption and from production for immediate consumption, in order to employ this part for labour which is not immediately productive (within the material production process itself). This requires a certain level of productivity and of relative overabundance, and, more specifically, a level directly related to the transformation of circulating capital into fixed capital. As the magnitude of relative surplus labour depends on the productivity of necessary labour, so does the magnitude of labour time—living as well as objectified—employed on the production of fixed capital depend on the productivity of the labour time spent in the direct production of products. Surplus population (from this standpoint), as well as surplus production, is a condition for this. That is, the output of the time employed in direct production must be larger, relatively, than is directly required for the reproduction of the capital employed in these branches of industry. The smaller the direct fruits borne by fixed capital, the less it intervenes in the direct production process, the greater must be this relative surplus population and surplus production; thus, more to build railways, canals, aqueducts, telegraphs etc. than to build the machinery directly active in the direct production process. Hence—a subject to which we will return later—in the constant under- and over-production of modern industry—constant fluctuations and convulsions arise from the disproportion, when sometimes too little, then again too much circulating capital is transformed into fixed capital.

(The creation of a large quantity of disposable time apart from necessary labour time for society generally and each of its members (i.e. room for the development of the individuals' full productive forces, hence those of society also), this creation of not-labour time appears in the stage of capital, as of all earlier ones, as not-labour

time, free time, for a few. What capital adds is that it increases the surplus labour time of the mass by all means of art and science, because its wealth consists directly in the appropriation of surplus labour time; since *value directly its purpose*, not use value. It is thus, despite itself, instrumental in creating the means of social disposable time, in order to reduce labour time for the whole society to a diminishing minimum, and thus to free everyone's time for their own development. But its tendency always, on the one side, to create disposable time, on the other, to convert it into surplus labour. If it succeeds too well at the first, then it suffers from surplus production, and then necessary labour is interrupted, because *no surplus labour can be realized by capital*. The more this contradiction develops, the more does it become evident that the growth of the forces of production can no longer be bound up with the appropriation of alien labour, but that the mass of workers must themselves appropriate their own surplus labour. Once they have done so—and disposable time thereby ceases to have an *antithetical* existence—then, on one side, necessary labour time will be measured by the needs of the social individual, and, on the other, the development of the power of social production will grow so rapidly that, even though production is now calculated for the wealth of all, disposable time will grow for all. For real wealth is the developed productive power of all individuals. The measure of wealth is then not any longer, in any way, labour time, but rather disposable time. *Labour time as the measure of value* posits wealth itself as founded on poverty, and disposable time as existing *in and because of the antithesis to surplus labour time*; or, the positing of an individual's entire time as labour time, and his degradation therefore to mere worker, subsistence under labour. *The most developed machinery thus forces the worker to work longer than the savage does, or than he himself did with the simplest, crudest tools.* >

“If the entire labour of a country were sufficient only to raise the support of the whole population, there would be *no surplus labour*, consequently nothing that could be allowed to accumulate as capital. If in one year the people raises enough for the support of two years, one year's consumption must perish, or for one year men must cease from productive labour. But the *possessors of [the] surplus produce or capital* . . . employ people upon *something not directly and immediately productive*, e.g. in the erection of machinery. So it goes on.” (*The Source and Remedy of the National Difficulties*, p.4)

<As the basis on which large industry rests, the appropriation of alien labour time, ceases, with its development, to make up or to create wealth, so does *direct labour* as such cease to be the basis of production, since, in one respect, it is transformed more into a supervisory and regulatory activity; but then also because the prod-

uct ceases to be the product of isolated direct labour, and the *combination* of social activity appears, rather, as the producer. "As soon as the division of labour is developed, almost every piece of work done by a single individual is a part of a whole, *having no value or utility of itself. There is nothing on which the labourer can seize: this is my produce, this I will keep to myself.*" (*Labour Defended*, p. 25, 1, 2, xi.) In direct exchange, individual direct labour appears as realized in a particular product or part of the product, and its communal, social character—its character as objectification of general labour and satisfaction of the general need—as posited through exchange alone. In the production process of large-scale industry, by contrast, just as the conquest of the forces of nature by the social intellect is the precondition of the productive power of the means of labour as developed into the automatic process, on one side, so, on the other, is *the labour of the individual in its direct presence posited as suspended individual, i.e. as social, labour. Thus the other basis of this mode of production falls away.*>

The labour time employed in the production of fixed capital relates to that employed in the production of circulating capital, within the production process of capital itself, as does *surplus labour time to necessary labour time*. To the degree that production aimed at the satisfaction of immediate need becomes more productive, a greater part of production can be directed towards the need of production itself, or the production of means of production. In so far as the production of *fixed capital*, even in its physical aspect, is directed immediately not towards the production of direct use values, or towards the production of values required for the direct reproduction of capital—i.e. those which themselves in turn represent use value in the value-creation process—but rather towards the production of the means of value creation, that is, not towards value as an immediate object, but rather towards value creation, towards the means of realization, as an immediate object of production—the production of value posited physically in the object of production itself, as the aim of production, the objectification of productive force, the value producing power of capital—to that extent, it is in the production of *fixed capital that capital posits itself as end-in-itself* and appears active as capital, *to a higher power than it does in the production of circulating capital*. Hence, in this respect as well, the dimension already possessed by fixed capital, which its production occupies within total production, is the measuring rod of *the development* of wealth founded on the mode of production of capital.

"The number of workers depends as much on *circulating capital* as it depends on the quantity of *products of co-existing labour*, which labourers are allowed to consume." (*Labour Defended*, p. 20.)

In all the excerpts cited above from various economists fixed capital is regarded as the part of capital which is locked into the production process. "Floating capital is consumed; fixed capital is merely used in the great process of production." (*Economist*, VI, 1.) This wrong, and holds only for the part of circulating capital which is itself consumed by the fixed capital, the *matières instrumentales*. The only thing consumed "in the great process of production," if this means the immediate production process, is *fixed capital*. Consumption within the production process is, however, in fact *use, wearing-out*. Furthermore, the *greater durability of fixed capital* must not be conceived as a purely physical quality. The iron and the wood which make up the bed I sleep in, or the stones making up the house I live in, or the marble statue which decorates a palace, are just as durable as iron and wood etc. used for machinery. But *durability* is a condition for the instrument, the means of production, not only on the technical ground that metals etc. are the chief material of all machinery, but rather because the instrument is destined to play the same role constantly in repeated processes of production. Its durability as means of production is a required quality of its use value. The more often it must be replaced, the costlier it is; the larger the part of capital which would have to be spent on it uselessly. Its durability is its existence as means of production. Its duration is an increase of its productive force. With circulating capital, by contrast, in so far as it is not transformed into fixed capital, durability is in no way connected with the act of production itself and is therefore not a conceptually posited moment. The fact that among the articles thrown into the consumption fund there are some which are in turn characterized as *fixed capital* because they are consumed slowly, and can be consumed by many individuals in series, is connected with further determinations (renting rather than buying, interest etc.) with which we are not yet here concerned.

"Since the general introduction of soulless mechanism in British manufactures, people have with rare exceptions been treated as a secondary and subordinate machine, and far more attention has been given to the perfection of the raw materials of wood and metals than to those of body and spirit." (p. 31. Robert Owen: *Essays on the Formation of the Human Character*, 1840, London.)

Real saving—economy— = saving of labour time = development of productive force. Suspension of the contradiction between free time and labour time.—True conception of the process of social production.

<Real economy—saving—consists of the saving of labour time (minimum (and minimization) of production costs); but this saving identical with development of the productive force. Hence in no way *abstinence from consumption*, but rather the development

of power, of capabilities of production, and hence both of the capabilities as well as the means of consumption. The capability to consume is a condition of consumption, hence its primary means, and this capability is the development of an individual potential, a force of production. The saving of labour time [is] equal to an increase of free time, i.e. time for the full development of the individual, which in turn reacts back upon the productive power of labour as itself the greatest productive power. From the standpoint of the direct production process it can be regarded as the production of *fixed capital*, this fixed capital being man himself. It goes without saying, by the way, that direct labour time itself cannot remain in the abstract antithesis to free time in which it appears from the perspective of bourgeois economy. Labour cannot become play, as Fourier would like,³ although it remains his great contribution to have expressed the suspension not of distribution, but of the mode of production itself, in a higher form, as the ultimate object. Free time—which is both idle time and time for higher activity—has naturally transformed its possessor into a different subject, and he then enters into the direct production process as this different subject. This process is then both discipline, as regards the human being in the process of becoming; and, at the same time, practice [*Ausübung*], experimental science, materially creative and objectifying science, as regards the human being who has become, in whose head exists the accumulated knowledge of society. For both, in so far as labour requires practical use of the hands and free bodily movement, as in agriculture, at the same time exercise.

As the system of bourgeois economy has developed for us only by degrees, so too its negation, which is its ultimate result. We are still concerned now with the direct production process. When we consider bourgeois society in the long view and as a whole, then the final result of the process of social production always appears as the society itself, i.e. the human being itself in its social relations. Everything that has a fixed form, such as the product etc., appears as merely a moment, a vanishing moment, in this movement. The direct production process itself here appears only as a moment. The conditions and objectifications of the process are themselves equally moments of it, and its only subjects are the individuals, but individuals in mutual relationships, which they equally reproduce and produce anew. The constant process of their own movement, in which they renew themselves even as they renew the world of wealth they create. >

3. Fourier, *Le Nouveau Monde industriel et sociétaire*, Vol. VI, pp. 242–52.

H. The End of Capitalism

* * * Beyond a certain point, the development of the powers of production becomes a barrier for capital; hence the capital relation a barrier for the development of the productive powers of labour. When it has reached this point, capital, i.e. wage labour, enters into the same relation towards the development of social wealth and of the forces of production as the guild system, serfdom, slavery, and is necessarily stripped off as a fetter. The last form of servitude assumed by human activity, that of wage labour on one side, capital on the other, is thereby cast off like a skin, and this casting-off itself is the result of the mode of production corresponding to capital; the material and mental conditions of the negation of wage labour and of capital, themselves already the negation of earlier forms of unfree social production, are themselves results of its production process. The growing incompatibility between the productive development of society and its hitherto existing relations of production expresses itself in bitter contradictions, crises, spasms. The violent destruction of capital not by relations external to it, but rather as a condition of its self-preservation, is the most striking form in which advice is given it to be gone and to give room to a higher state of social production. It is not only the growth of scientific power, but the measure in which it is already posited as fixed capital, the scope and width in which it is realized and has conquered the totality of production. It is, likewise, the development of the population etc., in short, of all moments of production; in that the productive power of labour, like the application of machinery, is related to the population; whose growth in and for itself already the presupposition as well as the result of the growth of the use values to be reproduced and hence also to be consumed. Since this decline of profit signifies the same as the decrease of immediate labour relative to the size of the objectified labour which it reproduces and newly posits, capital will attempt every means of checking the smallness of the relation of living labour to the size of the capital generally, hence also of the surplus value, if expressed as profit, relative to the presupposed capital, by reducing the allotment made to necessary labour and by still more expanding the quantity of surplus labour with regard to the whole labour employed. Hence the highest development of productive power together with the greatest expansion of existing wealth will coincide with depreciation of capital, degradation of the labourer, and a most straitened exhaustion of his vital powers. These contradictions lead to explosions, cataclysms, crises, in which by momentaneous suspension of labour and annihilation of a great portion of capital the latter is violently reduced to the point where it can go on. These contradictions, of course, lead to explosions,

crises, in which momentary suspension of all labour and annihilation of a great part of the capital violently lead it back to the point where it is enabled [to go on] fully employing its productive powers without committing suicide.⁴ Yet, these regularly recurring catastrophes lead to their repetition on a higher scale, and finally to its violent overthrow. * * *

I. Capitalism, Alienation, and Communism

Alienation of the conditions of labour with the development of capital. (Inversion). The inversion is the foundation of the capitalist mode of production, not only of its distribution.

The fact that in the development of the productive powers of labour the objective conditions of labour, objectified labour, must grow relative to living labour—this is actually a tautological statement, for what else does growing productive power of labour mean than that less immediate labour is required to create a greater product, and that therefore social wealth expresses itself more and more in the conditions of labour created by labour itself?—this fact appears from the standpoint of capital not in such a way that one of the moments of social activity—objective labour—becomes the ever more powerful body of the other moment, of subjective, living labour, but rather—and this is important for wage labour—that the objective conditions of labour assume an ever more colossal independence, represented by its very extent, opposite living labour, and that social wealth confront labour in more powerful portions as an alien and dominant power. The emphasis comes to be placed not on the state of being *objectified*, but on the state of being *alienated*, dispossessed, sold [Der Ton wird gelegt nicht auf das *Vergegenständlichtsein*, sondern das *Entfremdet*, Entässert-, Veräussertsein]; on the condition that the monstrous objective power which social labour itself erected opposite itself as one of its moments belongs not to the worker, but to the personified conditions of production, i.e. to capital. To the extent that, from the standpoint of capital and wage labour, the creation of the objective body of activity happens in antithesis to the immediate labour capacity—that this process of objectification in fact appears as a process of dispossession from the standpoint of labour or as appropriation of alien labour from the standpoint of capital—to that extent, this twisting and inversion [*Verdrehung und Verkehrung*] is a *real* [phenomenon], not a merely *supposed one* existing merely in the imagination of the workers and the capitalists. But obviously this process of inversion is a merely *historical* necessity, a necessity for the development of the forces of production solely

4. The sentence preceding this one was inserted by Marx, above the line, in *English*; thus the apparent virtual rep-

etition. (The sentence following also appears in *English* in the original.)

from a specific historic point of departure, or basis, but in no way an *absolute* necessity of production; rather, a vanishing one, and the result and the inherent purpose of this process is to suspend this basis itself, together with this form of the process. The bourgeois economists are so much cooped up within the notions belonging to a specific historic stage of social development that the necessity of the *objectification* of the powers of social labour appears to them as inseparable from the necessity of their *alienation vis-à-vis* living labour. But with the suspension of the *immediate* character of living labour, as merely *individual*, or as general merely internally or merely externally, with the positing of the activity of individuals as immediately general or *social* activity, the objective moments of production are stripped of this form of alienation; they are thereby posited as property, as the organic social body within which the individuals reproduce themselves as individuals, but as social individuals. The conditions which allow them to exist in this way in the reproduction of their life, in their productive life's process, have been posited only by the historic economic process itself; both the objective and the subjective conditions, which are only the two distinct forms of the same conditions.

The worker's propertylessness, and the ownership of living labour by objectified labour, or the appropriation of alien labour by capital—both merely expressions of the same relation from opposite poles—are fundamental conditions of the bourgeois mode of production, in no way accidents irrelevant to it. These modes of distribution are the relations of production themselves, but *sub specie distributionis*. It is therefore highly absurd when e.g. J. S. Mill says (*Principles of Political Economy*, 2nd ed., London, 1849, Vol. I, p. 240): "The laws and conditions of the production of wealth partake of the character of physical truths . . . It is not so with the distribution of wealth. That is a matter of human institutions solely." (p. 239, 240.) The "laws and conditions" of the production of wealth and the laws of the 'distribution of wealth' are the same laws under different forms, and both change, undergo the same historic process; are as such only moments of a historic process.

It requires no great penetration to grasp that, where e.g. free labour or wage labour arising out of the dissolution of bondage is the point of departure, there machines can only *arise* in antithesis to living labour, as property alien to it, and as power hostile to it; i.e. that they must confront it as capital. But it is just as easy to perceive that machines will not cease to be agencies of social production when they become e.g. property of the associated workers. In the first case, however, their distribution, i.e. that they *do not belong* to the worker, is just as much a condition of the mode of production founded on wage labour. In the second case the changed distribution would start from a *changed* foundation of production, a new foundation first created by the process of history.